

**Subject** Children & Families Budget Bill

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### Overview

This bill is the Children and Families Finance and Policy committee omnibus bill. The bill provides for Department of Human Services appropriations for fiscal years 2024 and 2025 for child care, child safety and permanency, child support, licensing, economic assistance, and homelessness. The bill also provides for Department of Education appropriations for fiscal years 2024 and 2025 for early childhood programs.

### Article 1: Child Care

This article makes changes to the child care assistance program (CCAP), including expanding the definition of “family” for purposes of CCAP eligibility, making changes to the basic sliding fee (BSF) program waiting list, centralizing CCAP registration functions within the Department of Human Services (DHS), and changing how legal, nonlicensed (LNL) child care providers interact with CCAP. It also extends currently available financial supports for child care providers and establishes new forms of support.

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- 1 Applicant.**  
Amends § 119B.011, subd. 2. Changes the definition of “child care fund applicants” to include foster care families, relative custodians, and successor custodians or guardians receiving Northstar kinship assistance. The section is effective August 25, 2024.
- 2 Child care.**  
Amends § 119B.011, subd. 5. Changes the definition of “child care” to include care provided by foster care families, relative custodians, and successor custodians or guardians receiving Northstar kinship assistance. This section is effective August 25, 2024.
- 3 Family.**  
Amends § 119B.011, subd. 13. Changes the definition of “family” to include care provided by foster care families, relative custodians, and successor custodians or guardians receiving Northstar kinship assistance. This section is effective August 25, 2024.
- 4 Registration.**  
Amends § 119B.011, subd. 19a. Changes the definition of “registration” for purposes of CCAP to provide that the registration process is commissioner-administered rather than county-administered. Directs the commissioner to create a statewide registration process for CCAP by April 28, 2025.
- 5 Funding priorities.**  
Amends § 119B.03, subd. 4a. Makes permanent the temporary changes the 2021 legislature made to the BSF assistance waiting list, which include shifting transition year extension families—those that are receiving MFIP assistance while they are on the waiting list for BSF assistance—from the second priority group to the last priority group and establishing a new priority group for eligible families who are not in any other priority groups.
- 6 Eligible participants.**  
Amends § 119B.05, subd. 1. Allows MFIP child-only families to receive MFIP child care assistance for up to 20 hours per week for children ages six and under, as recommended by a parent’s treating mental health professional, if the primary caregiver has a mental illness diagnosis.

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- 7      **Authorization.**  
Amends § 119B.125, subd. 1. Provides that the commissioner, and not a county agency, must authorize child care providers to receive CCAP payments. Strikes CCAP reauthorization requirements for LNL providers from the subdivision.
- 8      **Background study required.**  
Amends § 119B.125, subd. 1a. Specifies background study requirements for LNL providers and provides that the commissioner, not a county agency, is required to perform background studies on LNL providers. This section is effective April 28, 2025.
- 9      **Training required.**  
Amends § 119B.125, subd. 1b. Provides that an LNL provider must submit training verification and documentation to the commissioner rather than to a county agency. Deletes obsolete language. This section is effective April 28, 2025.
- 10     **Persons who cannot be authorized.**  
Amends § 119B.125, subd. 2. Requires child care providers to submit required background study information to the commissioner rather than to a county agency. Modifies the circumstances under which an LNL provider cannot be authorized to receive CCAP payments. This section is effective April 28, 2025.
- 11     **Authorization exception.**  
Amends § 119B.125, subd. 3. Provides that the commissioner, rather than a county agency, administers authorization of LNL providers to receive CCAP payments. This section is effective April 28, 2025.
- 12     **Unsafe care.**  
Amends § 119B.125, subd. 4. Provides that the commissioner, rather than a county agency, may deny or rescind a provider's authorization to receive CCAP payments when a county or the commissioner determines a provider's care is unsafe for a child. Directs the commissioner to introduce statewide criteria for unsafe care. This section is effective April 28, 2025.
- 13     **Record-keeping requirement.**  
Amends § 119B.125, subd. 6. Modifies the actions a county agency or the commissioner may take when there is reason to believe that a child care provider has not complied with CCAP record-keeping requirements. This section is effective April 28, 2025.

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- 14      **Failure to comply with attendance record requirements.**  
Amends § 119B.125, subd. 7. Provides that either the commissioner or a county agency may periodically audit child care providers to determine compliance with attendance record-keeping requirements. This section is effective April 28, 2025.
- 15      **Subsidy restrictions.**  
Amends § 119B.13, subd. 1. Increases maximum CCAP rates paid to child care providers and the maximum registration fee paid under the program to the 75th percentile of the most recent child care provider rate survey, beginning October 30, 2023.
- 16      **Rates charged to publicly subsidized families.**  
Amends § 119B.13, subdivision 4. Clarifies that child care providers receiving CCAP payments are not prohibited from providing discounts, scholarships, or other financial assistance to any clients.
- 17      **Provider payments.**  
Amends § 119B.13, subd. 6. Makes conforming changes related to the commissioner, rather than county agencies, administering CCAP authorization for child care providers. This section is effective April 28, 2025.
- 18      **Fair hearing allowed for providers.**  
Amends § 119B.16, subdivision 1a. Adds a cross-reference.
- 19      **Notice to providers.**  
Amends § 119B.16, subd. 1c. Makes technical changes related to the department's or a county agency's notification to a provider regarding action taken against the provider. This section is effective April 28, 2025.
- 20      **Fair hearing stayed.**  
Amends § 119B.16, subd. 3. Makes conforming changes related to the commissioner, rather than a county agency, administering CCAP authorization for child care providers. This section is effective April 28, 2025.
- 21      **Notice.**  
Amends § 119B.161, subd. 2. Provides that the commissioner, and not a county agency, must mail written notice to a child care provider regarding the right to an administrative review under specified circumstances. This section is effective April 28, 2025.

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**22 Duration.**

Amends § 119B.161, subd. 3. Provides that the commissioner, and not a county agency, has a role in determining whether to pursue specified action against a provider. This section is effective April 28, 2025.

**23 Reconsideration of correction orders.**

Creates § 119B.162. Allows a child care provider to ask DHS to reconsider the contents of a correction order that the provider alleges to be in error. Provides that the request for reconsideration does not stay any provisions or requirements of the correction order and makes the commissioner's decision on a request for reconsideration final and not subject to appeal under chapter 14.

**24 Child care resource and referral programs.**

Amends § 119B.19, subd. 7. Directs child care resource and referral programs to administer the child care one-stop regional assistance network for child care providers.

**25 Family, friend, and neighbor grant program.**

Creates § 119B.196.

**Subd. 1. Establishment.** Directs the commissioner to establish a family, friend, and neighbor (FFN) grant program.

**Subd. 2. Grant awards.** Provides that grants may be awarded to the following entities that work with FFN caregivers: community-based organizations, nonprofit organizations, local or regional libraries, local public health agencies, and Indian Tribes and Tribal organizations. Identifies the activities for which the grant money may be used.

**Subd. 3. Administration.** Provides that applicants must apply for the grants using the forms and according to timelines established by the commissioner.

**Subd. 4. Reporting requirements.** Requires grantees to provide data and program outcomes to the commissioner for the purposes of evaluating the grant program and directs the commissioner to report to the legislature on program outcomes every two years beginning February 1, 2024.

**26 Great start compensation support payments.**

Creates § 119B.27.

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**Subd. 1. Establishment.** Directs the commissioner to establish a great start compensation support program to provide payments to eligible child care programs.

**Subd. 2. Eligible programs.** Identifies the following programs as eligible for payments: licensed family and group family child care providers; licensed child care centers; certified, license-exempt child care centers; Tribally licensed programs; and other programs determined by the commissioner. Provides that programs are not eligible if they are the subject of a finding of fraud; the subject of suspended, denied, or terminated payment; prohibited from receiving public funds; or under license revocation, suspension, temporary immediate suspension, or decertification.

**Subd. 3. Requirements.** Identifies the requirements with which eligible programs receiving payments under this section must comply.

**Subd. 4. Payments.** Directs the commissioner to provide payments under this section to all eligible programs on a noncompetitive basis and provides that the payment amounts are based on the number of full-time equivalent staff who regularly care for children in the program. Defines full-time equivalent staff as an individual caring for children 32 hours per week.

Provides that payments must be increased by 25 percent for providers who accept child care assistance or early learning scholarships or are in “child care access equity areas,” which are areas with low access to child care, high poverty rates, high unemployment rates, low home-ownership rates, and low median household incomes. Directs the commissioner to develop a method for establishing child care access equity areas.

**Subd. 5. Eligible uses of money.** Describes how eligible programs may use the support payments.

**Subd. 6. Report.** Requires the commissioner to report to the legislature on the support payment program by January 1 of each year and makes the reporting requirement expire on January 31, 2033.

**Subd. 7. Carryforward authority.** Provides that money appropriated for this section is available until expended.

27 **Shared services grants.**

Creates § 119B.28. Establishes a grant program to provide money to organizations to operate shared services alliances for family child care providers. Defines “shared

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- services alliances” as networks of licensed family child care providers that share services to reduce costs and achieve efficiencies.
- 28 **Child care provider access to technology grants.**  
Creates § 119B.29. Directs the commissioner to award grants to one or more organizations to offer grants or other supports to child care providers for technology intended to improve the providers’ business practices.
- 29 **Licensed programs; other child care programs.**  
Amends § 245C.04, subd. 1. Specifies background study requirements for LNL providers at reauthorization or when a new study is needed for CCAP. This section is effective April 28, 2025.
- 30 **Electronic transmission.**  
Amends § 245C.05, subd. 4. Deletes a reference to LNL providers for purposes of the department submitting background study results to county agencies. This section is effective April 28, 2025.
- 31 **Notice to county agency.**  
Amends § 245C.17, subd. 6. Deletes a reference to LNL providers for purposes of the department providing a notice of background study results to county agencies. This section is effective April 28, 2025.
- 32 **Commissioner’s notice of disqualification that is not set aside.**  
Amends § 245C.23, subd. 2. Deletes a reference to LNL providers for purposes of the department notifying a county agency about the results of a reconsidered background study. This section is effective April 28, 2025.
- 33 **Appeal of department action.**  
Amends § 245E.06, subd. 3. Adds a cross-reference.
- 34 **Administrative disqualification of child care providers caring for children receiving child care assistance.**  
Amends § 256.046, subd. 3. Provides that the department, and not a local agency, can pursue an administrative disqualification of a child care provider receiving CCAP payments. This section is effective April 28, 2025.
- 35 **Child care providers; financial misconduct.**  
Amends § 256.983, subd. 5. Provides that a county or Tribal agency may recommend that the commissioner take specified actions rather than the county or Tribal agency taking the actions. This section is effective April 28, 2025.

