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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 238

01/11/2023 Authored by Pinto, Moller, Feist, Becker-Finn, Noor and others
The bill was read for the first time and referred to the Committee on Children and Families Finance and Policy
04/11/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/17/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act

1.2 relating to children; modifying provisions on child care, child safety and

1.3 permanency, child support, licensing, economic assistance, and homelessness;

1.4 making forecast adjustments; requiring reports; appropriating money; amending

1.5 Minnesota Statutes 2022, sections 4.045; 10.65, subdivision 2; 15.01; 15.06,

1.6 subdivision 1; 15A.0815, subdivision 2; 43A.08, subdivision 1a; 119B.011,

1.7 subdivisions 2, 3, 5, 13, 15, 19a; 119B.02, subdivision 4; 119B.025, subdivision

1.8 4; 119B.03, subdivisions 3, 4, 4a; 119B.05, subdivision 1; 119B.09, subdivision

1.9 7; 119B.095, subdivisions 2, 3; 119B.10, subdivisions 1, 3; 119B.105, subdivision

1.10 2; 119B.125, subdivisions 1, 1a, 1b, 2, 3, 4, 6, 7; 119B.13, subdivisions 1, 4, 6;

1.11 119B.16, subdivisions 1a, 1c, 3; 119B.161, subdivisions 2, 3; 119B.19, subdivision

1.12 7; 124D.142, subdivision 2; 145.4716, subdivision 3; 168B.07, subdivision 3;

1.13 245.095; 245A.02, subdivisions 2c, 6b, by adding a subdivision; 245A.03,

1.14 subdivision 2; 245A.04, subdivision 4; 245A.05; 245A.06, subdivision 1; 245A.07,

1.15 subdivisions 1, 3; 245A.11, by adding a subdivision; 245A.14, subdivision 4;

1.16 245A.1435; 245A.146, subdivision 3; 245A.16, subdivisions 1, 9, by adding a

1.17 subdivision; 245A.18, subdivision 2; 245A.22, by adding a subdivision; 245A.50,

1.18 subdivisions 3, 4, 5, 6, 9; 245A.52, subdivisions 1, 3, 5, by adding a subdivision;

1.19 245A.66, by adding a subdivision; 245C.04, subdivision 1; 245C.05, subdivision

1.20 4; 245C.17, subdivision 6; 245C.23, subdivision 2; 245E.06, subdivision 3;

1.21 245G.13, subdivision 2; 245H.01, subdivision 5; 245H.02; 245H.03, by adding a

1.22 subdivision; 245H.05; 245H.08, subdivisions 4, 5; 245H.13, subdivisions 3, 7;

1.23 256.014, subdivisions 1, 2; 256.046, subdivisions 1, 3; 256.98, subdivision 8;

1.24 256.983, subdivision 5; 256.987, subdivision 4; 256D.03, by adding a subdivision;

1.25 256D.63, subdivision 2; 256E.34, subdivision 4; 256E.35, subdivisions 1, 2, 3, 4a,

1.26 6, 7; 256I.03, subdivision 13; 256I.06, subdivisions 6, 8, by adding a subdivision;

1.27 256J.01, subdivision 1; 256J.02, subdivision 2; 256J.08, subdivisions 65, 71, 79;

1.28 256J.09, subdivision 10; 256J.11, subdivision 1; 256J.21, subdivisions 3, 4; 256J.33,

1.29 subdivisions 1, 2; 256J.35; 256J.37, subdivisions 3, 3a; 256J.40; 256J.42,

1.30 subdivision 5; 256J.425, subdivisions 1, 4, 5, 7; 256J.46, subdivisions 1, 2, 2a;

1.31 256J.49, subdivision 9; 256J.50, subdivision 1; 256J.521, subdivision 1; 256J.621,

1.32 subdivision 1; 256J.626, subdivisions 2, 3; 256J.751, subdivision 2; 256K.45,

1.33 subdivisions 3, 7, by adding a subdivision; 256N.24, subdivision 12; 256P.01, by

1.34 adding a subdivision; 256P.02, subdivision 2, by adding a subdivision; 256P.04,

1.35 subdivisions 4, 8; 256P.06, subdivision 3; 256P.07, subdivisions 1, 2, 3, 4, 6, 7,

1.36 by adding subdivisions; 260.761, subdivision 2, as amended; 260C.007, subdivision

1.37 14; 260C.221, subdivision 1; 260C.317, subdivision 3; 260C.451, by adding

1.38 subdivisions; 260C.704; 260C.708; 260C.80, subdivision 1; 260E.01; 260E.02,

2.1 subdivision 1; 260E.03, subdivision 22, by adding subdivisions; 260E.14,
 2.2 subdivisions 2, 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2;
 2.3 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6;
 2.4 261.063; 514.972, subdivision 5; 518A.31; 518A.32, subdivisions 3, 4; 518A.34;
 2.5 518A.41; 518A.42, subdivisions 1, 3; 518A.43, subdivision 1b; 518A.65; 518A.77;
 2.6 proposing coding for new law in Minnesota Statutes, chapters 119B; 245A; 256;
 2.7 256E; 256K; 256P; 260; proposing coding for new law as Minnesota Statutes,
 2.8 chapters 119C; 143; repealing Minnesota Statutes 2022, sections 119B.011,
 2.9 subdivision 10a; 119B.03, subdivision 4; 245C.11, subdivision 3; 256.8799;
 2.10 256.9864; 256D.63, subdivision 1; 256J.08, subdivisions 10, 24b, 53, 61, 62, 81,
 2.11 83; 256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34,
 2.12 subdivisions 1, 2, 3, 4; 256J.37, subdivision 10; 256J.425, subdivision 6; 256J.95,
 2.13 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19; 256P.07,
 2.14 subdivision 5; 518A.59.

2.15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

2.16 **ARTICLE 1**

2.17 **CHILD CARE**

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

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

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

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

2.29 Subd. 5. **Child care.** "Child care" means the care of a child by someone other than a
 2.30 parent;² stepparent;² legal guardian;² eligible relative caregiver;² relative custodian who
 2.31 accepted a transfer of permanent legal and physical custody of a child under section
 2.32 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor
 2.33 custodian or guardian as established according to section 256N.22, subdivision 10; foster
 2.34 parent providing care to a child placed in a family foster home under section 260C.007,
 2.35 subdivision 16b; or the spouses spouse of any of the foregoing in or outside the child's own
 2.36 home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

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

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

3.2 Subd. 13. **Family.** "Family" means parents;² stepparents;² guardians and their spouses;
3.3 ~~or~~; other eligible relative caregivers and their spouses;² relative custodians who accepted a
3.4 transfer of permanent legal and physical custody of a child under section 260C.515,
3.5 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
3.6 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
3.7 foster parents providing care to a child placed in a family foster home under section
3.8 260C.007, subdivision 16b, and their spouses; and ~~their blood-related~~ the blood-related
3.9 dependent children and adoptive siblings under the age of 18 years living in the same home
3.10 including as any of the above. Family includes children temporarily absent from the
3.11 household in settings such as schools, foster care, and residential treatment facilities ~~or~~
3.12 ~~parents, stepparents, guardians and their spouses, or other relative caregivers and their~~
3.13 ~~spouses~~ and adults temporarily absent from the household in settings such as schools, military
3.14 service, or rehabilitation programs. An adult family member who is not in an authorized
3.15 activity under this chapter may be temporarily absent for up to 60 days. When a minor
3.16 parent or parents and his, her, or their child or children are living with other relatives, and
3.17 the minor parent or parents apply for a child care subsidy, "family" means only the minor
3.18 parent or parents and their child or children. An adult age 18 or older who meets this
3.19 definition of family and is a full-time high school or postsecondary student may be considered
3.20 a dependent member of the family unit if 50 percent or more of the adult's support is provided
3.21 by the parents;² stepparents;² guardians and their spouses; relative custodians who accepted
3.22 a transfer of permanent legal and physical custody of a child under section 260C.515,
3.23 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
3.24 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
3.25 foster parents providing care to a child placed in a family foster home under section
3.26 260C.007, subdivision 16b, and their spouses; or eligible relative caregivers and their spouses
3.27 residing in the same household.

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

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

3.30 Subd. 19a. **Registration.** "Registration" means the process used by ~~a county~~ the
3.31 commissioner to determine whether the provider selected by a family applying for or
3.32 receiving child care assistance to care for that family's children meets the requirements
3.33 necessary for payment of child care assistance for care provided by that provider. The
3.34 commissioner shall create a process for statewide registration by April 28, 2025.

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

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

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

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

4.13 (1) child care needs of minor parents;

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

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

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

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

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

4.22 (f) Fifth priority must be given to eligible families receiving services under section
4.23 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
4.24 year, or if the parents are no longer receiving or eligible for DWP supports.

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

4.27 Sec. 6. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

4.28 Subdivision 1. **Eligible participants.** Families eligible for child care assistance under
4.29 the MFIP child care program are:

5.1 (1) MFIP participants who are employed or in job search and meet the requirements of
5.2 section 119B.10;

5.3 (2) persons who are members of transition year families under section 119B.011,
5.4 subdivision 20, and meet the requirements of section 119B.10;

5.5 (3) families who are participating in employment orientation or job search, or other
5.6 employment or training activities that are included in an approved employability development
5.7 plan under section 256J.95;

5.8 (4) MFIP families who are participating in work job search, job support, employment,
5.9 or training activities as required in their employment plan, or in appeals, hearings,
5.10 assessments, or orientations according to chapter 256J;

5.11 (5) MFIP families who are participating in social services activities under chapter 256J
5.12 as required in their employment plan approved according to chapter 256J;

5.13 (6) families who are participating in services or activities that are included in an approved
5.14 family stabilization plan under section 256J.575;

5.15 (7) MFIP child-only families under section 256J.88, for up to 20 hours of child care per
5.16 week for children ages six and under, as recommended by the treating mental health
5.17 professional, when the child's primary caregiver has a diagnosis of a mental illness;

5.18 ~~(7)~~ (8) families who are participating in programs as required in tribal contracts under
5.19 section 119B.02, subdivision 2, or 256.01, subdivision 2;

5.20 ~~(8)~~ (9) families who are participating in the transition year extension under section
5.21 119B.011, subdivision 20a;

5.22 ~~(9)~~ (10) student parents as defined under section 119B.011, subdivision 19b; and

5.23 ~~(10)~~ (11) student parents who turn 21 years of age and who continue to meet the other
5.24 requirements under section 119B.011, subdivision 19b. A student parent continues to be
5.25 eligible until the student parent is approved for basic sliding fee child care assistance or
5.26 until the student parent's redetermination, whichever comes first. At the student parent's
5.27 redetermination, if the student parent was not approved for basic sliding fee child care
5.28 assistance, a student parent's eligibility ends following a 15-day adverse action notice.