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- 36 **Direction to commissioner; transition child care stabilization grants.**  
Extends the child care stabilization grants to eligible programs through no later than December 31, 2023. Under current law, the grants expire June 30, 2023.
- 37 **Direction to commissioner; increase for maximum child care assistance rates.**  
Directs the commissioner to allocate additional basic sliding fee money for calendar year 2024 to counties for updated maximum CCAP rates. Specifies factors the commissioner must consider when allocating the money among counties.
- 38 **Direction to commissioner; allocating basic sliding fee funds.**  
Directs the commissioner to allocate additional basic sliding fee money for calendar year 2025 to counties and Tribes to account for the change in the definition of “family” for purposes of the program. Specifies factors the commissioner must consider when allocating the money among counties and Tribes.
- 39 **Repealer.**  
Repeals § 119B.03, subdivision 4 (funding priorities for the basic sliding fee program), effective July 1, 2023, and repeals § 245C.11, subdivision 3 (criminal history data for legal, nonlicensed child care providers), effective April 28, 2025.

## **Article 2: Child Safety and Permanency**

This article contains provisions related to foster youth assistance grants and programs, child welfare allocations to Tribes, prevention services, child safety and permanency policy, kinship assistance, family community resource centers, and foster care federal cash assistance benefits preservation. It also adds sex trafficking to various statutes relating to child protection and maltreatment reporting, makes clarifying changes, and adds a noncaregiver sex trafficking assessment to the possible local welfare agency responses to a report of child maltreatment alleging sex trafficking by someone who is not a child’s caregiver.

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- 1 **Support beyond 21 grant program.**  
Proposes coding for § 256.4792. Establishes grants for one or more community-based organizations to provide services and financial support to youth eligible for the support beyond 21 program under section 260C.451.
- Requires the grantee to distribute funds to eligible youth, for basic well-being needs and housing, determined only by the recipient youth, monthly for one year. Requires



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the grantee to provide a stipend for youth who have completed the program to complete an exit survey.

Requires the grantee to report to the commissioner each quarter, to receive quarterly payments.

**2 Family First Prevention Services Act support and development grant program.**

Proposes coding for § 256.4793. Requires the commissioner to establish a grant program to support prevention and early intervention services provided by community-based agencies, as part of efforts to implement and build upon Minnesota's Family First Prevention Services Act Title IV-E Prevention Services plan. Lists allowable uses of grant funds and specifies that appropriated funds must be transferred to a special revenue account.

**3 Family First Prevention Services Act kinship navigator program.**

Proposes coding for § 256.4794. Requires the commissioner to establish a grant program for kinship navigator programs under the Family First Prevention Services Act. Lists allowable uses of grant funds and specifies that appropriated funds must be transferred to a special revenue account.

**4 Approval of initial assessments, special assessments, and reassessments.**

Amends § 256N.24, subd. 12. Modifies effective dates for Northstar Care for Children rates for initial assessments (effective based on emergency foster care rate), special assessments (effective the date of finalized permanency decree or transfer), and postpermanency assessments (effective when commissioner signs amendment to Northstar adoption or kinship agreement).

**5 Family first prevention and early intervention allocation program.**

Proposes coding for § 260.014. Requires the commissioner to establish a program to allocate money to counties and Tribes for prevention and early intervention services. Specifies allowable uses for allocated money and requirements for allocation payments; prohibits money allocated under this section from supplanting any existing expenditures.

**6 Notice to Tribes of services or court proceedings involving an Indian child.**

Amends § 260.761, subd. 2, as amended by Laws 2023, ch. 16, § 16. Adds “noncaregiver sex trafficking assessment” to provision requiring local social services agency notification provided to an Indian child’s Tribe. Specifies that notification must be made within seven days of receiving information that the child may be an Indian child; makes clarifying changes.

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- 7 **Child welfare staff allocation for Tribes.**  
Proposes coding for § 260.786. Requires the commissioner to annually allocate \$80,000 to the federally recognized Tribes that have not joined the American Indian Child welfare initiative. Lists eligible Tribes, allowable uses of funds, reporting requirements, and the procedure for redistributing funds if a Tribe becomes an initiative Tribe.
- 8 **Egregious harm.**  
Amends § 260C.007, subd. 14. Amends the definition of “egregious harm” by making technical and clarifying changes and adding sex trafficking to conduct that constitutes egregious harm.
- 9 **Relative search requirements.**  
Amends § 260C.221, subd. 1. Adds cross-reference to definition of “relative.”
- 10 **Community resource centers.**  
Proposes coding for § 260C.30. Establishes community resource centers grants to provide culturally responsive, relationship-based service navigation and supports for expecting and parenting families.
- Subd. 1. Definitions.** Defines “commissioner,” “communities and families furthest from opportunity,” “community resource center,” “culturally responsive, relationship-based service navigation,” “expecting and parenting family,” and “protective factors.”
- Subd. 2. Community resource centers established.** Establishes grants for community resource centers.
- Subd. 3. Commissioner’s duties; related infrastructure.** Lists duties of the commissioner related to community resource centers grants.
- Subd. 4. Grantee duties.** Lists requirements for community resource center grantees.
- Subd. 5. Eligibility.** Lists organizations eligible to receive community resource center grants.
- Subd. 6. Community Resource Center Advisory Council; establishment and duties.** Requires the commissioner to appoint members to the Community Resource Advisory Council; specifies membership requirements and duties of the Council.

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**Subd. 7. Grantee reporting.** Requires grantees to report program data and outcomes in a manner determined by the commissioner and the Council.

**Subd. 8. Evaluation.** Requires the commissioner and the Council to develop an outcome and evaluation plan for community resource center grants.

**11 Order; retention of jurisdiction.**

Amends § 260C.317, subd. 3. Updates cross-reference.

**12 Transition planning.**

Amends § 260C.451 by adding subd. 8a. Adds subdivision requiring the responsible social service agency to develop a personalized transition plan for a youth who will be discharged from foster care at 21 years of age or older, as directed by the youth, within a certain timeframe.

Requires the agency to inform the youth of their eligibility for the support beyond 21 program, and for the plan to include the support beyond 21 program; allows the agency to share the plan, with the youth's consent, with a contracted case management services agency. Requires the agency to refer the youth to the support beyond 21 program.

**13 Support beyond 21 program.**

Amends § 260C.451 by adding subd. 8b. Adds subdivision outlining the support beyond 21 program, for youths eligible for extended foster care who are discharged at age 21. Outlines eligibility requirements; specifies that eligible youths are also eligible for the successful transition to adulthood program.

**14 Requirements for the qualified individual's assessment of the child for placement in a qualified residential treatment program.**

Amends § 260C.705. Requires the commissioner to establish a review process, developed with counties and Tribes, for a qualified individual's completed assessment of a child, to ensure that the assessment is independent, objective, and recommends the least restrictive setting for the child's needs.

**15 Out-of-home placement plan for qualified residential treatment program placements.**

Amends § 260C.708. Adds paragraph requiring the agency to provide aftercare services for six months following a child's discharge from a qualified residential treatment program. Specifies what aftercare services may include.

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- 16     **Office of the Foster Youth Ombudsperson.**  
Amends § 260.80, subd. 1. Deletes language stating that the Ombudsperson serves at the pleasure of the governor; specifies that the Ombudsperson may only be removed for just cause.
- 17     **Policy.**  
Amends § 260E.01. Modifies child protection policy statement by adding clause on the provision of protective, family support, and family preservation services and removing paragraph (b), which outlines additional policy statements.
- 18     **Establishment of team.**  
Amends § 260E.02, subd. 1. Adds representatives of agencies providing specialized services or responding to youth who experience or are at risk of experiencing sex trafficking or sexual exploitation, to the multidisciplinary child protection team.
- 19     **Noncaregiver sex trafficker.**  
Amends § 260E.03 by adding subd. 15a. Defines “noncaregiver sex trafficker.”  
  
Makes this section effective July 1, 2024.
- 20     **Noncaregiver sex trafficking assessment.**  
Amends § 260E.03 by adding subd. 15b. Defines “noncaregiver sex trafficking assessment,” and specifies when the local welfare agency must perform such an assessment.  
  
Makes this section effective July 1, 2024.
- 21     **Substantial child endangerment.**  
Amends § 260E.03, subd. 22. Modifies definition of “substantial child endangerment” by adding sex trafficking and making clarifying changes.
- 22     **Sexual abuse.**  
Amends § 260E.14, subd. 2. Makes clarifying change.  
  
Makes this section effective July 1, 2024.
- 23     **Law enforcement.**  
Amends § 260E.14, subd. 5. Makes clarifying changes; adds a report alleging child sex trafficking to circumstances under which agencies must coordinate responses.  
  
Makes this section effective July 1, 2024.

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**24 Local welfare agency.**

Amends § 260E.17, subd. 1. Adds noncaregiver sex trafficking assessment to the local welfare agency responses; makes clarifying changes. Requires the local welfare agency to conduct a noncaregiver sex trafficking assessment when a maltreatment report alleges sex trafficking by a noncaregiver; requires an immediate investigation if there is reason to believe a caregiver, parent, or household member is engaged in child sex trafficking or other conduct warranting an investigation.

Makes this section effective July 1, 2024.

**25 Notice to child's Tribe.**

Amends § 260E.18. Makes clarifying change; adds noncaregiver sex trafficking assessment to Tribal notice section.

Makes this section effective July 1, 2024.

**26 Face-to-face contact.**

Amends § 260E.20, subd. 2. Makes clarifying changes; exempts noncaregiver sex trafficking assessments from requirements regarding face-to-face contact, informing or interviewing the alleged offender, and the alleged offender's opportunity to make a statement.

Makes this section effective July 1, 2024.

**27 Determination after family assessment or a noncaregiver sex trafficking assessment.**

Amends § 260E.24, subd. 2. Adds noncaregiver sex trafficking assessment to subdivision regarding local welfare agency determinations after assessments.

Makes this section effective July 1, 2024.

**28 Notification at conclusion of family assessment or a noncaregiver sex trafficking assessment.**

Amends § 260E.24, subd. 7. Adds noncaregiver sex trafficking assessment to subdivision regarding notification of a parent or guardian at the conclusion of an assessment.

Makes this section effective July 1, 2024.

**29 Following a family assessment or a noncaregiver sex trafficking assessment.**

Amends § 260E.33, subd. 1. Specifies that administrative reconsideration does not apply to a noncaregiver sex trafficking assessment.

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Makes this section effective July 1, 2024.

**30 Data retention.**

Amends § 260E.35, subd. 6. Adds noncaregiver sex trafficking assessment cases to data retention requirements.

Makes this section effective July 1, 2024.