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

5.30 Subdivision 1. **Authorization.** ~~A county or~~ The commissioner must authorize the provider
5.31 chosen by an applicant or a participant before the county can authorize payment for care
5.32 provided by that provider. The commissioner must establish the requirements necessary for

6.1 authorization of providers. A provider must be reauthorized every two years. A legal,
6.2 nonlicensed family child care provider also must be reauthorized when another person over
6.3 the age of 13 joins the household, a current household member turns 13, or there is reason
6.4 to believe that a household member has a factor that prevents authorization. The provider
6.5 is required to report all family changes that would require reauthorization. When a provider
6.6 has been authorized for payment for providing care for families in more than one county,
6.7 the county responsible for reauthorization of that provider is the county of the family with
6.8 a current authorization for that provider and who has used the provider for the longest length
6.9 of time.

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

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

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

6.14 (b) Prior to authorization, and as part of each reauthorization required in subdivision 1,
6.15 the county the commissioner shall perform a background study on every member of the
6.16 provider's household who is age 13 and older. The county shall also perform a background
6.17 study on an individual who has reached age ten but is not yet age 13 and is living in the
6.18 household where the nonlicensed child care will be provided when the county has reasonable
6.19 cause as defined under section 245C.02, subdivision 15 individuals identified under section
6.20 245C.02, subdivision 6a.

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

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

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

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

6.30 Sec. 9. Minnesota Statutes 2022, section 119B.125, subdivision 1b, is amended to read:

6.31 Subd. 1b. **Training required.** (a) ~~Effective November 1, 2011,~~ Prior to initial
6.32 authorization as required in subdivision 1, a legal nonlicensed family child care provider

7.1 must complete first aid and CPR training and provide the verification of first aid and CPR
 7.2 training to the ~~county~~ commissioner. The training documentation must have valid effective
 7.3 dates as of the date the registration request is submitted to the ~~county~~ commissioner. The
 7.4 training must have been provided by an individual approved to provide first aid and CPR
 7.5 instruction and have included CPR techniques for infants and children.

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

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

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

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

7.16 Sec. 10. Minnesota Statutes 2022, section 119B.125, subdivision 2, is amended to read:

7.17 Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization
 7.18 under this section shall collect the information required under section 245C.05, ~~subdivision~~
 7.19 ~~1,~~ and forward the information to the ~~county agency~~ commissioner. The background study
 7.20 must include a review of the information required under section 245C.08, ~~subdivisions 2,~~
 7.21 ~~subdivision 3, and 4, paragraph (b).~~

7.22 (b) A legal nonlicensed family child care provider is not authorized under this section
 7.23 if the commissioner determines that any household member who is the subject of a
 7.24 background study:

7.25 ~~(1) is determined to have a disqualifying characteristic under paragraphs (b) to (e) or~~
 7.26 ~~under section 245C.14 or 245C.15. If a county has determined that a provider is able to be~~
 7.27 ~~authorized in that county, and a family in another county later selects that provider, the~~
 7.28 ~~provider is able to be authorized in the second county without undergoing a new background~~
 7.29 ~~investigation unless one of the following conditions exists: disqualified from direct contact~~
 7.30 ~~with, or from access to, persons served by the program and that disqualification has not~~
 7.31 ~~been set aside or a variance has not been granted under chapter 245C;~~

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

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

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

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

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

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

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

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

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

8.16 Sec. 11. Minnesota Statutes 2022, section 119B.125, subdivision 3, is amended to read:

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

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

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

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

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

8.28 Sec. 12. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

8.29 Subd. 4. **Unsafe care.** ~~A county~~ (a) The commissioner may deny authorization as a child
 8.30 care provider to any applicant or rescind authorization of any provider when ~~the~~ a county

9.1 or commissioner knows or has reason to believe that the provider is unsafe or that the
 9.2 circumstances of the chosen child care arrangement are unsafe, based on statewide criteria
 9.3 developed by the commissioner. The county must include the conditions under which a
 9.4 provider or care arrangement will be determined to be unsafe in the county's child care fund
 9.5 plan under section 119B.08, subdivision 3

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

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

9.8 Sec. 13. Minnesota Statutes 2022, section 119B.125, subdivision 6, is amended to read:

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

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

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

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

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

9.30 (1) the commissioner may:

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

10.1 (ii) pursue an administrative disqualification under sections 256.046, subdivision 3, and
10.2 256.98; or

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

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

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

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

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

10.13 Sec. 14. Minnesota Statutes 2022, section 119B.125, subdivision 7, is amended to read:

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

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

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

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

10.27 (e) When a provider has been disqualified or convicted of fraud under section 256.98,
10.28 theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent
10.29 billing for a program administered by the commissioner or a county, recoupment or recovery
10.30 must be sought regardless of the amount of overpayment.

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

11.1 Sec. 15. Minnesota Statutes 2022, section 119B.13, subdivision 1, is amended to read:

11.2 Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~November 15, 2021~~ October 30,
11.3 2023, the maximum rate paid for child care assistance in any county or county price cluster
11.4 under the child care fund shall be:

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

11.7 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
11.8 ~~2021 child care provider rate survey or the rates in effect at the time of the update.~~

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

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

11.14 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
11.15 ~~2024 child care provider rate survey or the rates in effect at the time of the update.~~

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

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

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

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

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

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

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

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

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

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

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

12.12 (j) Beginning October 30, 2023, the maximum registration fee paid for child care
12.13 assistance in any county or county price cluster under the child care fund shall be set as
12.14 follows: ~~(1) beginning November 15, 2021,~~ the greater of the 40th 75th percentile of the
12.15 ~~2021~~ most recent child care provider rate survey or the registration fee in effect at the time
12.16 of the update; ~~and (2) beginning the first full service period on or after January 1, 2025,~~ the
12.17 ~~maximum registration fee shall be the greater of the 40th percentile of the 2024 child care~~
12.18 ~~provider rate survey or the registration fee in effect at the time of the update. The registration~~
12.19 ~~fees under clause (1) continue until the registration fees under clause (2) go into effect.~~

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

12.25 Sec. 16. Minnesota Statutes 2022, section 119B.13, subdivision 4, is amended to read:

12.26 Subd. 4. **Rates charged to publicly subsidized families.** Child care providers receiving
12.27 reimbursement under this chapter may not charge a rate to clients receiving assistance under
12.28 this chapter that is higher than the private, full-paying client rate. This subdivision shall not
12.29 prohibit a child care provider receiving reimbursement under this chapter from providing
12.30 discounts, scholarships, or other financial assistance to any clients.

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

13.1 Sec. 17. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

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

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

13.15 (c) If a provider provided care for a time period without receiving an authorization of
13.16 care and a billing form for an eligible family, payment of child care assistance may only be
13.17 made retroactively for a maximum of three months from the date the provider is issued an
13.18 authorization of care and a billing form. For a family at application, if a provider provided
13.19 child care during a time period without receiving an authorization of care and a billing form,
13.20 a county may only make child care assistance payments to the provider retroactively from
13.21 the date that child care began, or from the date that the family's eligibility began under
13.22 section 119B.09, subdivision 7, or from the date that the family meets authorization
13.23 requirements, not to exceed six months from the date that the provider is issued an
13.24 authorization of care and a billing form, whichever is later.

13.25 (d) ~~A county or~~ The commissioner may refuse to issue a child care authorization to a
13.26 certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization
13.27 to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified,
13.28 licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified,
13.29 licensed, or legal nonlicensed provider if:

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

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

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

14.3 (4) the provider is operating after:

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

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

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

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

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

14.10 (7) the provider fails to report decreases in a child's attendance as required under section
14.11 119B.125, subdivision 9.

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

14.15 (f) A county's payment policies must be included in the county's child care plan under
14.16 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
14.17 compliance with this subdivision, the payments must be made in compliance with section
14.18 16A.124.

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

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

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

14.24 (3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or
14.25 245E.06;

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

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

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

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

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

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

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

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

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

15.12 (3) establishes an overpayment for failure to comply with section 119B.125, subdivision
15.13 6;

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

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

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

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

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

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

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

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

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

16.1 Sec. 19. Minnesota Statutes 2022, section 119B.16, subdivision 1c, is amended to read:

16.2 Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision
16.3 1a, paragraph (b), a county agency or the commissioner must mail written notice to the
16.4 provider against whom the action is being taken. Unless otherwise specified under this
16.5 chapter, chapter 245E, or Minnesota Rules, chapter 3400, a county agency or the
16.6 commissioner must mail the written notice at least 15 calendar days before the adverse
16.7 action's effective date.

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

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

16.13 Sec. 20. Minnesota Statutes 2022, section 119B.16, subdivision 3, is amended to read:

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

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

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

16.22 Sec. 21. Minnesota Statutes 2022, section 119B.161, subdivision 2, is amended to read:

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

16.26 (b) The notice must:

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

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

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

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

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

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

17.12 Sec. 22. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

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

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

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

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

17.23 Sec. 23. **[119B.162] RECONSIDERATION OF CORRECTION ORDERS.**

17.24 (a) If a provider believes that the contents of the commissioner's correction order issued
17.25 under chapter 245E are in error, the provider may ask the commissioner to reconsider the
17.26 parts of the correction order that are alleged to be in error. The request for reconsideration
17.27 must be made in writing and must be postmarked and sent to the commissioner or submitted
17.28 in the provider licensing and reporting hub within 30 calendar days from the date the
17.29 correction order was mailed or issued through the hub to the provider, and:

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

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

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

18.2 (b) Upon implementation of the provider licensing and reporting hub, the provider must
18.3 use the hub to request reconsideration.

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

18.8 Sec. 24. Minnesota Statutes 2022, section 119B.19, subdivision 7, is amended to read:

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

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

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

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

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

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

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

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

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

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

19.1 **Sec. 25. [119B.27] GREAT START COMPENSATION SUPPORT PAYMENTS.**

19.2 **Subdivision 1. Establishment.** The commissioner of human services shall establish and
19.3 administer the great start compensation support payment program to provide eligible child
19.4 care and early learning programs with payments to improve access to early care and learning
19.5 in Minnesota and to strengthen the ability of child care early learning programs to recruit
19.6 and retain qualified early educators to work in early care and learning programs.

19.7 **Subd. 2. Eligible programs.** (a) The following programs are eligible to receive payments
19.8 under this section:

19.9 (1) family and group family child care homes licensed under Minnesota Rules, chapter
19.10 9502;

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

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

19.13 (4) Tribally licensed child care programs; and

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

19.15 **(b) To be eligible, programs must not be:**

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

19.18 (2) the subject of suspended, denied, or terminated payments to a provider under section
19.19 256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02,
19.20 subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;

19.21 (3) prohibited from receiving public money under section 245.095, regardless of whether
19.22 the action is under appeal; or

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

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

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

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

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

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

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

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

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

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

20.18 (1) use of money;

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

20.24 (3) staff employment, compensation, and benefits records. Employment, compensation,
20.25 and benefits records must include time sheets or other records of daily hours worked;
20.26 documentation of compensation and benefits; documentation of written changes to employees'
20.27 rate or rates of pay and basis thereof as a result of support payments, as required under
20.28 section 181.032; and any other records required to be maintained under section 177.30.

20.29 (e) The requirement to document compensation and benefits only applies to family child
20.30 care providers if support payment money is used for employee compensation and benefits.