**31 Direction to commissioner of human services; foster care federal cash assistance benefits preservation.**

Requires the commissioner to develop a plan to preserve and make available the income and resources attributable to a child in foster care to meet the best interests of the child. Requires recommendations to include:

- policies for youth and caregiver access to preserved federal cash assistance benefit payments;
- representative payees for children in voluntary foster care for treatment; and
- family preservation and reunification.

Lists individuals, agencies, organizations, and other entities with which the commissioner must engage when developing the plan. Requires each county to provide specified data for fiscal years 2018 and 2021 to the commissioner, in a form prescribed by the commissioner. Requires counties to provide other specified data from fiscal years 2018 and 2021 to the commissioner by December 15, 2023.

Requires the commissioner to submit a report to the legislature by January 15, 2025, outlining the plan developed under this section; specifies what the report must include.

Allows the commissioner to contract with an individual or entity to collect and analyze financial data reported by counties.

**32 Direction to the commissioner of human services; child protection information technology system review.**

Directs the commissioner of human services to contract with an independent consultant to perform a thorough evaluation of the social services information system (SSIS), and specifies recommendations the consultant must make. Also requires the consultant to assist the commissioner with selecting a platform for future development of an information technology system for child protection.

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Additionally requires the commissioner to conduct a study and develop recommendations for improving SSIS data entry requirements for child protection cases, and requires a status report to the legislature by June 30, 2024.

**33 Independent living skills for foster youth grants.**

Establishes direct grants to local social service agencies, Tribes, and other organizations to provide independent living services to eligible foster youth. Outlines grant award determinations, program reporting, and undistributed fund reallocation.

**34 Informal kinship caregiver support grant program.**

Establishes an informal kinship caregiver support grant program for the commissioner to provide grants to eligible community-based nonprofit organizations to provide informal kinship caregivers with connections to resources and support. Specifies grantee eligibility requirements and lists allowable uses of grant funds.

## **Article 3: Child Support**

This article modifies provisions related to the treatment of Social Security or veterans' benefits received on behalf of a joint child, circumstances under which a parent may be considered voluntarily unemployed or underemployed, the treatment of disability payments when computing child support obligations, and medical support requirements. It also adds the receipt of MFIP benefits to the circumstances under which a parent shall have no imputed potential income, and adds an exception to ability to pay requirements if a parent receives a general assistance grant, TANF, or MFIP benefits. The article also modifies provisions related to driver's license suspension for child support enforcement by making driver's license suspension orders discretionary, rather than mandatory, based on listed circumstances and factors.

**Section Description - Article 3: Child Support**

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**1 Social security or veterans' benefit payments received on behalf of the child.**

Amends § 518A.31. Specifies that upon a motion to modify child support, any regular or lump sum payment of Social Security or apportioned veterans' benefit received by an obligee for the benefit of the joint child under certain circumstances may be used to satisfy arrears that remain due for the period for which the benefit was received. Specifies that this paragraph applies only if the benefit was not considered in the guidelines calculation of the previous child support order.

Makes this section effective January 1, 2025.

**Section Description - Article 3: Child Support**

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**2 Parent not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis.**

Amends § 518A.32, subd. 3. Specifies that a parent is not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis if an authorized governmental agency has determined that the parent is eligible to receive general assistance or supplemental Social Security income. Specifies that any actual income earned by the parent may be considered for the purpose of calculating child support.

Makes this section effective January 1, 2025.

**3 TANF or MFIP recipient.**

Amends § 518A.32, subd. 4. Adds the receipt of comparable state-funded Minnesota family investment program (MFIP) benefits to circumstances under which no potential income is to be imputed to that parent.

Makes this section effective January 1, 2025.

**4 Computation of child support obligations.**

Amends § 518A.34. Specifies that any benefit received by the obligee for the benefit of the joint child based upon the obligor's disability or past earnings in any given month in excess of the child support obligation must not be treated as an arrearage payment or a future payment.

Makes this section effective January 1, 2025.

**5 Medical support.**

Amends § 518A.41.

**Subd. 1. Definitions.** Modifies definitions of “health care coverage,” “health plan,” “medical support,” “uninsured health-related expenses,” and “unreimbursed health-related expenses.” Removes definitions of “health carrier” and “public coverage.” Adds definition of “public health care coverage.”

**Subd. 2. Order.** Makes changes related to modified terms and definitions; modifies provisions related to joint child health care coverage and availability of coverage.

**Subd. 3. Determining appropriate health care coverage.** States that public health care coverage is presumed appropriate. Makes changes related to modified terms and definitions. Modifies provisions related to when dependent private health care coverage is presumed affordable.



**Section Description - Article 3: Child Support**

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**Subd. 4. Ordering health care coverage.** Modifies required order for health care coverage so that if a child is presently enrolled in health care coverage, the court must order that the parent who currently has the joint child enrolled in health care coverage continue that enrollment if the health care coverage is appropriate. Modifies provisions related to public health care coverage; adds dental benefits; makes clarifying changes.

**Subd. 5. Medical support costs; unreimbursed and uninsured health-related expenses.** Makes clarifying changes; prohibits charging for the contribution toward private health care coverage in any month in which the party ordered to carry private health care coverage fails to maintain private coverage. Adds paragraph (g), outlining requirements related to public health care coverage.

**Subd. 6. Notice or court order sent to party's employer, union, or health carrier.** Makes clarifying changes related to modified terms and definitions.

Subdivisions 7 to 16 make clarifying changes.

**Subd. 16a. Suspension or reinstatement of medical support contribution.** Adds new subdivision outlining requirements for when a party with primary physical custody of a child who is ordered to carry private health care coverage for the child fails to do so; allows the public authority to suspend and reinstate the other party's medical support contribution under specified circumstances; provides procedural requirements.

Subdivisions 17 and 18 make clarifying changes.

Makes this section effective January 1, 2025.

**6 Ability to pay.**

Amends § 518A.42, subd. 1. Specifies that if Social Security or apportioned veterans' benefits are received by the obligee as a representative payee for a joint child or are received by the child attending school, based on the other parent's eligibility, the court shall subtract the amount of benefits from the obligor's parental income for determining child support (PICS) before subtracting the self-support reserve.

Makes this section effective January 1, 2025.

**7 Exception.**

Amends § 518A.42, subd. 1. Adds exception to ability to pay requirements if a parent is a recipient of a general assistance grant, TANF, or MFIP benefits.

Makes this section effective January 1, 2025.

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- 8 **Increase in income of custodial parent.**  
Amends § 518A.43, subd. 1b. Removes two income-related factors allowing the court to deviate from the presumptive support obligation in a modification of child support, so that the court may do so when the only change in circumstances is an increase to the custodial parent's income and the basic support increases. Makes this section effective the day following final enactment.
- 9 **Driver's license suspension.**  
Amends § 518A.65. Modifies provisions related to driver's license suspension for child support enforcement. Makes driver's license suspension order discretionary, rather than mandatory; lists circumstances and factors for the court to consider when determining whether driver's license suspension is an appropriate remedy for nonpayment of child support.  
  
Specifies January 1, 2026, effective dates for new paragraphs (b) and (e).
- 10 **Guidelines review.**  
Amends § 518A.77. Adds Code of Federal Regulations citation and deletes expiration date.
- 11 **Repealer.**  
Repeals § 518A.59 (notice of interest on late child support). Makes this section effective the day following final enactment.

## **Article 4: Licensing**

This article makes technical, clarifying, and policy changes to provisions governing licensed child care providers and foster care providers and makes changes to how and when the commissioner of human services may limit participation in programs administered by the commissioner based on an entity's or individual's exclusion from participation in other state or federal programs.

**Section Description - Article 4: Licensing**

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- 1 **Limits on receiving public funds.**  
Amends § 245.095.  
  
**Subd. 1. Prohibition.** Paragraph (b) provides that if a provider, vendor, or individual is excluded from a DHS program, then the commissioner may prohibit any associated entities and individuals from participating in any DHS programs.

**Section Description - Article 4: Licensing**

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Paragraph (c) provides that if a provider, vendor, or individual is excluded from any program administered by a Minnesota state or federal agency, then the commissioner may prohibit the provider, vendor, individual, or associated entities and individuals from participating in any DHS program.

**Subd. 2. Definitions.** Defines terms used in the section.

**Subd. 3. Notice.** Requires that if the commissioner takes action under subdivision 1, the commissioner must notify the provider, vendor, individual, or associated entity or individual of the action taken against them within five days and specifies the information that must be included in the notice.

**Subd. 4. Appeal.** Paragraph (a) provides that a provider, vendor, individual, or associated entity or individual receiving a notice under subdivision 3 may request a contested case hearing by filing a written request of appeal with the commissioner. Requires that the appeal request is received no later than 30 days after the date the notice was mailed and specifies the information that must be included in the request.

Paragraph (b) provides that the commissioner's action is considered final and binding on the effective date of the action as stated in the notice under subdivision 3, unless the commissioner receives a timely and proper appeal request.

**Subd. 5. Withholding of payments.** Paragraph (a) allows the commissioner to withhold payments, except as otherwise provided by state or federal law, to a provider, vendor, individual, or associated entity or individual in any DHS program if the commissioner determines there is a credible allegation of fraud being investigated for a program administered by a Minnesota state or federal agency. Paragraph (b) defines "credible allegation of fraud" as an allegation which has been verified by the commissioner from any source. Paragraph (c) directs the commissioner to send notice of the withholding of payments within five days of taking the action. Paragraph (d) provides that a provider, vendor, individual, or associated individual or entity has a right to request administrative reconsideration if the commissioner withholds payments under this subdivision. Paragraph (e) requires that the commissioner stop withholding payments if the commissioner determines there is insufficient evidence of fraud or when legal proceedings related to the alleged fraud are complete, unless the commissioner has sent the notice required under subdivision 3. Paragraph (f) provides that the withholding action is temporary and not subject to appeal.

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- 2 Annual or annually; family child care.**  
Amends § 245A.02, subd. 2c. Provides that for purposes of statute governing requirements for licensed family child care providers, the terms “annual” and “annually” mean each calendar year.
- 3 Cradleboard.**  
Adds a subdivision to § 245A.02. Defines the term “cradleboard.” Makes the section effective January 1, 2024.
- 4 Experience.**  
Amends § 245A.02, subdivision 6b. Expands the definition of “experience,” which is used to determine an individual’s qualifications for employment in a licensed child care center. The expanded definition of “experience” includes: (1) caring for children as a teacher, assistant teacher, aide, or student intern in specified settings; (2) caring for children as a staff person or unsupervised volunteer in a certified, license-exempt child care center; or (3) providing direct contact services in a home or residential facility serving children with disabilities that requires a background study. Makes the section effective October 1, 2023.
- 5 Exclusion from licensure.**  
Amends § 245A.03, subd. 2. Provides that Head Start programs that serve only three- to five-year-old children are exempt from child care licensure requirements. Makes the section effective January 1, 2024.
- 6 Inspections; waiver.**  
Amends § 245A.04, subd. 4. Requires that the commissioner inspect licensed child care providers “once each calendar year” rather than “annually.”
- 7 Denial of application.**  
Amends § 245A.05. Modifies the circumstances under which the commissioner may deny a license to an applicant for a family foster setting by providing that a license may be denied if an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study has nondisqualifying background study information that reflects on the applicant’s ability to safely provide care to foster children.
- 8 Contents of correction orders and conditional licenses.**  
Amends § 245A.06, subdivision 1. Clarifies that a correction order or conditional license must state the specific, factual conditions that are observable or reviewable by a licenser that are in violation of a rule or law.

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**9 Sanctions; appeals; license.**

Amends § 245A.07, subd. 1. Allows the commissioner to suspend or revoke a license, impose a fine, or secure an injunction against the continuing operation of a program of a license holder if an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study has nondisqualifying background study information that reflects on the license holder's ability to safely provide care to foster children.

**10 License suspension, revocation, or fine.**

Amends § 245A.07, subd. 3. Allows the commissioner to suspend or revoke a license or impose a fine for a family foster setting if a license holder or an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study has nondisqualifying background study information that reflects on the license holder's ability to safely provide care to foster children.

**11 License holder qualifications for child foster care.**

Adds a new subdivision to § 245A.11. Paragraph (a) provides that child foster care license holders must maintain the ability to provide a safe home environment for children placed in their care. Requires that license holders notify the licensing agency of changes to the license holder's or a household member's physical or behavioral health and changes to the care of a child or vulnerable adult for whom the license holder is a parent or legally responsible.

Paragraph (b) allows the licensing agency to request that a license holder or household member undergo an evaluation by a specialist in areas such as physical or behavioral health to evaluate the license holder's ability to provide a safe environment for a foster child. Directs the licensing agency to tell the license holder or household member why a specialist evaluation was requested and to request a release of information from the license holder or household member prior to assigning a specialist to evaluate. Makes the section effective January 1, 2024.

**12 Special family child care homes.**

Amends § 245A.14, subd. 4. Makes technical changes related to applicability of the Minnesota State Fire Code to special family child care homes.

**13 Reduction of risk of sudden unexpected infant death in licensed programs.**

Amends § 245A.1435. Modifies paragraph (b) to require that a pacifier placed in a crib with an infant in a licensed child care program is free from any sort of attachment. Adds paragraph (d) to provide that when a license holder puts a child under the age of one year down to sleep, the child's sleepwear must not have weighted materials, a hood, or a bib. Adds paragraph (e) to allow a license holder to place a child under the age of one down to sleep wearing a helmet if the license

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- holder has signed documentation from a specified medical professional on a form developed by the commissioner. Modifies paragraph (f) to include a definition of a “swaddle” and provide requirements about how it may be used by a child care license holder. Adds paragraph (g) to allow a license holder to request a variance to permit the use of a cradleboard when requested by a parent or guardian for cultural accommodation. Provides that only the commissioner may issue such a variance, and the request must be submitted on a form developed by DHS in partnership with Tribal welfare agencies and MDH. Makes the section effective January 1, 2024.
- 14 **License holder documentation of cribs.**  
Amends § 245A.146, subd. 3. Modifies paragraph (e) to delete the requirement that the mattress floor board in every mesh-sided or fabric-sided play yard, pack and play, or playpen used in a licensed family child care program is waterproof. Adds paragraph (f) to provide that if a cradleboard is used in a licensed setting, the license holder must check the cradleboard at least monthly and maintain written documentation of doing so. Makes the section effective January 1, 2024.
- 15 **Delegation of authority to agencies.**  
Amends § 245A.16, subd. 1. Provides that only the commissioner may issue a variance for the use of a cradleboard for cultural accommodation. Makes the section effective January 1, 2024.
- 16 **Licensed family foster settings.**  
Amends § 245A.16, subd. 9. Makes conforming changes related to allowing the commissioner to take specified licensing actions against applicants and license holders for family foster care based on nondisqualifying background study information received for the license holder, applicant, or an individual who is living in the household where the licensed services are provided or who is otherwise subject to a background study.
- 17 **Electronic checklist use by family child care licensors.**  
Adds a new subdivision to § 245A.16. Provides that county staff who perform family child care licensing functions must use the commissioner’s electronic licensing checklist.
- 18 **Child passenger restraint systems; training requirement.**  
Amends § 245A.18, subd. 2. Modifies requirements governing training in the proper use of child restraint systems for programs licensed by DHS under chapter 245A.
- 19 **Maltreatment of minors training requirements.**  
Adds a subdivision to § 245A.22. Requires that license holders train each mandatory reporter on the maltreatment of minors reporting requirements and definitions

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- before the mandatory reporter has direct contact with a person served by the program. Provides that license holders must train each mandatory reporter annually thereafter. Makes the section effective January 1, 2024.
- 20 **Child care hiring practices.**  
Creates § 245A.42. Clarifies that, as part of hiring, a child care center license holder or staff person may observe how a prospective employee interacts with children in the licensed facility. The prospective employee is not required to have a background study, provided the prospective employee is under continuous direct supervision by a staff person. The observation period cannot be longer than two hours, and the prospective employee cannot be counted in staff-to-child ratios. Makes the section effective October 1, 2023.
- 21 **First aid.**  
Amends § 245A.50, subd. 3. Provides that licensed family child care providers, second adult caregivers, and substitutes cannot let first aid training expire.
- 22 **Cardiopulmonary resuscitation.**  
Amends § 245A.50, subd. 4. Provides that licensed family child care providers, second adult caregivers, and substitutes cannot let CPR training expire.
- 23 **Sudden unexpected infant death and abusive head trauma training.**  
Amends § 245A.50, subd. 5. Deletes specificity as to the date by which licensed family child care providers must retake sudden unexpected infant death reduction training and abusive head trauma training.
- 24 **Child passenger restraint systems; training requirement.**  
Amends § 245A.50, subd. 6. Deletes specificity as to the date by which licensed family child care providers must retake training related to child passenger restraint systems.
- 25 **Supervising for safety; training requirement.**  
Amends § 245A.50, subd. 9. Deletes specificity as to the date by which licensed family child care providers must retake health and safety training.
- 26 **Means of escape.**  
Amends § 245A.52, subd. 1. Makes changes to requirements governing emergency escape routes in licensed family child care homes.

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- 27      **Heating and venting systems.**  
Amends § 245A.52, subd. 3. Makes changes to requirements governing heating and venting systems in licensed family child care homes.
- 28      **Carbon monoxide and smoke alarms.**  
Amends § 245A.52, subd. 5. Makes changes to requirements governing carbon monoxide and smoke alarms in licensed family child care homes.
- 29      **Fire code variances.**  
Adds a subdivision to § 245A.52. Requires that a licensed family child care home submit written approval from the state fire marshal and alternative safety measures when submitting specified variance requests.
- 30      **Ongoing training requirement.**  
Adds a subdivision to § 245A.66. Paragraph (a) requires that children’s residential facility and private child-placing agency license holders must, in addition to other specified training requirements, annually provide training to mandatory reporters on the maltreatment of minors reporting requirements and related definitions. Paragraph (b) requires that all family child care license holders, caregivers, foster residence setting staff, and volunteers that are mandatory reporters complete training each year on the maltreatment of minors reporting requirements and related definitions. Makes the section effective January 1, 2024.
- 31      **Staff development.**  
Amends § 245G.13, subd. 2. Adds requirement for a substance use disorder treatment license holder to ensure that each mandatory reporter staff member is trained on the reporting of maltreatment of minors requirements under chapter 260E before the staff member has direct contact with a person served by the program. Makes the section effective January 1, 2024.
- 32      **Certified license-exempt child care center.**  
Amends § 245H.01, subd. 5. Provides that “certified, license-exempt child care center” includes a Head Start program that serves only three- to five-year-old children. Makes the section effective January 1, 2024.
- 33      **Who must be certified.**  
Amends § 245H.02. Provides that a Head Start program that serves only three- to five-year-old children must be certified, license-exempt to accept CCAP payments. Makes the section effective January 1, 2024.



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**34 Notification required.**

Adds a subdivision to § 245H.03. Requires the authorized agent of a certified, license-exempt child care center to obtain the commissioner’s approval before making any of the specified changes. Provides actions the certification holder must take if unable to provide the commissioner with the required prior notice. Makes the section effective August 1, 2023.

**35 Monitoring and inspections.**

Amends § 245H.05. Requires that the commissioner inspect certified, license-exempt child care centers “once each calendar year” rather than “annually.” Makes the section effective immediately.

**36 Maximum group size.**

Amends § 245H.08, subd. 4. Allows a certified, license-exempt child care center to continue to serve a child 14 years or older under specified circumstances. Makes the section effective August 1, 2023.

**37 Ratios.**

Amends § 245H.08, subd. 5. Allows a certified, license-exempt child care center to continue to serve a child 14 years or older under specified circumstances.

**38 Administration of medication.**

Amends § 245H.13, subd. 3. Modifies requirements governing administration of medicine in certified, license-exempt child care centers. Makes the section effective August 1, 2023.

**39 Risk reduction plan.**

Amends § 245H.13, subd. 7. Requires a certified, license-exempt child care center that enrolls both middle-school-age and elementary-school-age children to establish policies and procedures to ensure adequate supervision when the children are grouped together. Makes the section effective August 1, 2023.

**40 Direction to commissioner; amending the definition of education.**

Paragraph (a) directs the commissioner of human services to expand the definition of “education” in rules governing licensed child care centers to include accredited work from an accredited postsecondary institution that can be shown to be relevant to the primary skills needed to meet the qualifications of a teacher. Paragraph (b) provides that for purposes of the requirement in paragraph (a), the commissioner is exempt from specified rulemaking provisions.

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- 41 **Direction to commissioner; amending staff qualification rules for child care centers.**  
Paragraph (a) directs the commissioner of human services to amend rules governing licensed child care centers to allow a center to hire as an assistant teacher an individual who is at least 18 years old, has been employed in a child-serving role at the center for a minimum of 30 days, and is enrolled in and expected to complete a child development associate credential program within one year of the individual's hiring date. Paragraph (b) provides that for purposes of the requirement in paragraph (a), the commissioner is exempt from specified rulemaking provisions.

**Article 5: Economic Assistance**

This article makes changes to economic assistance programs to repeal the diversionary work program (DWP), modify reporting periods to go from monthly reporting to six-month reporting, modify program budgeting to go from retrospective budgeting to prospective budgeting, modify MFIP sanctions, modify the FAIM program, establish an American Indian food sovereignty funding program, and provide for SNAP outreach.