20.31 (f) All records must be retained at the site where services are delivered for six years after
20.32 the date of receipt of payment and be made immediately available to the commissioner upon
20.33 request. Any records not provided to the commissioner at the date and time of the request

21.1 are deemed inadmissible if offered as evidence by a provider in any proceeding to contest
21.2 an overpayment or disqualification of the provider.

21.3 (g) Recipients that fail to meet the requirements under this section are subject to
21.4 discontinuation of future installment payments, recovery of overpayments, and actions under
21.5 chapter 245E. Except when based on a finding of fraud, actions to establish an overpayment
21.6 must be made within six years of receipt of the payments. Once an overpayment is
21.7 established, collection may continue until money has been repaid in full. The appeal process
21.8 under section 119B.16 applies to actions taken for failure to meet the requirements of this
21.9 section.

21.10 Subd. 4. **Providing payments.** (a) The commissioner shall provide support payments
21.11 under this section to all eligible programs on a noncompetitive basis.

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

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

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

21.21 (e) Payments must be increased by 25 percent for providers receiving payments through
21.22 the child care assistance programs under section 119B.03 or 119B.05 or early learning
21.23 scholarships under section 124D.165 or whose program is located in a child care access
21.24 equity area. Child care access equity areas are areas with low access to child care, high
21.25 poverty rates, high unemployment rates, low home ownership rates, and low median
21.26 household incomes. The commissioner must develop a method for establishing child care
21.27 access equity areas.

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

21.30 Subd. 5. **Eligible uses of money.** (a) Recipients that are child care centers licensed under
21.31 Minnesota Rules, chapter 9503; certified license-exempt child care centers under chapter
21.32 245H; or Tribally licensed child care centers must use money provided under this section
21.33 to pay for increases in compensation, benefits, premium pay, or additional federal taxes

22.1 assessed on the compensation of employees as a result of paying increased compensation
22.2 or premium pay to all paid employees or independent contractors regularly caring for
22.3 children. The increases in this paragraph must occur no less frequently than once per year.

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

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

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

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

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

22.15 (5) purchasing training or other professional development.

22.16 Subd. 6. **Report.** By January 1 each year, the commissioner must report to the chairs
22.17 and ranking minority members of the legislative committees with jurisdiction over child
22.18 care and early learning the number of payments provided to recipients and outcomes of the
22.19 support payment program since the last report. This subdivision expires January 31, 2033.

22.20 Subd. 7. **Carryforward authority.** Funds appropriated under this section are available
22.21 until expended.

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

22.23 (a) The commissioner of human services shall establish a grant program to distribute
22.24 money for the planning, establishment, expansion, improvement, or operation of shared
22.25 services alliances to allow family child care providers to achieve economies of scale. The
22.26 commissioner must develop a process to fund organizations to operate shared services
22.27 alliances that includes application forms, timelines, and standards for renewal. For purposes
22.28 of this section, "shared services alliances" means networks of licensed family child care
22.29 providers that share services to reduce costs and achieve efficiencies.

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

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

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

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

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

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

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

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

23.14 (3) coordination of bulk purchasing;

23.15 (4) management of a substitute pool;

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

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

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

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

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

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

23.25 **Sec. 27. [119B.29] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY**
23.26 **GRANTS.**

23.27 (a) The commissioner of human services shall distribute money provided by this section
23.28 through grants to one or more organizations to offer grants or other supports to child care
23.29 providers for technology intended to improve the providers' business practices. The

24.1 commissioner must develop a process to fund organizations to provide technology supports
24.2 that includes application forms, timelines, reporting requirements, and standards for renewal.

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

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

24.5 (2) family or group family child care homes licensed under Minnesota Rules, chapter
24.6 9502; and

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

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

24.12 (d) Grantees shall use the grant money, either directly or through grants to providers,
24.13 for one or more of the following purposes:

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

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

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

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

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

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

24.22 Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner
24.23 shall conduct a background study of an individual required to be studied under section
24.24 245C.03, subdivision 1, at least upon application for initial license for all license types.

24.25 (b) The commissioner shall conduct a background study of an individual required to be
24.26 studied under section 245C.03, subdivision 1, including a child care background study
24.27 subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed
24.28 child care center, certified license-exempt child care center, or legal nonlicensed child care
24.29 provider, on a schedule determined by the commissioner. Except as provided in section
24.30 245C.05, subdivision 5a, a child care background study must include submission of
24.31 fingerprints for a national criminal history record check and a review of the information

25.1 under section 245C.08. A background study for a child care program must be repeated
25.2 within five years from the most recent study conducted under this paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26.12 (1) except as provided in section 245C.05, subdivision 5a, the county shall collect and
26.13 forward to the commissioner the information required under section 245C.05, subdivision
26.14 1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted
26.15 by the commissioner for all family adult day services, for adult foster care when the adult
26.16 foster care license holder resides in the adult foster care residence, and for family child care
26.17 and legal nonlicensed child care authorized under chapter 119B;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27.27 (1) background study information to the commissioner;

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

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

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

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

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

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

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

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

28.16 Subd. 6. **Notice to county agency.** For studies on individuals related to a license to
28.17 provide adult foster care when the applicant or license holder resides in the adult foster care
28.18 residence and family adult day services and, effective upon implementation of NETStudy
28.19 2.0, family child care ~~and legal nonlicensed child care authorized under chapter 119B~~, the
28.20 commissioner shall also provide a notice of the background study results to the county
28.21 agency that initiated the background study.

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

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

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

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

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

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

29.7 (4) an individual submitted a timely request for a hearing under sections 245C.27 and
29.8 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the
29.9 disqualification under section 245A.08, subdivision 5, or 256.045.

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

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

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

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

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

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

30.2 Subd. 3. **Appeal of department action.** A provider's rights related to the department's
30.3 action taken under this chapter against a provider are established in sections 119B.16 and,
30.4 119B.161, 119B.162, and 245.095, subdivision 4.

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

30.6 Subd. 3. **Administrative disqualification of child care providers caring for children**
30.7 **receiving child care assistance.** (a) The department ~~or local agency~~ shall pursue an
30.8 administrative disqualification, if the child care provider is accused of committing an
30.9 intentional program violation, in lieu of a criminal action when it has not been pursued.
30.10 Intentional program violations include intentionally making false or misleading statements;
30.11 intentionally misrepresenting, concealing, or withholding facts; and repeatedly and
30.12 intentionally violating program regulations under chapters 119B and 245E. Intent may be
30.13 proven by demonstrating a pattern of conduct that violates program rules under chapters
30.14 119B and 245E.

30.15 (b) To initiate an administrative disqualification, ~~a local agency or~~ the commissioner
30.16 must mail written notice by certified mail to the provider against whom the action is being
30.17 taken. Unless otherwise specified under chapter 119B or 245E or Minnesota Rules, chapter
30.18 3400, ~~a local agency or~~ the commissioner must mail the written notice at least 15 calendar
30.19 days before the adverse action's effective date. The notice shall state (1) the factual basis
30.20 for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount
30.21 of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal
30.22 the agency's proposed action.

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

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

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

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

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

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

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

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

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

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

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

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

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

31.22 (b) If, upon investigation, a preponderance of evidence shows a provider committed an
31.23 intentional program violation, intentionally gave the county or tribe materially false
31.24 information on the provider's billing forms, provided false attendance records to a county,
31.25 tribe, or the commissioner, or committed financial misconduct as described in section
31.26 245E.01, subdivision 8, the county or tribal agency may recommend that the commissioner
31.27 suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's
31.28 authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to
31.29 pursuing other available remedies. ~~The county or tribe must send notice in accordance with~~
31.30 ~~the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended~~
31.31 ~~under this section, the payment suspension shall remain in effect until: (1) the commissioner,~~
31.32 ~~county, tribe, or a law enforcement authority determines that there is insufficient evidence~~
31.33 ~~warranting the action and a county, tribe, or the commissioner does not pursue an additional~~

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

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

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

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

32.12 Sec. 35. **DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE**
32.13 **STABILIZATION GRANTS.**

32.14 (a) The commissioner of human services must continue providing child care stabilization
32.15 grants under Laws 2021, First Special Session chapter 7, article 14, section 21, from July
32.16 1, 2023, through no later than December 31, 2023.

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

32.23 Sec. 36. **DIRECTION TO COMMISSIONER; INCREASE FOR MAXIMUM CHILD**
32.24 **CARE ASSISTANCE RATES.**

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

32.30 (1) the number of children;

32.31 (2) the provider type;

33.1 (3) the age of children served; and

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

33.3 **Sec. 37. DIRECTION TO COMMISSIONER; ALLOCATING BASIC SLIDING**
33.4 **FEE MONEY.**

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

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

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

33.16 **Sec. 38. REPEALER.**

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

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

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

33.20 **ARTICLE 2**

33.21 **CHILD SAFETY AND PERMANENCY**

33.22 **Section 1. [256.4792] SUPPORT BEYOND 21 GRANT PROGRAM.**

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

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

34.1 (b) The grantee shall distribute support beyond 21 grant money to eligible youth on a
34.2 monthly basis for 12 months.

34.3 (c) Once a youth has completed the program, the youth must receive a stipend to complete
34.4 an exit survey on the youth's experiences in the program.

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

34.7 Subd. 3. **Reporting.** The selected grantee or grantees must report quarterly to the
34.8 commissioner of human services in order to receive the quarterly payment. The selected
34.9 grantee or grantees must include the following information in a quarterly report:

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

34.11 (2) the amount of money that has been distributed to each youth per month;

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

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

34.14 **Sec. 2. [256.4793] FAMILY FIRST PREVENTION SERVICES ACT SUPPORT**
34.15 **AND DEVELOPMENT GRANT PROGRAM.**

34.16 Subdivision 1. **Authorization.** The commissioner shall establish a grant program to
34.17 support prevention and early intervention services provided by community-based agencies
34.18 to implement and build upon Minnesota's Family First Prevention Services Act Title IV-E
34.19 prevention services plan.

34.20 Subd. 2. **Uses.** Funds granted to community-based agencies must be used to:

34.21 (1) implement or expand any Family First Prevention Services Act service or program
34.22 that is included in Minnesota's prevention services plan;

34.23 (2) implement or expand any proposed future Family First Prevention Services Act
34.24 service or program;

34.25 (3) implement or expand any prevention or family preservation service or programming;
34.26 or

34.27 (4) evaluate any of the above programs or services.

34.28 Subd. 3. **Special revenue account established.** Funds appropriated under this section
34.29 shall be transferred to a special revenue account. The commissioner shall retain federal
34.30 reimbursement generated under this section. Federal reimbursement shall be transferred to
34.31 the special revenue account.

35.1 Sec. 3. [256.4794] FAMILY FIRST PREVENTION SERVICES ACT KINSHIP
35.2 NAVIGATOR PROGRAM.

35.3 Subdivision 1. Authorization. The commissioner shall establish a grant program for
35.4 Kinship Navigator programs as outlined by the federal Family First Prevention Services
35.5 Act.

35.6 Subd. 2. Uses. Eligible grantees must use funds to assess kinship caregiver needs, provide
35.7 connection to local and statewide resources, provide case management to assist with complex
35.8 cases, and provide support to meet caregiver needs.

35.9 Subd. 3. Special revenue account established. Funds appropriated under this section
35.10 shall be transferred to a special revenue account. The commissioner shall retain federal
35.11 reimbursement generated under this section. Federal reimbursement shall be transferred to
35.12 the special revenue account.

35.13 Sec. 4. Minnesota Statutes 2022, section 256N.24, subdivision 12, is amended to read:

35.14 **Subd. 12. Approval of initial assessments, special assessments, and reassessments.** (a)
35.15 Any agency completing initial assessments, special assessments, or reassessments must
35.16 designate one or more supervisors or other staff to examine and approve assessments
35.17 completed by others in the agency under subdivision 2. The person approving an assessment
35.18 must not be the case manager or staff member completing that assessment.

35.19 (b) In cases where a special assessment or reassessment for Northstar kinship assistance
35.20 and adoption assistance is required under subdivision 8 or 11, the commissioner shall review
35.21 and approve the assessment as part of the eligibility determination process outlined in section
35.22 256N.22, subdivision 7, for Northstar kinship assistance, or section 256N.23, subdivision
35.23 7, for adoption assistance. The assessment determines the maximum of the negotiated
35.24 agreement amount under section 256N.25.

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

35.27 (1) for initial assessments of children in foster care, the new rate is effective based on
35.28 the emergency foster care rate for initial placement pursuant to section 256N.26, subdivision
35.29 6;

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

36.1 (3) for postpermanency reassessments, the new rate is effective on the date that the
36.2 commissioner signs the amendment to the Northstar Adoption Assistance or Northstar
36.3 Kinship Assistance benefit agreement.

36.4 **Sec. 5. [260.014] FAMILY FIRST PREVENTION AND EARLY INTERVENTION**
36.5 **ALLOCATION PROGRAM.**

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

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

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

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

36.14 (3) to implement or expand any existing service or program; and

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

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

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

36.21 (b) Notwithstanding this subdivision, to the extent that money is available, no county
36.22 or Tribe may be allocated less than:

36.23 (1) \$25,000 in calendar year 2024;

36.24 (2) \$50,000 in calendar year 2025; and

36.25 (3) \$75,000 in calendar year 2026 and each year thereafter.

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

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

36.29 Subd. 4. **Prohibition on supplanting existing money.** Money received under this section
36.30 must be used to address prevention and early intervention staffing, programming, and other

37.1 activities as determined by the commissioner. Money must not be used to supplant current
37.2 county or Tribal expenditures for these purposes.

37.3 Sec. 6. Minnesota Statutes 2022, section 260.761, subdivision 2, as amended by Laws
37.4 2023, chapter 16, section 16, is amended to read:

37.5 Subd. 2. **Notice to Tribes of services or court proceedings involving an Indian**
37.6 **child.** (a) When a child-placing agency has information that a family assessment ~~or,~~
37.7 investigation, or noncaregiver sex trafficking assessment being conducted may involve an
37.8 Indian child, the child-placing agency shall notify the Indian child's Tribe of the family
37.9 assessment ~~or,~~ investigation, or noncaregiver sex trafficking assessment according to section
37.10 260E.18. The child-placing agency shall provide initial notice ~~shall be provided~~ by telephone
37.11 and by email or facsimile and shall include the child's full name and date of birth; the full
37.12 names and dates of birth of the child's biological parents; and if known the full names and
37.13 dates of birth of the child's grandparents and of the child's Indian custodian. If information
37.14 regarding the child's grandparents or Indian custodian is not immediately available, the
37.15 child-placing agency shall continue to request this information and shall notify the Tribe
37.16 when it is received. Notice shall be provided to all Tribes to which the child may have any
37.17 Tribal lineage. The child-placing agency shall request that the Tribe or a designated Tribal
37.18 representative participate in evaluating the family circumstances, identifying family and
37.19 Tribal community resources, and developing case plans. The child-placing agency shall
37.20 continue to include the Tribe in service planning and updates as to the progress of the case.

37.21 (b) When a child-placing agency has information that a child receiving services may be
37.22 an Indian child, the child-placing agency shall notify the Tribe by telephone and by email
37.23 or facsimile of the child's full name and date of birth, the full names and dates of birth of
37.24 the child's biological parents, and, if known, the full names and dates of birth of the child's
37.25 grandparents and of the child's Indian custodian. This notification must be provided ~~so~~ for
37.26 the Tribe ~~can~~ to determine if the child is a member or eligible for Tribal membership in the
37.27 Tribe, and must be provided the agency must provide this notification to the Tribe within
37.28 seven days of receiving information that the child may be an Indian child. If information
37.29 regarding the child's grandparents or Indian custodian is not available within the seven-day
37.30 period, the child-placing agency shall continue to request this information and shall notify
37.31 the Tribe when it is received. Notice shall be provided to all Tribes to which the child may
37.32 have any Tribal lineage.

37.33 (c) In all child placement proceedings, when a court has reason to believe that a child
37.34 placed in emergency protective care is an Indian child, the court administrator or a designee

38.1 shall, as soon as possible and before a hearing takes place, notify the Tribal social services
38.2 agency by telephone and by email or facsimile of the date, time, and location of the
38.3 emergency protective care or other initial hearing. The court shall make efforts to allow
38.4 appearances by telephone or video conference for Tribal representatives, parents, and Indian
38.5 custodians.

38.6 (d) The child-placing agency or individual petitioner shall effect service of any petition
38.7 governed by sections 260.751 to 260.835 by certified mail or registered mail, return receipt
38.8 requested upon the Indian child's parents, Indian custodian, and Indian child's Tribe at least
38.9 10 days before the admit-deny hearing is held. If the identity or location of the Indian child's
38.10 parents or Indian custodian and Tribe cannot be determined, the child-placing agency shall
38.11 provide the notice required in this paragraph to the United States Secretary of the Interior,
38.12 Bureau of Indian Affairs by certified mail, return receipt requested.

38.13 (e) A Tribe, the Indian child's parents, or the Indian custodian may request up to 20
38.14 additional days to prepare for the admit-deny hearing. The court shall allow appearances
38.15 by telephone, video conference, or other electronic medium for Tribal representatives, the
38.16 Indian child's parents, or the Indian custodian.

38.17 (f) A child-placing agency or individual petitioner must provide the notices required
38.18 under this subdivision at the earliest possible time to facilitate involvement of the Indian
38.19 child's Tribe. Nothing in this subdivision is intended to hinder the ability of the child-placing
38.20 agency, individual petitioner, and the court to respond to an emergency situation. Lack of
38.21 participation by a Tribe shall not prevent the Tribe from intervening in services and
38.22 proceedings at a later date. A Tribe may participate in a case at any time. At any stage of
38.23 the child-placing agency's involvement with an Indian child, the agency shall provide full
38.24 cooperation to the Tribal social services agency, including disclosure of all data concerning
38.25 the Indian child. Nothing in this subdivision relieves the child-placing agency of satisfying
38.26 the notice requirements in state or federal law.

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

38.28 **Sec. 7. [260.786] CHILD WELFARE STAFF ALLOCATION FOR TRIBES.**

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

39.1 of Lake Superior Chippewa, Lower Sioux Indian Community, Prairie Island Indian
 39.2 Community, and Upper Sioux Indian Community.

39.3 Subd. 2. **Purposes.** Money must be used to address staffing for responding to notifications
 39.4 under the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, to
 39.5 the extent necessary, or to provide other child protection and child welfare services. Money
 39.6 must not be used to supplant current Tribal expenditures for these purposes.

39.7 Subd. 3. **Reporting.** By June 1 each year, Tribes receiving this money shall provide a
 39.8 report to the commissioner. The report shall be written in a manner prescribed by the
 39.9 commissioner and must include an accounting of money spent, staff hired, job duties, and
 39.10 other information as required by the commissioner.

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

39.14 Sec. 8. Minnesota Statutes 2022, section 260C.007, subdivision 14, is amended to read:

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

39.20 (1) conduct ~~towards~~ toward a child that constitutes a violation of sections 609.185 to
 39.21 609.2114, 609.222, subdivision 2, 609.223, or any other similar law of any other state;

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

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

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

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

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

40.1 (7) conduct ~~towards~~ toward a child that constitutes sex trafficking, solicitation,
40.2 inducement, ~~or~~ promotion of, or receiving profit derived from prostitution under section
40.3 609.322;

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

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

40.9 (10) conduct toward a child that constitutes criminal sexual conduct under sections
40.10 609.342 to 609.345 or sexual extortion under section 609.3458.

40.11 Sec. 9. Minnesota Statutes 2022, section 260C.221, subdivision 1, is amended to read:

40.12 Subdivision 1. **Relative search requirements.** (a) The responsible social services agency
40.13 shall exercise due diligence to identify and notify adult relatives, as defined in section
40.14 260C.007, subdivision 27, and current caregivers of a child's sibling, prior to placement or
40.15 within 30 days after the child's removal from the parent, regardless of whether a child is
40.16 placed in a relative's home, as required under subdivision 2. The relative search required
40.17 by this section shall be comprehensive in scope.

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

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

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

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

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

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

41.16 (d) Upon terminating parental rights or upon a parent's consent to adoption under
41.17 ~~Minnesota Statutes 2010, section 260C.201, subdivision 11, or section 260C.515, subdivision~~
41.18 ~~5 3~~, resulting in an order for guardianship to the commissioner of human services, the court
41.19 shall retain jurisdiction:

41.20 (1) until the child is adopted;

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

41.22 (3) as long as the child continues in or reenters foster care, until the individual becomes
41.23 21 years of age according to sections 260C.193, subdivision 6, and 260C.451.

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

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

42.1 (b) As part of transition planning, the responsible social services agency must inform a
42.2 youth preparing to leave extended foster care of the youth's eligibility for the support beyond
42.3 21 program under subdivision 8b and must include that program in the individual transition
42.4 plan for the eligible youth. Consistent with section 13.46, the local social services agency
42.5 or initiative Tribe must refer a youth to the support beyond 21 program by providing the
42.6 contracted agency with the youth's contact information.

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

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

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

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

42.16 (d) A youth who transitions to adult residential services under section 256B.092 or
42.17 256B.49 or a youth in a correctional facility licensed under section 241.021 is not eligible
42.18 for the support beyond 21 program.

42.19 (e) To the extent that money is available under section 256.4792, an eligible youth who
42.20 participates in the support beyond 21 program must receive monthly financial assistance
42.21 for 12 months after the youth is discharged from extended foster care under subdivision 3.
42.22 The money is available to assist the youth in meeting basic well-being and housing needs
42.23 as determined solely by the youth. A grantee must reduce monthly payments quarterly.
42.24 Payments must be made by a grantee according to the requirements of section 256.4792.