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- 1 **Application.**  
Amends § 119B.011, subd. 3. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 2 **Income.**  
Amends § 119B.011, subd. 15. Modifies the definition of "income" under the chapter of statutes governing the child care assistance programs by making conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 3 **Universal application form.**  
Amends § 119B.02, subd. 4. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 4 **Changes in eligibility.**  
Amends § 119B.025, subd. 4. Clarifies a cross-reference.

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- Provides a March 1, 2025, effective date.
- 5 Eligible participants.**  
Amends § 119B.03, subd. 3. Makes conforming changes related to the repeal of DWP.  
Provides a March 1, 2024, effective date.
- 6 Funding priority.**  
Amends § 119B.03, subd. 4. Makes conforming changes related to the repeal of DWP.  
Provides a March 1, 2024, effective date.
- 7 Temporary reprioritization.**  
Amends § 119B.03, subd. 4a. Makes conforming changes related to the repeal of DWP.  
Provides a March 1, 2024, effective date.
- 8 Eligible participants.**  
Amends § 119B.05, subd. 1. Makes conforming changes related to the repeal of DWP.  
Provides a March 1, 2024, effective date.
- 9 Date of eligibility for assistance.**  
Amends § 119B.09, subd. 7. Makes conforming changes related to the repeal of DWP.  
Provides a March 1, 2024, effective date.
- 10 Maintain steady child care authorizations.**  
Amends § 119B.095, subd. 2. Makes conforming changes related to the repeal of DWP.  
Provides a March 1, 2024, effective date.
- 11 Assistance for persons who are homeless.**  
Amends § 119B.095, subd. 3. Makes conforming changes related to the repeal of DWP.

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- Provides a March 1, 2024, effective date.
- 12     **Assistance for persons seeking and retaining employment.**  
Amends § 119B.10, subd. 1. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 13     **Assistance for persons attending an approved education or training program.**  
Amends § 119B.10, subd. 3. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 14     **Extended eligibility and redetermination.**  
Amends § 119B.105, subd. 2. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 15     **Retrieval of contents.**  
Amends § 168B.07, subd. 3. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 16     **Hearing authority.**  
Amends § 256.046, subd. 1. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date, and specifies it applies to acts of wrongfully obtaining assistance or intentional program violations that occur on or after that date.
- 17     **Disqualification from program.**  
Amends § 256.98, subd. 8. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date, and specifies it applies to acts of wrongfully obtaining assistance that occur on or after that date.
- 18     **Disqualification.**  
Amends § 256.987, subd. 4. Makes conforming changes related to the repeal of DWP.

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- Provides a March 1, 2024, effective date, and specifies it applies to purchases made on or after that date.
- 19     **Budgeting and reporting.**  
Amends § 256D.03, by adding subd. 2b. Requires county agencies to determine eligibility and calculate benefit amounts for general assistance according to the chapter of statutes governing economic assistance program eligibility and verification.  
  
Provides a March 1, 2025, effective date.
- 20     **SNAP reporting requirements.**  
Amends § 256D.0516, subd. 2. Removes an exception to SNAP simplified reporting requirements for households receiving food benefits under MFIP.  
  
Provides a March 1, 2025, effective date.
- 21     **Use of money.**  
Amends § 256E.34, subd. 4. Allows money distributed to food shelf programs to be used to purchase personal hygiene products including diapers and toilet paper.
- 22     **American Indian food sovereignty funding program.**  
Creates § 256E.341.  
  
       **Subd. 1. Establishment.** Establishes the American Indian food sovereignty funding program to improve access and equity to food security programs within Tribal and urban American Indian communities. Requires the commissioner of human services to administer the program and provide outreach, technical assistance, and program development support to increase food security for American Indians.  
  
       **Subd. 2. Distribution of funding.** Requires the commissioner to: (1) provide funding to support food system changes and equitable access to existing and new methods of food support for American Indians; and (2) determine the funding formula, timing, and form of the application for the program. Lists eligible funding recipients.  
  
       **Subd. 3. Allowable uses of funds.** Lists allowable uses of funds.  
  
       **Subd. 4. Reporting.** Requires funding recipients to report to the commissioner annually on the use of American Indian food sovereignty funding. Lists the information that must be included in the report. Requires the commissioner to

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determine the form required for reports and allows the commissioner to specify additional reporting requirements.

**23 Establishment.**

Amends § 256E.35, subd. 1. Allows family assets for independence (FAIM) to be accrued for emergencies.

**24 Definitions.**

Amends § 256E.35, subd. 2. Modifies the definition of “fiduciary organization” under FAIM to include a federally recognized Tribal Nation or a nonprofit organization and modifies the definition of “permissible use” to include contributions to an emergency savings account or a Minnesota 529 savings plan.

**25 Grants awarded.**

Amends § 256E.35, subd. 5. Allows a portion of funds appropriated for FAIM to be used on evaluating the initiative.

**26 Financial coaching.**

Amends § 256E.35, subd. 4a. Makes conforming changes.

**27 Withdrawal; matching; permissible uses.**

Amends § 256E.35, subd. 6. Increases the maximum FAIM match from \$6,000 to \$12,000 and makes conforming changes.

**28 Program reporting.**

Amends § 256E.35, subd. 7. Makes conforming changes to FAIM reporting requirements related to the additional permissible uses of FAIM savings.

**29 Prospective budgeting.**

Amends § 256I.03, subd. 13. Modifies the definition of “prospective budgeting” under the housing support program.

Provides a March 1, 2025, effective date.

**30 Reports.**

Amends § 256I.06, subd. 6. Modifies housing support recipient reporting requirements to allow for six-month reporting.

Provides a March 1, 2025, effective date.

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**31 When to terminate assistance.**

Amends § 256I.06, by adding subd. 6a. Requires an agency to terminate housing support benefits when the assistance unit fails to submit the household report form before the end of the month in which it is due. Specifies the effective date of the termination and requirements related to reinstatement of benefits.

Provides a March 1, 2025, effective date.

**32 Amount of housing support payment.**

Amends § 256I.06, subd. 8. Makes conforming changes related to prospective budgeting.

Provides a March 1, 2025, effective date.

**33 Implementation of MFIP.**

Amends § 256J.01, subd. 1. Makes conforming changes related to the repeal of DWP.

Provides a March 1, 2024, effective date.

**34 Use of money.**

Amends § 256J.02, subd. 2. Makes conforming changes related to the repeal of DWP.

Provides a March 1, 2024, effective date.

**35 Participant.**

Amends § 256J.08, subd. 65. Makes conforming changes related to the repeal of DWP.

Provides a March 1, 2024, effective date.

**36 Prospective budgeting.**

Amends § 256J.08, subd. 71. Modifies the definition of “prospective budgeting” under the chapter of statutes governing MFIP.

Provides a March 1, 2025, effective date.

**37 Recurring income.**

Amends § 256J.08, subd. 79. Modifies the definition of “recurring income” under the chapter of statutes governing MFIP to make conforming changes related to prospective budgeting.

Provides a March 1, 2025, effective date.

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**38 Ineligibility for MFIP.**

Amends § 256J.09, subd. 10. Makes conforming changes related to the repeal of DWP.

Provides a March 1, 2024, effective date.

**39 General citizenship requirements.**

Amends § 256J.11, subd. 1. Modifies citizenship requirements for MFIP by allowing noncitizens who are victims of a severe form of trafficking or who have suffered substantial physical or mental abuse as a result of having been a victim of criminal activity to be eligible for MFIP.

Provides a March 1, 2024, effective date.

**40 Initial income test.**

Amends § 256J.21, subd. 3. Makes conforming changes to MFIP initial income tests related to six-month reporting and prospective budgeting.

Provides a March 1, 2025, effective date.

**41 Income test and determination of assistance payment.**

Amends § 256J.21, subd. 4. Makes conforming changes to the MFIP income test and determination of assistance payments related to six-month reporting and prospective budgeting.

Provides a March 1, 2025, effective date.

**42 Determination of eligibility.**

Amends § 256J.33, subd. 1. Modifies MFIP determination of eligibility provisions to be consistent with prospective budgeting. Specifies that an assistance unit is not eligible when countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit.

Provides a March 1, 2025, effective date, except the amendment making a conforming cross-reference change is effective July 1, 2024.

**43 Prospective eligibility.**

Amends § 256J.33, subd. 2. Makes conforming changes related to prospective budgeting under MFIP.

Provides a March 1, 2025, effective date.



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- 44 Amount of assistance payment.**  
Amends § 256J.35. Provides an annual inflationary adjustment for MFIP housing assistance grants.  
  
Provides an October 1, 2024, effective date.
- 45 Earned income of wage, salary, and contractual employees.**  
Amends § 256J.37, subd. 3. Makes conforming changes related to six-month reporting.  
  
Provides a March 1, 2025, effective date.
- 46 Rental subsidies; unearned income.**  
Amends § 256J.37, subd. 3. Makes a conforming cross-reference change related to prospective budgeting.  
  
Provides a March 1, 2025, effective date.
- 47 Fair hearings.**  
Amends § 256J.40. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 48 Exemption for certain families.**  
Amends § 256J.42, subd. 5. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 49 Eligibility.**  
Amends § 256J.425, subd. 1. Modifies eligibility for a hardship extension under MFIP by removing the requirement that a participant be in compliance with program requirements.  
  
Provides a May 1, 2026, effective date.
- 50 Employed participants.**  
Amends § 256J.425, subd. 4. Modifies eligibility for a hardship extension for employed participants under MFIP by removing the requirement that a participant be in compliance with program requirements for a specified amount of time prior to receiving the hardship extension. Removes language related to permanent disqualification under MFIP.

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- Provides a May 1, 2026, effective date.
- 51 **Accrual of certain exempt months.**  
Amends § 256J.425, subd. 5. Removes language related to sanctions for extended cases (the subdivision governing sanctions for extended cases is repealed in this bill).  
Provides a May 1, 2026, effective date.
- 52 **Status of closed cases.**  
Amends § 256J.425, subd. 7. Removes language related to disqualifying participants and permanent disqualifications under MFIP.  
Provides a May 1, 2026, effective date.
- 53 **Participants not complying with program requirements.**  
Amends § 256J.46, subd. 1. Limits the application of sanctions under MFIP to noncompliance with requirements for orientation or employment and training services. Specifies a good cause exemption may only be granted for the month for which the good cause reason applies. Modifies sanctions for noncompliance with MFIP requirements including removing language requiring vendor payment of shelter costs. Modifies how occurrences of noncompliance are counted. Specifies the process for counties to follow when processing an application from a participant whose case was closed and who reapplies within 30 calendar days.  
Provides a May 1, 2026, effective date.
- 54 **Sanctions for refusal to cooperate with support requirements.**  
Amends § 256J.46, subd. 2. Modifies sanctions for MFIP caregivers who do not cooperate with child support requirements under MFIP.  
Provides a May 1, 2026, effective date.
- 55 **Dual sanctions.**  
Amends § 256J.46, subd. 2a. Removes reference to vendor payment of shelter and utility costs. Modifies dual sanctions under MFIP.  
Provides a May 1, 2026, effective date.
- 56 **Participant.**  
Amends § 256J.49, subd. 9. Makes conforming changes related to the repeal of DWP.  
Provides a March 1, 2024, effective date.

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- 57      **Employment and training services component of MFIP.**  
Amends § 256J.50, subd. 1. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 58      **Assessments.**  
Amends § 256J.521, subd. 1. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 59      **Program characteristics.**  
Amends § 256J.621, subd. 1. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 60      **Allowable expenditures.**  
Amends § 256J.626, subd. 2. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 61      **Eligibility for services.**  
Amends § 256J.626, subd. 3. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 62      **Quarterly comparison report.**  
Amends § 256J.751, subd. 2. Makes conforming changes related to the repeal of DWP.  
  
Provides a March 1, 2024, effective date.
- 63      **Prospective budgeting.**  
Amends § 256P.01, by adding subd. 9. Defines “prospective budgeting” under the chapter of statutes governing economic assistance program eligibility and verification.  
  
Provides a March 1, 2025, effective date.

**Section Description - Article 5: Economic Assistance**

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**64 Personal property limitations.**

Amends § 256P.02, subd. 2. Excludes FAIM accounts when determining the equity value of personal property under the chapter of statutes governing economic assistance program eligibility and verification.

**65 Account exception.**

Amends § 256P.02, by adding subd. 4. Excludes FAIM accounts when determining the equity value of personal property under the chapter of statutes governing economic assistance program eligibility and verification.

**66 Factors to be verified.**

Amends § 256P.04, subd. 4. Removes from the list of items that county agencies must verify at application the use of nonrecurring income.

Provides a July 1, 2024, effective date.

**67 Recertification.**

Amends § 256P.04, subd. 8. Requires county agencies to verify specified information during reporting in addition to during recertification.

Provides a March 1, 2025, effective date.

**68 Income inclusions.**

Amends § 256P.06, subd. 3. Modifies the list of items that must be included in determining the income of an assistance unit under the chapter of statutes governing economic assistance program eligibility and verification.

Provides a September 1, 2024, effective date, except the removal of nonrecurring income is effective July 1, 2024.

**69 Exempted programs.**

Amends § 256P.07, subd. 1. Exempts participants who receive SSI and qualify for MSA or housing support from reporting requirements under the chapter of statutes governing economic assistance program eligibility and verification.

Provides a March 1, 2025, effective date.

**70 Child care assistance programs.**

Amends § 256P.07, by adding subd. 1a. Exempts participants who qualify for CCAP from certain reporting requirements.

Provides a March 1, 2025, effective date.

**Section Description - Article 5: Economic Assistance**

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- 71 Reporting requirements.**  
Amends § 256P.07, subd. 2. Modifies participant reporting requirements under the chapter of statutes governing economic assistance program eligibility and verification.  
  
Provides a March 1, 2025, effective date.
- 72 Changes that must be reported.**  
Amends § 256P.07, subd. 3. Modifies the list of changes that must be reported by an assistance unit.  
  
Provides a March 1, 2025, effective date, except the removal of lump sum payments is effective July 1, 2024.
- 73 MFIP-specific reporting.**  
Amends § 256P.07, subd. 4. Modifies the list of changes an MFIP assistance unit must report and removes language requiring the assistance unit to report changes within ten days of the change.  
  
Provides a March 1, 2025, effective date.
- 74 Child care assistance programs-specific reporting.**  
Amends § 256P.07, subd. 6. Modifies the list of changes a CCAP assistance unit must report by adding a change in address or residence, a change in household composition, a change in citizenship or immigration status, and a change in family status.  
  
Provides a March 1, 2025, effective date.
- 75 Minnesota supplemental aid-specific reporting.**  
Amends § 256P.07, subd. 7. Modifies the list of changes an MSA assistance unit must report. Requires assistance units not receiving SSI to report a change in unearned income of \$50 per month or greater and a change in earned income of \$100 per month or greater. Lists the changes an assistance unit receiving housing assistance must report.  
  
Provides a March 1, 2025, effective date.
- 76 Housing support-specific reporting.**  
Amends § 256P.07, by adding subd. 8. Paragraph (a) lists the changes a housing support assistance unit that is not receiving SSI must report.

**Section Description - Article 5: Economic Assistance**

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Paragraph (b) lists the changes a housing support assistance unit, including an assistance unit receiving SSI, must report.

Provides a March 1, 2025, effective date.

**77 General assistance-specific reporting.**

Amends § 256P.07, by adding subd. 9. Lists the changes an assistance unit receiving general assistance must report.

Provides a March 1, 2025, effective date.

**78 Prospective budgeting of benefits.**

Creates § 256P.09

**Subd. 1. Exempted programs.** Exempts assistance units that qualify for CCAP, assistance units that receive housing support and are not subject reporting under the statutes governing economic assistance program eligibility and verification, and assistance units that qualify for MSA from prospective budgeting.

**Subd. 2. Prospective budgeting of benefits.** Requires any agency subject to the economic assistance program eligibility and verification chapter of statutes to use prospective budgeting to calculate the assistance payment amount.

**Subd. 3. Initial income.** Specifies how an agency must determine initial income for purposes of determining the assistance unit's level of benefits.

**Subd. 4. Income determination.** Requires agencies to use prospective budgeting when determining the amount of an assistance unit's benefits for the eligibility period based on the best information available at the time of approval. Specifies how anticipated income must be treated.

**Subd. 5. Income changes.** Prohibits an increase in income from affecting an assistance unit's eligibility or benefit amount until the next review unless otherwise required to be reported. Requires a decrease in income to be effective on the date the change occurs if the change is reported by the tenth of the month following the month when the change occurred. Requires a change in income to be effective on the date the change was reported if the assistance unit does not report the change in income by the tenth of the month following the month when the change occurred.

Provides a March 1, 2025, effective date.

**Section Description - Article 5: Economic Assistance**

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**79 Six-month reporting.**

Creates § 256P.10.

**Subd. 1. Exempted programs.** Exempts assistance units that qualify for CCAP, assistance units that receive housing support and also receive SSI, and assistance units that qualify for MSA from six-month reporting.

**Subd. 2. Reporting.** Paragraph (a) subjects an assistance unit that qualifies for MFIP, an assistance unit that qualifies for GA with an earned income of \$100 per month or greater, and an assistance unit that qualifies for housing support with an earned income of \$100 per month or greater to six-month reviews. Allows the initial reporting period to be shorter than six months to align with other programs' reporting periods.

Paragraph (b) requires MFIP assistance units and GA assistance units with an earned income of \$100 per month or greater to complete household report forms as required by the commissioner for redetermination of benefits.

Paragraph (c) requires housing support assistance units with an earned income of \$100 per month or greater to complete household report forms to provide information about earned income.

Paragraph (d) subjects an assistance unit that qualifies for housing support and also receives MFIP to the MFIP six-month reporting requirements.

Paragraph (e) requires assistance units to submit household report forms in compliance with the requirements of the chapter of statutes governing economic assistance program eligibility and verification.

Paragraph (f) allows an assistance unit to choose to report changes at any time.

**Subd. 3. When to terminate assistance.** Specifies when an agency must terminate benefits and when benefits may be reinstated.

Provides a March 1, 2025, effective date.

**80 Tax levy for social services; board duty; penalty.**

Amends § 261.063. Makes conforming changes related to the repeal of DWP.

Provides a March 1, 2024, effective date.

**81 Access to certain items.**

Amends § 514.972, subd. 5. Makes conforming changes related to the repeal of DWP.

**Section Description - Article 5: Economic Assistance**

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Provides a March 1, 2024, effective date.

**82 Supplemental nutrition assistance outreach program.**

**Subd. 1. SNAP outreach program.** Requires the commissioner of human services to implement a SNAP outreach program that meets USDA requirements to inform low-income households about the availability and benefits of SNAP.

**Subd. 2. Duties of commissioner.** Lists the duties of the commissioner in administering the SNAP outreach program.

**Subd. 3. Program funding.** Requires grantees to submit allowable costs for approved SNAP outreach activities to the commissioner to receive federal reimbursement. Requires the commissioner to disburse federal reimbursement funds for allowable costs for approved SNAP outreach activities to the state agency or grantee that incurred the costs being reimbursed.

**83 Revisor instruction.**

Instructs the revisor of statutes to: (1) remove references to DWP in sections of statute related to property exempt from summary executions and garnishment; and (2) make any necessary grammatical changes related to the removal of terms.

Provides a March 1, 2024, effective date.

**84 Repealer.**

Paragraph (a) repeals Minnesota Statutes, sections 256.9864 (reports by recipient); 256J.08, subds. 10 (budget month), 53 (lump sum), 61 (monthly income test), 62 (nonrecurring income), 81 (retrospective budgeting), and 83 (significant change); 256J.30, subds. 5 (Monthly MFIP household reports), 7 (due date of MFIP household report form), and 8 (late MFIP household report forms); 256J.33, subds. 3 (retrospective eligibility), 4 (monthly income test), and 5 (when to terminate assistance); 256J.34, subds. 1 (prospective budgeting), 2 (retrospective budgeting), 3 (additional uses of retrospective budgeting), and 4 (significant change in gross income); and 256J.37, subd. 10 (treatment of lump sums), effective March 1, 2025, except the repeal of § 256J.08, subds. 53 and 62, and 256J.37, subd. 10, are effective July 1, 2024.

Paragraph (b) repeals Minnesota Statutes, section 256J.425, subd. 6 (sanctions for extended cases), effective May 1, 2026.

Paragraph (c) repeals Minnesota Statutes, sections 119B.011, subd. 10a (diversionary work program); 256J.08, subd. 24b (diversionary work program or DWP); 256J.95 (diversionary work program); and 256P.07, subd. 5 (DWP-specific reporting), effective March 1, 2024.



**Section Description - Article 5: Economic Assistance**

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Paragraph (d) repeals Minn. Stat. § 256D.63, subd. 1 (expiration of SNAP benefits), effective the day following final enactment.

Paragraph (e) repeals Minn. Stat. § 256.8799 (SNAP outreach program), effective August 1, 2023.

## **Article 6: Homelessness**

This article makes changes to the Homeless Youth Act and safe harbor, and establishes a homeless youth cash stipend pilot project and emergency shelter facilities grants.

**Section Description - Article 6: Homelessness**

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**1 Youth eligible for services.**

Amends § 145.4716, subd. 3. Makes a conforming change related to the establishment of the safe harbor shelter and housing grant program.