42.25 Sec. 13. Minnesota Statutes 2022, section 260C.704, is amended to read:

42.26 **260C.704 REQUIREMENTS FOR THE QUALIFIED INDIVIDUAL'S**
42.27 **ASSESSMENT OF THE CHILD FOR PLACEMENT IN A QUALIFIED**
42.28 **RESIDENTIAL TREATMENT PROGRAM.**

42.29 (a) A qualified individual must complete an assessment of the child prior to the child's
42.30 placement in a qualified residential treatment program in a format approved by the
42.31 commissioner of human services unless, due to a crisis, the child must immediately be
42.32 placed in a qualified residential treatment program. When a child must immediately be

43.1 placed in a qualified residential treatment program without an assessment, the qualified
43.2 individual must complete the child's assessment within 30 days of the child's placement.

43.3 The qualified individual must:

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

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

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

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

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

43.16 (b) The child and the child's parents, when appropriate, may request that a specific
43.17 culturally competent qualified individual complete the child's assessment. The agency shall
43.18 make efforts to refer the child to the identified qualified individual to complete the
43.19 assessment. The assessment must not be delayed for a specific qualified individual to
43.20 complete the assessment.

43.21 (c) The qualified individual must provide the assessment, when complete, to the
43.22 responsible social services agency. If the assessment recommends placement of the child
43.23 in a qualified residential treatment facility, the agency must distribute the assessment to the
43.24 child's parent or legal guardian and file the assessment with the court report as required in
43.25 section 260C.71, subdivision 2. If the assessment does not recommend placement in a
43.26 qualified residential treatment facility, the agency must provide a copy of the assessment
43.27 to the parents or legal guardians and the guardian ad litem and file the assessment
43.28 determination with the court at the next required hearing as required in section 260C.71,
43.29 subdivision 5. If court rules and chapter 13 permit disclosure of the results of the child's
43.30 assessment, the agency may share the results of the child's assessment with the child's foster
43.31 care provider, other members of the child's family, and the family and permanency team.
43.32 The agency must not share the child's private medical data with the family and permanency
43.33 team unless: (1) chapter 13 permits the agency to disclose the child's private medical data

44.1 to the family and permanency team; or (2) the child's parent has authorized the agency to
44.2 disclose the child's private medical data to the family and permanency team.

44.3 (d) For an Indian child, the assessment of the child must follow the order of placement
44.4 preferences in the Indian Child Welfare Act of 1978, United States Code, title 25, section
44.5 1915.

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

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

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

44.15 (3) if the qualified individual's placement recommendation is not the placement setting
44.16 that the parent, family and permanency team, child, or tribe prefer, the qualified individual
44.17 must identify the reasons why the qualified individual does not recommend the parent's,
44.18 family and permanency team's, child's, or tribe's placement preferences. The out-of-home
44.19 placement plan under section 260C.708 must also include reasons why the qualified
44.20 individual did not recommend the preferences of the parents, family and permanency team,
44.21 child, or tribe.

44.22 (f) If the qualified individual determines that the child's family or a family foster home
44.23 or other less restrictive placement may meet the child's needs, the agency must move the
44.24 child out of the qualified residential treatment program and transition the child to a less
44.25 restrictive setting within 30 days of the determination. If the responsible social services
44.26 agency has placement authority of the child, the agency must make a plan for the child's
44.27 placement according to section 260C.212, subdivision 2. The agency must file the child's
44.28 assessment determination with the court at the next required hearing.

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

45.1 (h) The commissioner shall establish a review process for a qualified individual's
45.2 completed assessment of a child. The commissioner must develop the review process with
45.3 county and Tribal agency representatives. The review process must ensure that the qualified
45.4 individual's assessment is an independent, objective assessment that recommends the least
45.5 restrictive setting to meet the child's needs.

45.6 Sec. 14. Minnesota Statutes 2022, section 260C.708, is amended to read:

45.7 **260C.708 OUT-OF-HOME PLACEMENT PLAN FOR QUALIFIED**
45.8 **RESIDENTIAL TREATMENT PROGRAM PLACEMENTS.**

45.9 (a) When the responsible social services agency places a child in a qualified residential
45.10 treatment program as defined in section 260C.007, subdivision 26d, the out-of-home
45.11 placement plan must include:

45.12 (1) the case plan requirements in section 260C.212;

45.13 (2) the reasonable and good faith efforts of the responsible social services agency to
45.14 identify and include all of the individuals required to be on the child's family and permanency
45.15 team under section 260C.007;

45.16 (3) all contact information for members of the child's family and permanency team and
45.17 for other relatives who are not part of the family and permanency team;

45.18 (4) evidence that the agency scheduled meetings of the family and permanency team,
45.19 including meetings relating to the assessment required under section 260C.704, at a time
45.20 and place convenient for the family;

45.21 (5) evidence that the family and permanency team is involved in the assessment required
45.22 under section 260C.704 to determine the appropriateness of the child's placement in a
45.23 qualified residential treatment program;

45.24 (6) the family and permanency team's placement preferences for the child in the
45.25 assessment required under section 260C.704. When making a decision about the child's
45.26 placement preferences, the family and permanency team must recognize:

45.27 (i) that the agency should place a child with the child's siblings unless a court finds that
45.28 placing a child with the child's siblings is not possible due to a child's specialized placement
45.29 needs or is otherwise contrary to the child's best interests; and

45.30 (ii) that the agency should place an Indian child according to the requirements of the
45.31 Indian Child Welfare Act, the Minnesota Family Preservation Act under sections 260.751
45.32 to 260.835, and section 260C.193, subdivision 3, paragraph (g);

46.1 (7) when reunification of the child with the child's parent or legal guardian is the agency's
46.2 goal, evidence demonstrating that the parent or legal guardian provided input about the
46.3 members of the family and permanency team under section 260C.706;

46.4 (8) when the agency's permanency goal is to reunify the child with the child's parent or
46.5 legal guardian, the out-of-home placement plan must identify services and supports that
46.6 maintain the parent-child relationship and the parent's legal authority, decision-making, and
46.7 responsibility for ongoing planning for the child. In addition, the agency must assist the
46.8 parent with visiting and contacting the child;

46.9 (9) when the agency's permanency goal is to transfer permanent legal and physical
46.10 custody of the child to a proposed guardian or to finalize the child's adoption, the case plan
46.11 must document the agency's steps to transfer permanent legal and physical custody of the
46.12 child or finalize adoption, as required in section 260C.212, subdivision 1, paragraph (c),
46.13 clauses (6) and (7); and

46.14 (10) the qualified individual's recommendation regarding the child's placement in a
46.15 qualified residential treatment program and the court approval or disapproval of the placement
46.16 as required in section 260C.71.

46.17 (b) If the placement preferences of the family and permanency team, child, and tribe, if
46.18 applicable, are not consistent with the placement setting that the qualified individual
46.19 recommends, the case plan must include the reasons why the qualified individual did not
46.20 recommend following the preferences of the family and permanency team, child, and the
46.21 tribe.

46.22 (c) The agency must file the out-of-home placement plan with the court as part of the
46.23 60-day court order under section 260C.71.

46.24 (d) The agency must provide aftercare services as defined by the federal Family First
46.25 Prevention Services Act to the child for the six months following discharge from the qualified
46.26 residential treatment program. The services may include clinical care consultation, as defined
46.27 in section 256B.0671, subdivision 7, and family and youth peer specialists under section
46.28 256B.0616.

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

46.30 Subdivision 1. **Office of the Foster Youth Ombudsperson.** The Office of the Foster
46.31 Youth Ombudsperson is hereby created. The ombudsperson serves ~~at the pleasure of the~~
46.32 ~~governor~~ in the unclassified service, must be selected without regard to political affiliation,
46.33 and must be a person highly competent and qualified to work to improve the lives of youth

47.1 in the foster care system, while understanding the administration and public policy related
47.2 to youth in the foster care system. The ombudsperson may be removed only for just cause.
47.3 No person may serve as the foster youth ombudsperson while holding any other public
47.4 office. The foster youth ombudsperson is accountable to the governor and may investigate
47.5 decisions, acts, and other matters related to the health, safety, and welfare of youth in foster
47.6 care to promote the highest attainable standards of competence, efficiency, and justice for
47.7 youth who are in the care of the state.

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

47.9 **260E.01 POLICY.**

47.10 ~~(a)~~ The legislature hereby declares that the public policy of this state is to protect children
47.11 whose health or welfare may be jeopardized through maltreatment. While it is recognized
47.12 that most parents want to keep their children safe, sometimes circumstances or conditions
47.13 interfere with their ability to do so. When this occurs, the health and safety of the children
47.14 must be of paramount concern. Intervention and prevention efforts must address immediate
47.15 concerns for child safety and the ongoing risk of maltreatment and should engage the
47.16 protective capacities of families. In furtherance of this public policy, it is the intent of the
47.17 legislature under this chapter to:

47.18 (1) protect children and promote child safety;

47.19 (2) strengthen the family;

47.20 (3) make the home, school, and community safe for children by promoting responsible
47.21 child care in all settings, including through the reporting of child maltreatment; ~~and~~

47.22 (4) provide protective, family support, and family preservation services when appropriate;
47.23 and

47.24 ~~(4)~~ (5) provide, when necessary, a safe temporary or permanent home environment for
47.25 maltreated children.

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

47.27 ~~(1) require the reporting of maltreatment of children in the home, school, and community~~
47.28 ~~settings;~~

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

47.30 ~~(3) require an investigation when the report alleges sexual abuse or substantial child~~
47.31 ~~endangerment;~~

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

48.3 ~~(5) provide protective, family support, and family preservation services when needed~~
48.4 ~~in appropriate cases.~~

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

48.6 Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary
48.7 child protection team that may include, but is not be limited to, the director of the local
48.8 welfare agency or designees, the county attorney or designees, the county sheriff or designees,
48.9 representatives of health and education, representatives of mental health, representatives of
48.10 agencies providing specialized services or responding to youth who experience or are at
48.11 risk of experiencing sex trafficking or sexual exploitation, or other appropriate human
48.12 services or community-based agencies, and parent groups. As used in this section, a
48.13 "community-based agency" may include, but is not limited to, schools, social services
48.14 agencies, family service and mental health collaboratives, children's advocacy centers, early
48.15 childhood and family education programs, Head Start, or other agencies serving children
48.16 and families. A member of the team must be designated as the lead person of the team
48.17 responsible for the planning process to develop standards for the team's activities with
48.18 battered women's and domestic abuse programs and services.

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

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

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

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

48.29 Subd. 15b. **Noncaregiver sex trafficking assessment.** "Noncaregiver sex trafficking
48.30 assessment" is a comprehensive assessment of child safety, the risk of subsequent child
48.31 maltreatment, and strengths and needs of the child and family. The local welfare agency
48.32 shall only perform a noncaregiver sex trafficking assessment when a maltreatment report

49.1 alleges sex trafficking of a child by someone other than the child's caregiver. A noncaregiver
49.2 sex trafficking assessment does not include a determination of whether child maltreatment
49.3 occurred. A noncaregiver sex trafficking assessment includes a determination of a family's
49.4 need for services to address the safety of the child or children, the safety of family members,
49.5 and the risk of subsequent child maltreatment.

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

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

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

49.12 (1) egregious harm under subdivision 5;

49.13 (2) abandonment under section 260C.301, subdivision 2;

49.14 (3) neglect under subdivision 15, paragraph (a), clause (2), that substantially endangers
49.15 the child's physical or mental health, including a growth delay, which may be referred to
49.16 as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

49.17 (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

49.18 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

49.19 (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

49.20 (7) sex trafficking, solicitation, inducement, ~~and~~ or promotion of prostitution under
49.21 section 609.322;

49.22 (8) criminal sexual conduct under sections 609.342 to 609.3451;

49.23 (9) sexual extortion under section 609.3458;

49.24 (10) solicitation of children to engage in sexual conduct under section 609.352;

49.25 (11) malicious punishment or neglect or endangerment of a child under section 609.377
49.26 or 609.378;

49.27 (12) use of a minor in sexual performance under section 617.246; or

49.28 (13) parental behavior, status, or condition ~~that mandates that~~ requiring the county
49.29 attorney to file a termination of parental rights petition under section 260C.503, subdivision
49.30 2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51.19 **260E.18 NOTICE TO CHILD'S TRIBE.**

51.20 The local welfare agency shall provide immediate notice, according to section 260.761,
51.21 subdivision 2, to an Indian child's tribe when the agency has reason to believe that the family
51.22 assessment ~~or~~, investigation, or noncaregiver sex trafficking assessment may involve an
51.23 Indian child. For purposes of this section, "immediate notice" means notice provided within
51.24 24 hours.

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

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

51.27 Subd. 2. **Face-to-face contact.** (a) Upon receipt of a screened in report, the local welfare
51.28 agency shall ~~conduct a~~ have face-to-face contact with the child reported to be maltreated
51.29 and with the child's primary caregiver sufficient to complete a safety assessment and ensure
51.30 the immediate safety of the child. When it is possible and the report alleges substantial child
51.31 endangerment or sexual abuse, the local welfare agency is not required to provide notice

52.1 before conducting the initial face-to-face contact with the child and the child's primary
52.2 caregiver.

52.3 (b) Except in a noncaregiver sex trafficking assessment, the local welfare agency shall
52.4 have face-to-face contact with the child and primary caregiver shall occur immediately after
52.5 the agency screens in a report if sexual abuse or substantial child endangerment is alleged
52.6 and within five calendar days of a screened in report for all other reports. If the alleged
52.7 offender was not already interviewed as the primary caregiver, the local welfare agency
52.8 shall also conduct a face-to-face interview with the alleged offender in the early stages of
52.9 the assessment or investigation, except in a noncaregiver sex trafficking assessment.
52.10 Face-to-face contact with the child and primary caregiver in response to a report alleging
52.11 sexual abuse or substantial child endangerment may be postponed for no more than five
52.12 calendar days if the child is residing in a location that is confirmed to restrict contact with
52.13 the alleged offender as established in guidelines issued by the commissioner, or if the local
52.14 welfare agency is pursuing a court order for the child's caregiver to produce the child for
52.15 questioning under section 260E.22, subdivision 5.

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

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

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

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

52.29 Subd. 2. **Determination after family assessment or a noncaregiver sex trafficking**
52.30 **assessment.** After conducting a family assessment or a noncaregiver sex trafficking
52.31 assessment, the local welfare agency shall determine whether child protective services are
52.32 needed to address the safety of the child and other family members and the risk of subsequent
52.33 maltreatment. The local welfare agency must document the information collected under

53.1 section 260E.20, subdivision 3, related to the completed family assessment in the child's or
53.2 family's case notes.

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

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

53.5 Subd. 7. **Notification at conclusion of family assessment or a noncaregiver sex**
53.6 **trafficking assessment.** Within ten working days of the conclusion of a family assessment
53.7 or a noncaregiver sex trafficking assessment, the local welfare agency shall notify the parent
53.8 or guardian of the child of the need for services to address child safety concerns or significant
53.9 risk of subsequent maltreatment. The local welfare agency and the family may also jointly
53.10 agree that family support and family preservation services are needed.

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

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

53.13 Subdivision 1. **Following a family assessment or a noncaregiver sex trafficking**
53.14 **assessment.** Administrative reconsideration is not applicable to a family assessment or
53.15 noncaregiver sex trafficking assessment since no determination concerning maltreatment
53.16 is made.

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

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

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

53.24 (b) For a report alleging maltreatment that was not accepted for an assessment or an
53.25 investigation, a family assessment case, a noncaregiver sex trafficking assessment case, and
53.26 a case where an investigation results in no determination of maltreatment or the need for
53.27 child protective services, the record must be maintained for a period of five years after the
53.28 date that the report was not accepted for assessment or investigation or the date of the final
53.29 entry in the case record. A record of a report that was not accepted must contain sufficient
53.30 information to identify the subjects of the report, the nature of the alleged maltreatment,
53.31 and the reasons ~~as to~~ why the report was not accepted. Records under this paragraph may

54.1 not be used for employment, background checks, or purposes other than to assist in future
54.2 screening decisions and risk and safety assessments.

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

54.6 (d) All records regarding a report of maltreatment, including a notification of intent to
54.7 interview that was received by a school under section 260E.22, subdivision 7, shall be
54.8 destroyed by the school when ordered to do so by the agency conducting the assessment or
54.9 investigation. The agency shall order the destruction of the notification when other records
54.10 relating to the report under investigation or assessment are destroyed under this subdivision.

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

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

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

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

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

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

54.26 (3) family preservation and reunification.

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

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

- 55.1 (1) individuals or entities with experience in managing trusts and investment;
- 55.2 (2) individuals or entities with expertise in providing tax advice;
- 55.3 (3) individuals or entities with expertise in preserving assets to avoid any negative impact
- 55.4 on public assistance eligibility;
- 55.5 (4) other relevant state agencies;
- 55.6 (5) Tribal social services agencies;
- 55.7 (6) counties;
- 55.8 (7) the Children's Justice Initiative;
- 55.9 (8) organizations that serve and advocate for children and families in the child protection
- 55.10 system;
- 55.11 (9) parents, legal custodians, foster families, and kinship caregivers, to the extent possible;
- 55.12 (10) youth who have been or are currently in out-of-home placement; and
- 55.13 (11) other relevant stakeholders.
- 55.14 (d) By December 15, 2023, each county shall provide the following data for fiscal years
- 55.15 2018 and 2021 to the commissioner or the commissioner's designee in a form prescribed
- 55.16 by the commissioner:
- 55.17 (1) the nonduplicated number of children in foster care in the county who received
- 55.18 income and resources attributable to a child as defined in paragraph (b);
- 55.19 (2) the number of children for whom the county was the representative payee for income
- 55.20 and resources attributable to a child;
- 55.21 (3) the amount of money that the county received from income and resources attributable
- 55.22 to children in out-of-home placement for whom the county served as the representative
- 55.23 payee;
- 55.24 (4) the county's policies and standards regarding collection and use of this money,
- 55.25 including:
- 55.26 (i) how long after a child is in out-of-home placement does the county agency become
- 55.27 the representative payee;
- 55.28 (ii) the disposition of any money that exceeds the costs for out-of-home placement for
- 55.29 a child;

56.1 (iii) how the county complies with federal reporting requirements related to the use of
56.2 income and resources attributable to a child;

56.3 (iv) whether the county uses income and resources attributable to a child for out-of-home
56.4 placement costs for other children who do not receive federal cash assistance benefit
56.5 payments; and

56.6 (v) whether the county seeks repayment of federal income and resources attributable to
56.7 a child from the child's parents, who may have received such payments or resources while
56.8 the child is in out-of-home placement, and the ratio of requests for repayment to money
56.9 collected on an annual basis; and

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

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

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

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

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

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

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

56.31 (a) The commissioner of human services must contract with an independent consultant
56.32 to perform a thorough evaluation of the social services information system (SSIS) that

57.1 supports the child protection system in Minnesota. The consultant must make
57.2 recommendations for improving the current system for usability, system performance, and
57.3 federal Comprehensive Child Welfare Information System compliance, and must address
57.4 technical problems and identify any unnecessary or unduly burdensome data entry
57.5 requirements that have contributed to system capacity issues. The consultant must assist
57.6 the commissioner with selecting a platform for future development of an information
57.7 technology system for child protection.

57.8 (b) The commissioner of human services must conduct a study and develop
57.9 recommendations to streamline and reduce SSIS data entry requirements for child protection
57.10 cases. The study must be completed in partnership with local social services agencies and
57.11 other entities, as determined by the commissioner. By June 30, 2024, the commissioner
57.12 must provide a status report to the chairs and ranking minority members of the legislative
57.13 committees with jurisdiction over child protection. The status report must include information
57.14 about the procedures used for soliciting ongoing user input from stakeholders, progress
57.15 made on soliciting and hiring a consultant to conduct the system evaluation required under
57.16 paragraph (a), and a report on progress and completed efforts to streamline data entry
57.17 requirements and improve user experiences.

57.18 **Sec. 32. INDEPENDENT LIVING SKILLS FOR FOSTER YOUTH GRANTS.**

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

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

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

57.28 Subd. 4. **Undistributed funds.** Undistributed funds must be reallocated by the
57.29 commissioner for the goals of the grant program. Undistributed funds are available until
57.30 expended.

58.1 **Sec. 33. INFORMAL KINSHIP CAREGIVER SUPPORT GRANT PROGRAM.**

58.2 Subdivision 1. **Establishment.** The informal caregiver support grant program is
58.3 established in the Department of Human Services for an eligible community-based nonprofit
58.4 organization to provide informal kinship caregivers, not restricted to familial status, with
58.5 connection to local and statewide resources and support that reduces the need for child
58.6 welfare involvement or risk of child welfare involvement.

58.7 Subd. 2. **Eligible grantees.** Eligible grantees are community-based nonprofit
58.8 organizations with a demonstrated history of kinship caregiver support, ability to increase
58.9 capacity of caregivers served, and ability to serve racially and geographically diverse
58.10 populations. Grantees shall be capable of developing informal kinship caregiver support in
58.11 alignment with a consistent set of replicable standards.

58.12 Subd. 3. **Allowable uses of funds.** Eligible grantees must use funds to assess informal
58.13 kinship caregiver and child needs, provide connection to local and statewide resources,
58.14 provide case management to assist with complex cases, and provide supports to reduce the
58.15 need for child welfare involvement or risk of child welfare involvement.

58.16 **Sec. 34. COMMUNITY RESOURCE CENTERS.**

58.17 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions
58.18 apply.

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

58.21 (c) "Communities and families who lack opportunities" means any community or family
58.22 that experiences inequities in accessing supports and services due to the community's or
58.23 family's circumstances, including but not limited to racism, income, disability, language,
58.24 gender, and geography.

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

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

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

59.4 (g) "Protective factors" means conditions, attributes, or strengths of individuals, families,
59.5 and communities, and in society that mitigate risk, promote the healthy development and
59.6 well-being of children, youth, and families, and help support families.