**2 Street and community outreach and drop-in eligibility.**

Amends § 245K.45, subd. 3. Modifies the Homeless Youth Act street and community outreach and drop-in eligibility by adding specialized services for youth at risk of discrimination based on sexual orientation or gender identity.

**3 Provider repair or improvement grants.**

Amends § 256K.45, subd. 7. Modifies provider repair or improvement grants under the Homeless Youth Act by increasing the maximum grant amount and removing a prohibition on a grantee receiving grant funds for two consecutive years.

**4 Awarding of grants.**

Amends § 256K.45, by adding subd. 8. Permits Homeless Youth Act grant recipients who receive two-year grant contracts to carry over any unexpended amount from the first contract year to the second contract year.

**5 Safe harbor shelter and housing.**

Creates § 256K.47.

**Subd. 1. Grant program established.** Requires the commissioner of human services to: (1) establish a safe harbor shelter and housing grant program; and (2) award grants to providers who are committed to serving sexually exploited youth and youth at risk of sexual exploitation. Requires grantees to use grant money to provide street and community outreach programs, emergency shelter programs, or supportive housing programs to address the specialized outreach, shelter, and

**Section Description - Article 6: Homelessness**

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housing needs of sexually exploited youth and youth at risk of sexual exploitation.

**Subd. 2. Youth eligible services.** Specifies youth 24 years of age or younger are eligible for all shelter, housing beds, and services provided under this section and all services, support, and programs provided by the commissioner of health to sexually exploited youth and youth at risk of sexual exploitation.

**Subd. 3. Street and community outreach.** Requires street and community outreach programs to locate, contact, and provide information, referrals, and services to eligible youth. Lists the activities that may be included in information, referrals, and services provided by street and community outreach programs.

**Subd. 4. Emergency shelter program.** Requires emergency shelter programs to provide eligible youth with referral and walk-in access to emergency short-term residential care. Lists the services that may be provided at emergency shelters.

**Subd. 5. Supportive housing programs.** Requires supportive housing programs to help eligible youth find and maintain safe and dignified housing and provide related supportive services and referrals. Allows supportive housing programs to provide rental assistance. Lists the services that may be included in supportive housing programs.

**Subd. 6. Funding.** Specifies funds appropriated for safe harbor shelter and housing may be expended on street and community outreach, emergency shelter, and supportive housing programs, technical assistance, and capacity building to meet the greatest need on a statewide basis.

**6 Homeless youth cash stipend pilot project.**

This bill establishes a homeless youth cash stipend pilot project to provide a direct cash stipend to homeless youth in St. Louis County.

**Subd. 1. Pilot project established.** Requires the commissioner of human services to establish a homeless youth cash stipend pilot project to provide a direct cash stipend to homeless youth in St. Louis County and design the pilot project to meet the needs of homeless youth, including underserved communities.

**Subd. 2. Definitions.** Defines “commissioner” and “homeless youth.”

**Subd. 3. Administration.** Requires the commissioner to contract with Youthprise to administer the pilot project. Lists duties that must be included in the contract with Youthprise.

**Section Description - Article 6: Homelessness**

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**Subd. 4. Eligibility.** Specifies eligible pilot project participants are homeless youth who are 18 to 24 years of age who live in St. Louis County at the time of initial enrollment in the project.

**Subd. 5. Cash stipend.** Requires the commissioner, in consultation with Youthprise and St. Louis County, to establish a stipend amount for eligible homeless youth who participate in the pilot project.

**Subd. 6. Stipends not to be considered income.** Prohibits a cash stipend under this section from being considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for various public assistance programs and MA.

**Subd. 7. Report.** Requires the commissioner, in cooperation with Youthprise and St. Louis County, to submit an annual report on Youthprise's findings regarding the efficacy and cost-effectiveness of the homeless youth cash stipend pilot project to the chairs and ranking minority members of the legislative committees with jurisdiction over homeless youth policy and finance by January 15, 2024, and each January 15 thereafter.

**Subd. 8. Expiration.** Makes this section expire June 30, 2027.

**7 Emergency shelter facilities.**

**Subd. 1. Definitions.** Defines the terms "commissioner," "eligible applicant," and "emergency shelter facility."

**Subd. 2. Project criteria.** Requires the commissioner to prioritize grants for projects that improve or expand emergency shelter facility options.

Limits grant to up to \$10 million per project. Requires the commissioner to give priority to projects in which the eligible applicant will provide at least ten percent of total project funding for applicants seeking funding for the acquisition and construction of new emergency shelter facilities.

Requires all projects funded with an emergency shelter facility grant to meet all applicable state and local building codes at the time of project completion.

Requires the commissioner to use a competitive request for proposal process to identify potential projects and eligible applicants on a statewide basis. Requires at least 40% of grant funds to be awarded to projects in greater Minnesota.

Allows grant recipients to incur eligible expenses based on an agreed upon predesign and design work plan and budget prior to an encumbrance being established in the accounting system and grant execution.

## Article 7: Miscellaneous

This article establishes a new state agency, the Department of Children, Youth, and Families, effective July 1, 2024, and directs the agency to establish the great start scholarships program for children and families. The article also directs the commissioner of human services to develop a cost estimation model and a wage scale for use in the child care and early education field and directs the commissioner of information technology to develop and implement a plan to transform and modernize the IT systems that support programs impacting children and families.

### Section Description - Article 7: Miscellaneous

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- 1 Children’s Cabinet.**  
Amends § 4.045. Adds the commissioner of children, youth, and families to the list of commissioners that comprise the Children’s Cabinet and removes the director of the Office of Strategic and Long-Range Planning (which was abolished in 2003). This section is effective July 1, 2024.
- 2 Definitions.**  
Amends § 10.65, subdivision 2. Adds the Department of Children, Youth, and Families to the definition of “agency” for purposes of statute governing state and Tribal government relationships. This section is effective July 1, 2024.
- 3 Departments of the state.**  
Amends § 15.01. Adds the Department of Children, Youth, and Families to the list of agencies designated as departments of state government. This section is effective July 1, 2024.
- 4 Applicability.**  
Amends § 15.06, subdivision 1. Applies requirements that apply to commissioners of state agencies to the commissioner of children, youth, and families. This section is effective July 1, 2024.
- 5 Group I salary limits.**  
Amends § 15A.0815, subdivision 2. Adds the commissioner of children, youth, and families to the list of positions with salary limits that cannot exceed 133 percent of the governor’s salary. This section is effective July 1, 2024.
- 6 Additional unclassified positions.**  
Amends § 43A.08, subdivision 1a. Adds the Department of Children, Youth, and Families to the list of agencies that may designate additional unclassified positions. This section is effective July 1, 2024.

**Section Description - Article 7: Miscellaneous**

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**7 Great start scholarships program.**

Creates § 119C.01.

**Subd. 1. Great start scholarships program.** Directs the commissioner of children, youth, and families, in consultation with the commissioners of education and human services, to establish and develop the great start scholarships program.

**Subd. 2. Development.** Provides that in developing the program, the commissioner must: (1) identify ways to integrate existing early care and learning programs with the great start scholarships program; (2) consider the recommendations of the Great Start for All Minnesota Children Task Force; (3) make a plan to transition children from the early learning scholarships program and CCAP to the great start scholarships program; (4) create mechanisms for community members to have input in decisions regarding needs and preferences for early care and learning programs; (5) develop a method for funding early care and learning seats through contracts with providers; and (6) maximize available federal resources while minimizing the extent to which state policy is limited by federal regulations.

**Subd. 3. Program requirements.** Provides that the program must include: (1) scholarships that provide financial assistance to voluntarily participating families; (2) eligibility for any families with at least one child who is not yet in kindergarten; (3) provider eligibility for licensed child care programs that participate in Parent Aware, school-based programs, and Head Start programs; (4) a unified, integrated, and simple online application process; (5) an integrated electronic attendance tracking system and payments system; and (6) a schedule for scholarships that ensures no participating family pays more than seven percent of annual income for early care and learning for children from birth to kindergarten.

**Subd. 4. Administration.** Requires the commissioner to have the administrative structures and systems in place for the great start scholarships program by May 1, 2026.

This section is effective July 1, 2024.

**8 System components.**

Amends § 124D.142, subd. 2. Paragraph (a) provides that licensed child care centers and licensed family child care providers have at least a one-star rating under Parent Aware, provided they do not opt out of the rating system and are in good standing.

Paragraph (b) directs the commissioner to establish a process under which a licensed program may opt out of a rating.

**Section Description - Article 7: Miscellaneous**

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**9 Definitions.**

Creates § 143.01. Defines “commissioner” and “department” for use in the new chapter 143. This section is effective July 1, 2024.

**10 Creation of the Department of Children, Youth, and Families.**

Creates § 143.02.

**Subd. 1. Department.** Establishes the Department of Children, Youth, and Families.

**Subd. 2. Transfer and restructuring provisions.** Provides that transfers among agencies must be conducted in accordance with statutory requirements for transferring power and restructuring.

**Subd. 3. Successor and employee protection clause.** Establishes timelines for transferring personnel to the department. Provides that transferred employees retain the employment status, bargaining unit, civil service protection, and coverage under any collective bargaining agreements they had prior to the transfer.

This section is effective July 1, 2024.

**11 Commissioner.**

Creates § 143.03.

**Subd. 1. General.** Provides that the department is under the administrative control of the commissioner, who is appointed by the governor with the advice and consent of the Senate. Sets out the commissioner’s powers and salary.

**Subd. 2. Duties of the commissioner.** Lists the commissioner’s duties.

This section is effective July 1, 2024.

**12 State and County Systems.**

Creates § 143.04.

**Subd. 1. Establishment of systems.** Directs the commissioner to establish and enhance computer systems needed for the operation of the programs administered by the department. Outlines how costs incurred for developing, maintaining, and operating needed computer systems may be distributed. Allows the commissioner to enter into contractual agreements with Indian Tribes with reservations in the state to participate in state-operated computer systems related to administration of specified programs.

**Section Description - Article 7: Miscellaneous**

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**Subd. 2. State systems account created.** Creates a state systems account for the department in the state treasury. Provides that money collected for the programs in subdivision 1 must be deposited in the account, and money in the account and any federal matching money are appropriated to the commissioner for the purposes of this section.

This section is effective July 1, 2024.

**13 Rulemaking.**

Creates § 143.05. Gives the commissioner rulemaking authority and directs the commissioner to amend Minnesota Rules, with approval from specified state agencies, to make conforming changes related to transferring programs to the department. This section is effective July 1, 2024.

**14 Establishment of systems.**

Amends § 256.014, subdivision 1. Makes conforming changes related to directing the commissioner of children, youth, and families to establish and enhance computer systems needed for the operation of the programs administered by the department. This section is effective July 1, 2024.