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

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

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

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

59.19 (3) provide technical assistance to grantees, including but not limited to skill building
59.20 and professional development, trainings, evaluations, communities of practice, networking,
59.21 and trauma informed mental health consultation;

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

59.23 (5) provide grant coordination and management focused on promoting equity and
59.24 accountability.

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

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

59.28 (2) improve community engagement and feedback gathering to support continuous
59.29 improvement and program planning to better promote protective factors;

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

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

- 60.1 (5) participate in program evaluation, data collection, and technical assistance activities.
- 60.2 Subd. 5. Eligibility. Organizations eligible to receive grant funding under this section
60.3 include:
- 60.4 (1) community-based organizations, Tribal Nations, urban Indian organizations, local
60.5 and county government agencies, schools, nonprofit agencies or any cooperative of these
60.6 organizations; and
- 60.7 (2) organizations or cooperatives supporting communities and families who lack
60.8 opportunities.
- 60.9 Subd. 6. Community Resource Center Advisory Council; establishment and
60.10 duties. (a) The commissioner, in consultation with other relevant state agencies, shall appoint
60.11 members to the Community Resource Center Advisory Council.
- 60.12 (b) Membership must be demographically and geographically diverse and include:
- 60.13 (1) parents and family members with lived experience who lack opportunities;
- 60.14 (2) community-based organizations serving families who lack opportunities;
- 60.15 (3) Tribal and urban American Indian representatives;
- 60.16 (4) county government representatives;
- 60.17 (5) school and school district representatives; and
- 60.18 (6) state partner representatives.
- 60.19 (c) Duties of the Community Resource Center Advisory Council include but are not
60.20 limited to:
- 60.21 (1) advising the commissioner on the development and funding of a network of
60.22 community resource centers;
- 60.23 (2) advising the commissioner on the development of requests for proposals and grant
60.24 award processes;
- 60.25 (3) advising the commissioner on the development of program outcomes and
60.26 accountability measures; and
- 60.27 (4) advising the commissioner on ongoing governance and necessary support in the
60.28 implementation of community resource centers.

61.1 Subd. 7. **Grantee reporting.** Grantees must report program data and outcomes to the
 61.2 commissioner in a manner determined by the commissioner and the Community Resource
 61.3 Center Advisory Council.

61.4 Subd. 8. **Evaluation.** The commissioner, in partnership with the Community Resource
 61.5 Center Advisory Council, shall develop an outcome and evaluation plan. By July 1, 2025,
 61.6 the Community Resource Center Advisory Council must provide a report to the commissioner
 61.7 and the chairs and ranking minority members of the legislative committees with jurisdiction
 61.8 over health and human services that reflects the duties of the Community Resource Center
 61.9 Advisory Council in subdivision 6 and may describe outcomes and impacts related to equity,
 61.10 community partnerships, program and service availability, child development, family
 61.11 well-being, and child welfare system involvement.

61.12 **ARTICLE 3**

61.13 **CHILD SUPPORT**

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

61.15 **518A.31 SOCIAL SECURITY OR VETERANS' BENEFIT PAYMENTS**
 61.16 **RECEIVED ON BEHALF OF THE CHILD.**

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

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

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

61.28 (d) If the survivors' and dependents' educational assistance is provided for a joint child
 61.29 based on the eligibility of the obligor, and is received by the obligee as a representative
 61.30 payee for the child or by the child attending school, then the amount of the assistance shall
 61.31 also be subtracted from the obligor's net child support obligation as calculated under section
 61.32 518A.34.

62.1 (e) Upon a motion to modify child support, any regular or lump sum payment of Social
62.2 Security or apportioned veterans' benefit received by the obligee for the benefit of the joint
62.3 child based upon the obligor's disability prior to filing the motion to modify may be used
62.4 to satisfy arrears that remain due for the period of time for which the benefit was received.
62.5 This paragraph applies only if the derivative benefit was not considered in the guidelines
62.6 calculation of the previous child support order.

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

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

62.9 Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed**
62.10 **on a less than full-time basis.** A parent is not considered voluntarily unemployed,
62.11 underemployed, or employed on a less than full-time basis upon a showing by the parent
62.12 that:

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

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

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

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

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

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

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

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

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

63.2 **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

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

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

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

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

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

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

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

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

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

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

63.30 (2) if each parent pays all child care expenses for at least one joint child, the court shall
63.31 calculate child care support for each joint child as provided in section 518A.40. The court
63.32 shall determine each parent's child care support obligation and include the amount of each

64.1 parent's obligation in the court order. If the child care support calculation results in each
64.2 parent owing support to the other, the court shall offset the higher child care support
64.3 obligation with the lower child care support obligation to determine the amount to be paid
64.4 by the parent with the higher obligation to the parent with the lower obligation; and

64.5 (3) if each parent pays all medical or dental insurance expenses for at least one joint
64.6 child, medical support shall be calculated for each joint child as provided in section 518A.41.
64.7 The court shall determine each parent's medical support obligation and include the amount
64.8 of each parent's obligation in the court order. If the medical support calculation results in
64.9 each parent owing support to the other, the court shall offset the higher medical support
64.10 obligation with the lower medical support obligation to determine the amount to be paid by
64.11 the parent with the higher obligation to the parent with the lower obligation. Unreimbursed
64.12 and uninsured medical expenses are not included in the presumptive amount of support
64.13 owed by a parent and are calculated and collected as provided in section 518A.41.

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

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

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

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

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

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

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

65.2 **518A.41 MEDICAL SUPPORT.**

65.3 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter and
65.4 chapter 518.

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

65.11 ~~(b) "Health carrier" means a carrier as defined in sections 62A.011, subdivision 2, and~~
65.12 ~~62L.02, subdivision 16.~~

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

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

65.16 (2) provided by an employer or union;

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

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

65.19 ~~(4)~~ (5) available to a person eligible to carry insurance for the joint child, including a
65.20 party's spouse or parent.

65.21 ~~Health plan~~ Private health care coverage includes, but is not limited to, a health plan meeting
65.22 the definition under section 62A.011, subdivision 3, except that the exclusion of coverage
65.23 designed solely to provide dental or vision care under section 62A.011, subdivision 3, clause
65.24 (6), does not apply to the definition of ~~health plan~~ private health care coverage under this
65.25 section; a group health plan governed under the federal Employee Retirement Income
65.26 Security Act of 1974 (ERISA); a self-insured plan under sections 43A.23 to 43A.317 and
65.27 471.617; and a policy, contract, or certificate issued by a community-integrated service
65.28 network licensed under chapter 62N.

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

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

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

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

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

66.15 ~~(h)~~ (g) "Unreimbursed ~~medical~~ health-related expenses" means a joint child's reasonable
 66.16 and necessary ~~health-related~~ medical and dental expenses if a joint child is covered by a
 66.17 ~~health plan or public coverage~~ health care coverage and ~~the plan or health care coverage~~
 66.18 does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed
 66.19 ~~medical~~ health-related expenses do not include the cost of premiums. Unreimbursed ~~medical~~
 66.20 health-related expenses include, but are not limited to, deductibles, co-payments, and
 66.21 expenses for orthodontia, and prescription eyeglasses and contact lenses, but not
 66.22 over-the-counter medications if ~~coverage is under a health plan~~ provided through health
 66.23 care coverage.

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

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

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

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

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

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

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

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

67.9 ~~(4)~~ (3) how unreimbursed or uninsured ~~medical~~ health-related expenses will be allocated
67.10 between the parents.

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

67.14 (1) comprehensiveness of private health care coverage providing medical benefits.

67.15 Dependent private health care coverage providing medical benefits is presumed
67.16 comprehensive if it includes medical and hospital coverage and provides for preventive,
67.17 emergency, acute, and chronic care; or if it meets the minimum essential coverage definition
67.18 in United States Code, title 26, section 5000A(f). If both parents have private health care
67.19 coverage providing medical benefits that is presumed comprehensive under this paragraph,
67.20 the court must determine which parent's private health care coverage is more comprehensive
67.21 by considering what other benefits are included in the private health care coverage;

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

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

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

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

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

68.1 (4) affordability. Dependent private health care coverage is presumed affordable if it is
68.2 ~~reasonable in cost. If both parents have health care coverage available for a joint child that~~
68.3 ~~is comparable with regard to comprehensiveness of medical benefits, accessibility, and the~~
68.4 ~~joint child's special needs, the least costly health care coverage is presumed to be the most~~
68.5 ~~appropriate health care coverage for the joint child~~ the premium to cover the marginal cost
68.6 of the joint child does not exceed five percent of the parents' combined monthly PICS. A
68.7 court may additionally consider high deductibles and the cost to enroll the parent if the
68.8 parent must enroll themselves in private health care coverage to access private health care
68.9 coverage for the child.

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

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

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

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

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

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

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

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

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

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

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

69.10 ~~(2) if the joint child is receiving any form of public coverage, the parent with whom the~~
69.11 ~~joint child does not reside shall contribute a monthly amount toward the actual cost of public~~
69.12 ~~coverage. The amount of the noncustodial parent's contribution is determined by applying~~
69.13 ~~the noncustodial parent's PICS to the premium scale for MinnesotaCare under section~~
69.14 ~~256L.15, subdivision 2, paragraph (d). If the noncustodial parent's PICS meets the eligibility~~
69.15 ~~requirements for MinnesotaCare, the contribution is the amount the noncustodial parent~~
69.16 ~~would pay for the child's premium. If the noncustodial parent's PICS exceeds the eligibility~~
69.17 ~~requirements, the contribution is the amount of the premium for the highest eligible income~~
69.18 ~~on the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph~~
69.19 ~~(d). For purposes of determining the premium amount, the noncustodial parent's household~~
69.20 ~~size is equal to one parent plus the child or children who are the subject of the child support~~
69.21 ~~order. The custodial parent's obligation is determined under the requirements for public~~
69.22 ~~coverage as set forth in chapter 256B; or~~

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

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

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

69.31 ~~(i)~~ (g) If a joint child is not presently enrolled in private health care coverage providing
69.32 dental benefits, upon motion of a parent or the public authority, the court must determine
69.33 whether one or both parents have appropriate ~~dental~~ private health care coverage providing

70.1 dental benefits for the joint child, and the court may order a parent with appropriate ~~dental~~
70.2 private health care coverage providing dental benefits available to carry the health care
70.3 coverage for the joint child.

70.4 (j) (h) If a joint child is not presently enrolled in available private health care coverage
70.5 providing benefits other than medical benefits or dental benefits, upon motion of a parent
70.6 or the public authority, the court may determine whether ~~that other~~ private health care
70.7 coverage providing other health benefits for the joint child is appropriate, and the court may
70.8 order a parent with that appropriate private health care coverage available to carry the
70.9 coverage for the joint child.

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

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

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

70.27 (d) If the party ordered to carry private health care coverage for the joint child already
70.28 carries dependent private health care coverage for other dependents and would incur no
70.29 additional premium costs to add the joint child to the existing health care coverage, the court
70.30 must not order the other party to contribute to the premium costs for health care coverage
70.31 of the joint child.