**15 State systems account created.**

Amends § 256.014, subdivision 2. Makes conforming changes related to a state systems account being established in the state treasury for the Department of Children, Youth, and Families. This section is effective July 1, 2024.

**16 Appointment of commissioner of children, youth, and families.**

Directs the governor to appoint a commissioner-designee of the Department of Children, Youth, and Families and provides that the appointed person becomes the governor's appointee for commissioner on July 1, 2024. This section is effective July 1, 2023.

**17 Transfers from other agencies.**

**Subd. 1. General.** Provides timelines and procedures for transferring the responsibilities and related unexpended balances of appropriations identified in the section to the Department of Children, Youth, and Families. Allows the commissioner of children, youth, and families or the commissioner of management and budget to make a request to the governor to extend or cancel the transfer of any responsibilities. Excepts the Department of Children, Youth, and Families from the statutory requirement providing that a state agency must be in existence for at least one year before being eligible to receive a transfer of personnel, power, or duties.

**Section Description - Article 7: Miscellaneous**

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**Subd. 2. Department of Human Services.** Transfers, according to the timelines established in subdivision 1, specified department responsibilities to the Department of Children, Youth, and Families.

**Subd. 3. Department of Education.** Transfers, according to the timelines established in subdivision 1, specified department responsibilities to the Department of Children, Youth, and Families.

**Subd. 4. Department of Public Safety.** Transfers, according to the timelines established in subdivision 1, specified department responsibilities to the Department of Children, Youth, and Families.

This section is effective July 1, 2024.

**18 Transition report to the legislature.**

Directs the commissioner of management and budget to report to the legislature on the status of work related to setting up the new department by March 1, 2024.

**19 Data practices.**

Establishes data sharing rules for the new department and the Departments of Education, Human Services, and Public Safety. Makes the rules expire July 1, 2027.

**20 Modernizing information technology for programs impacting children and families.**

Paragraph (a) directs the commissioner of information technology to develop and implement, to the extent of funding available in the children and families information technology account, a plan to transform and modernize the IT systems that support programs impacting children and families. Allows the commissioner to contract for the work.

Paragraph (b) provides that the plan must include strategies to increase the efficiency and effectiveness of programs impacting children and families, improve coordination among the programs, assess the impact of the programs on children's outcomes, and monitor and collect nonbiometric attendance data at licensed child care centers through a combination of state-provided technology and integration with private child care management systems.

Paragraph (c) directs the commissioner to consult various state agencies and stakeholders to develop and implement the plan required under this section.

Paragraph (d) requires that the commissioner report to the legislature by February 1 each year on the status of the plan's development and implementation.



**Section Description - Article 7: Miscellaneous**

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**21 Direction to commissioner of human services; child care and early education professional wage scale.**

Paragraph (a) directs the commissioner of human services, in consultation with DEED, MDE, the Children’s Cabinet, and relevant stakeholders, to develop a child care and early education professional wage scale that meets specified requirements.

Paragraph (b) requires the commissioner to report to the legislature by January 30, 2025, on how the wage scale can be used to inform payment rates for CCAP and the great start scholarships program.

**22 Direction to commissioner of human services; cost estimation model for early care and learning programs.**

Paragraph (a) directs the commissioner of human services to develop, in consultation with relevant entities and stakeholders, a cost estimation model for providing early care and learning in the state.

Paragraph (b) requires that the commissioner contract with an organization with experience and expertise in cost estimation modeling to develop the model. Provides that the commissioner must contract with First Children’s Finance, if practicable.

Paragraph (c) provides that the model must be able to estimate variation in the cost of early care and learning by specified variables.

Paragraph (d) requires that the commissioner report to the legislature by January 30, 2025, on the development of the cost estimation model, including recommendations for how the model could be used in conjunction with a wage scale to set payment rates for CCAP and great start scholarships and a plan for seeking federal approval to use the model for CCAP.

**23 Revisor instruction.**

Directs the revisor of statutes to work with specified state agencies and nonpartisan legislative offices to identify any needed changes to statutes or rules to fulfill the requirements of this act. Requires the revisor of statutes to submit draft legislation with the needed changes to the legislature by February 1, 2024.

## **Article 8: Health and Human Services Appropriations**

This article appropriates money in fiscal years 2024 and 2025 from the specified funds for specified purposes to the commissioners of human services, health, management and budget, and information technology, and the ombudsperson for American Indian families, ombudsperson for families, and ombudsperson for foster youth.

## Article 9: Education

This article makes technical and policy changes to early education programs administered by the Department of Education, including developmental screening, Head Start, early childhood family education (ECFE), and early learning scholarships. The article directs the department to implement a kindergarten entry assessment of all kindergarteners, establishes a Grow Your Own early childhood educator grant program, and requires that preschool teachers are licensed (but allows preschool teachers who meet specified criteria to continue to teach without a license). The article also includes appropriations to the Department of Education, the Professional Educator Licensing and Standards Board (PELSB), and the Office of Higher Education.

### Section Description - Article 9: Education

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- 1      **Appropriations; Department of Education.**  
Appropriates money for early learning programs.
  
- 2      **Appropriations; Professional Educator Licensing and Standards Board (PELSB).**  
Appropriates \$15,000 in fiscal year 2024 to PELSB for costs related to modifying teaching assignments for early childhood educators.
  
- 3      **Appropriation; early childhood curriculum grants.**  
Appropriates \$250,000 in each of fiscal years 2024 and 2025 to the commissioner of the Office of Higher Education for competitive grants to Minnesota postsecondary institutions to modify curricula for early childhood education programs. This is a onetime appropriation.
  
- 4      **Distribution of appropriation. [Head Start]**  
Allows the state appropriations for Head Start programs to be used for costs associated with program operations, infrastructure, or reconfiguration to serve children from birth to age five in center-based services.  
  
Designates 10.72 percent of the total state appropriation to Tribal Head Start programs and specifies an order in which the state appropriation must be distributed.
  
- 5      **Screening program.**  
Requires a district screening program to include virtual developmental screening for families who request one based on their immunocompromised health status or other health condition.
  
- 6      **Developmental screening aid.**  
Increases the amount of state aid paid to school districts for each child who is screened prior to or within 30 days of enrolling in public school kindergarten.

**Section Description - Article 9: Education**

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**7 Prekindergarten, school readiness, preschool, and early education programs; licensure requirement.**

**Subd. 1. Licensure requirement.** Requires that a school district and charter school employ a licensed teacher to provide instruction in a preschool, school readiness, school readiness plus, prekindergarten, or other early education program in a school district or charter school.

**Subd. 2. Exemptions.** Provides that an individual who has taught in an early education program for at least five years prior to September 1, 2028, may continue to teach without obtaining a license. Provides that exempt individuals are teachers for purposes of PELRA, which determines which individuals can be in the teacher bargaining unit.

Makes the section effective July 1, 2028.

**8 Grants for Grow Your Own early childhood educator programs.**

Establishes a Grow Your Own early childhood educator grant program that allows licensed child care programs and other programs or organizations to apply for a grant to host, build, or expand an early childhood educator preparation program that leads to a credential or degree needed to enter or advance in the early childhood education workforce. Establishes a "Grow Your Own Early Childhood Education program account" in the special revenue fund. Appropriates up to \$175,000 annually to the commissioner to administer and monitor the program. Requires grant recipients to report to the commissioner on their activities and requires the commissioner to publish a report for the public summarizing the activities and outcomes of grant recipients.

**9 Support staff. [ECFE]**

Directs the Department of Education to employ two full-time equivalent staff to provide operational support and guidance to ECFE programs. Requires that each staff person hold a valid license as a teacher of parent and family education. The section is effective for revenue for fiscal year 2024 and later.

**10 Additional duties.**

Strikes two requirements to produce recommendations that the State Advisory Council on Early Childhood Education and Care has fulfilled. Requires that the council review and provide input on the work produced by the Great Start for All Minnesota Children Task Force.

**11 Kindergarten entry assessment.**

**Subd. 1. Assessment required.** Directs the commissioner to implement a kindergarten entry assessment of incoming kindergarteners.

**Section Description - Article 9: Education**

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**Subd. 2. Process.** Directs school districts and charter schools to choose a kindergarten entry assessment tool approved by the department that meets specified requirements. Requires the department to provide assessment-related technical assistance and professional development to educators, school districts, and charter schools.

**Subd. 3. Reporting.** Requires that school districts and charter schools annually report the results of the kindergarten entry assessment to the department. Directs the commissioner to publicly report the results in the manner specified.

**Subd. 4. Implementation.** Provides a three-year phase-in of the requirements under this section, with all school districts and charter schools complying beginning with the 2025-2026 school year.

**12 Family eligibility. [Early learning scholarships]**

Aligns financial eligibility for scholarships with at-application eligibility for BSF child care assistance, which is currently set at income equal to or less than 47 percent of state median income. Makes families that have a child who is referred as in need of child protective services or placed in foster care eligible for scholarships regardless of a family's income level. Changes a child's eligibility for scholarships to include all children from birth through age four on September 1 of the current school year.

**13 Administration. [Early learning scholarships]**

Adds priority groups for scholarships, including children who are younger than four years old, children who have incarcerated parents, children with a parent in a substance use treatment program or a mental health treatment program, and children who have experienced domestic violence.

Directs the commissioner to establish a schedule of tiered scholarship amounts based on specified factors.

Provides that a scholarship cancels if a recipient has not enrolled in an eligible program within three months, rather than ten months, of receiving the scholarship. Allows extensions if a program is unavailable to a child within the three-month timeline.

**14 Early childhood program eligibility. [Early learning scholarships]**

Removes the requirement for programs to have three or four stars under Parent Aware to accept scholarships. The requirement would have gone into effect beginning July 1, 2024.

**Section Description - Article 9: Education**

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**15 Early learning scholarship account.**

Increases the amount the commissioner may use for costs associated with administering and monitoring scholarships, up to \$2,133,000 annually. Allows the commissioner to use money in the early learning scholarship special revenue fund for family outreach and distribution of scholarships.

**16 School of parents' choice.**

Provides that a parent of a student with a disability who is not yet enrolled in kindergarten and not open enrolled in a nonresident district may elect a school in a nonresident district where the child is enrolled in a Head Start program or a licensed child care program if the child can be served in the same setting as other children in the nonresident district with the same level of disability.

**17 Teacher.**

Modifies the definition of "teacher" for purposes of PELRA. Includes in the definition of teacher, a person providing instruction to children in preschool, school readiness, school readiness plus, prekindergarten, or other early education program in a school district or charter school. Allows these teachers to stay in a different bargaining unit certified before January 1, 2023, with some exceptions.

**18 Appropriations given effect once.**

Provides that if an appropriation or transfer in this article is enacted more than once during the 2023 regular session, then the appropriation or transfer must take effect only once.



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