70.32 (e) If a party ordered to carry private health care coverage for the joint child does not
70.33 already carry dependent private health care coverage but has other dependents who may be
70.34 added to the ordered health care coverage, the full premium costs of the dependent private

71.1 health care coverage must be allocated between the parties in proportion to the party's share
71.2 of the parties' combined monthly PICS, unless the parties agree otherwise.

71.3 (f) If a party ordered to carry private health care coverage for the joint child is required
71.4 to enroll in a health plan so that the joint child can be enrolled in dependent private health
71.5 care coverage under the plan, the court must allocate the costs of the dependent private
71.6 health care coverage between the parties. The costs of the private health care coverage for
71.7 the party ordered to carry the health care coverage for the joint child must not be allocated
71.8 between the parties.

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

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

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

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

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

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

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

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

72.4 (1) the party ordered to carry private health care coverage for the joint child fails to
72.5 provide written proof to the other party or the public authority, within 30 days of the effective
72.6 date of the court order, that the party has applied for private health care coverage for the
72.7 joint child;

72.8 (2) the party seeking to enforce the order or the public authority gives written notice to
72.9 the party ordered to carry private health care coverage for the joint child of its intent to
72.10 enforce medical support. The party seeking to enforce the order or public authority must
72.11 mail the written notice to the last known address of the party ordered to carry private health
72.12 care coverage for the joint child; and

72.13 (3) the party ordered to carry private health care coverage for the joint child fails, within
72.14 15 days after the date on which the written notice under clause (2) was mailed, to provide
72.15 written proof to the other party or the public authority that the party has applied for private
72.16 health care coverage for the joint child.

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

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

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

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

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

73.4 (e) Failure of the party ordered to carry private health care coverage for the joint child
73.5 to execute any documents necessary to enroll the dependent in the health plan does not
73.6 affect the obligation of the employer or union and health plan to enroll the dependent in a
73.7 plan. Information and authorization provided by the public authority, or by a party or
73.8 guardian, is valid for the purposes of meeting enrollment requirements of the health plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

74.30 **Subd. 11. Disenrollment; continuation of coverage; coverage options.** (a) Unless a
74.31 court order provides otherwise, a child for whom a party is required to provide private health
74.32 care coverage under this section must be covered as a dependent of the party until the child

75.1 is emancipated, until further order of the court, or as consistent with the terms of the health
75.2 care coverage.

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

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

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

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

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

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

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

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

75.26 Subd. 12. **Spousal or former spousal coverage.** The court must require the parent with
75.27 whom the joint child does not reside to provide dependent private health care coverage for
75.28 the benefit of the parent with whom the joint child resides if the parent with whom the child
75.29 does not reside is ordered to provide dependent private health care coverage for the parties'
75.30 joint child and adding the other parent to the health care coverage results in no additional
75.31 premium cost.

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

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

76.7 (2) verification that application for court-ordered health care coverage was made within
76.8 30 days of the court's order; and

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

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

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

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

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

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

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

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

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

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

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

77.9 (2) dental coverage;

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

77.13 (4) liabilities established under this subdivision.

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

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

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

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

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

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

77.32 (3) a modification motion is not pending.

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

78.4 (c) The public authority, if the public authority provides child support enforcement
78.5 services, may resume the offset when the party ordered to provide private health care
78.6 coverage for the joint child has resumed the court-ordered private health care coverage or
78.7 enrolled the joint child in other private health care coverage. The public authority must
78.8 provide notice to the parties of the action. If neither party requests a hearing, the public
78.9 authority must resume the offset effective the first day of the month following certification
78.10 that private health care coverage is in place for the joint child.

78.11 (d) A party may contest the public authority's action to remove or resume the offset to
78.12 the child support obligation if the party makes a written request for a hearing within 30 days
78.13 after receiving written notice. If a party makes a timely request for a hearing, the public
78.14 authority must schedule a hearing and send written notice of the hearing to the parties by
78.15 mail to the parties' last known addresses at least 14 days before the hearing. The hearing
78.16 must be conducted in district court or in the expedited child support process if section
78.17 484.702 applies. The district court or child support magistrate must determine whether
78.18 removing or resuming the offset is appropriate and, if appropriate, the effective date for the
78.19 removal or resumption.

78.20 Subd. 16a. Suspension or reinstatement of medical support contribution. (a) If a
78.21 party is the parent with primary physical custody, as defined in section 518A.26, subdivision
78.22 17, and is ordered to carry private health care coverage for the joint child but fails to carry
78.23 the court-ordered private health care coverage, the public authority may suspend the medical
78.24 support obligation of the other party if that party has been court-ordered to contribute to the
78.25 cost of the private health care coverage carried by the parent with primary physical custody
78.26 of the joint child.

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

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

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

78.32 (3) a modification motion is not pending.

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

79.5 (c) If the public authority provides child support enforcement services, the public authority
79.6 may reinstate the medical support contribution when the party ordered to provide private
79.7 health care coverage for the joint child has resumed the joint child's court-ordered private
79.8 health care coverage or has enrolled the joint child in other private health care coverage.
79.9 The public authority must provide notice to the parties of the action. If neither party requests
79.10 a hearing, the public authority must resume the medical support contribution effective the
79.11 first day of the month following certification that the joint child is enrolled in private health
79.12 care coverage.

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

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

79.26 (b) A party requesting reimbursement of unreimbursed or uninsured ~~medical~~
79.27 health-related expenses must initiate a request to the other party within two years of the
79.28 date that the requesting party incurred the unreimbursed or uninsured ~~medical~~ health-related
79.29 expenses. If a court order has been signed ordering the contribution ~~towards~~ toward
79.30 unreimbursed or uninsured expenses, a two-year limitations provision must be applied to
79.31 any requests made on or after January 1, 2007. The provisions of this section apply
79.32 retroactively to court orders signed before January 1, 2007. Requests for unreimbursed or
79.33 uninsured expenses made on or after January 1, 2007, may include expenses incurred before
79.34 January 1, 2007, and on or after January 1, 2005.

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

80.4 (d) The written notice must include a statement that the other party has 30 days from
80.5 the date the notice was mailed to (1) pay in full; (2) agree to a payment schedule; or (3) file
80.6 a motion requesting a hearing to contest the amount due or to set a court-ordered monthly
80.7 payment amount. If the public authority provides services, the written notice also must
80.8 include a statement that, if the other party does not respond within the 30 days, the requesting
80.9 party may submit the amount due to the public authority for collection.

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

80.13 (f) If the other party does not respond to the request for reimbursement within 30 days,
80.14 the requesting party may commence enforcement against the other party under subdivision
80.15 18; file a motion for a court-ordered monthly payment amount under paragraph (i); or notify
80.16 the public authority, if the public authority provides services, that the other party has not
80.17 responded.

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

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

80.28 (i) To contest the amount due or set a court-ordered monthly payment amount, a party
80.29 must file a timely motion and schedule a hearing in district court or in the expedited child
80.30 support process if section 484.702 applies. The moving party must provide the other party
80.31 and the public authority, if the public authority provides services, with written notice at
80.32 least 14 days before the hearing by mailing notice of the hearing to the public authority and
80.33 to the requesting party at the requesting party's last known address. The moving party must
80.34 file the affidavit of health care expenses with the court at least five days before the hearing.

81.1 The district court or child support magistrate must determine liability for the expenses and
81.2 order that the liable party is subject to enforcement of the expenses as arrears under
81.3 subdivision 18 or set a court-ordered monthly payment amount.

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

81.7 (b) If the liable party is the parent with primary physical custody as defined in section
81.8 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
81.9 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
81.10 or uninsured expenses remain after the deduction, the expenses must be collected as follows:

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

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

81.21 (c) If the liable party is not the parent with primary physical custody as defined in section
81.22 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
81.23 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
81.24 or uninsured expenses remain after the deduction, the expenses must be added and collected
81.25 as arrears owed by the liable party.

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

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

81.28 Subdivision 1. **Ability to pay.** (a) It is a rebuttable presumption that a child support
81.29 order should not exceed the obligor's ability to pay. To determine the amount of child support
81.30 the obligor has the ability to pay, the court shall follow the procedure set out in this section.

81.31 (b) The court shall calculate the obligor's income available for support by subtracting a
81.32 monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one
81.33 person from the obligor's parental income for determining child support (PICS). If benefits

82.1 under section 518A.31 are received by the obligee as a representative payee for a joint child
82.2 or are received by the child attending school, based on the other parent's eligibility, the court
82.3 shall subtract the amount of benefits from the obligor's PICS before subtracting the
82.4 self-support reserve. If the obligor's income available for support calculated under this
82.5 paragraph is equal to or greater than the obligor's support obligation calculated under section
82.6 518A.34, the court shall order child support under section 518A.34.

82.7 (c) If the obligor's income available for support calculated under paragraph (b) is more
82.8 than the minimum support amount under subdivision 2, but less than the guideline amount
82.9 under section 518A.34, then the court shall apply a reduction to the child support obligation
82.10 in the following order, until the support order is equal to the obligor's income available for
82.11 support:

82.12 (1) medical support obligation;

82.13 (2) child care support obligation; and

82.14 (3) basic support obligation.

82.15 (d) If the obligor's income available for support calculated under paragraph (b) is equal
82.16 to or less than the minimum support amount under subdivision 2 or if the obligor's gross
82.17 income is less than 120 percent of the federal poverty guidelines for one person, the minimum
82.18 support amount under subdivision 2 applies.

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

82.20 Sec. 7. Minnesota Statutes 2022, section 518A.42, subdivision 3, is amended to read:

82.21 Subd. 3. **Exception.** (a) This section does not apply to an obligor who is incarcerated
82.22 or is a recipient of a general assistance grant, Supplemental Security Income, temporary
82.23 assistance for needy families (TANF) grant, or comparable state-funded Minnesota family
82.24 investment program (MFIP) benefits.

82.25 (b) If the court finds the obligor receives no income and completely lacks the ability to
82.26 earn income, the minimum basic support amount under this subdivision does not apply.

82.27 (c) If the obligor's basic support amount is reduced below the minimum basic support
82.28 amount due to the application of the parenting expense adjustment, the minimum basic
82.29 support amount under this subdivision does not apply and the lesser amount is the guideline
82.30 basic support.

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

83.1 Sec. 8. Minnesota Statutes 2022, section 518A.43, subdivision 1b, is amended to read:

83.2 Subd. 1b. **Increase in income of custodial parent.** In a modification of support under
83.3 section 518A.39, the court may deviate from the presumptive child support obligation under
83.4 section 518A.34 when the only change in circumstances is an increase to the custodial
83.5 parent's income and:

83.6 ~~(1) the basic support increases;~~

83.7 ~~(2) the parties' combined gross income is \$6,000 or less; or~~

83.8 ~~(3) the obligor's income is \$2,000 or less.~~

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

83.10 Sec. 9. Minnesota Statutes 2022, section 518A.65, is amended to read:

83.11 **518A.65 DRIVER'S LICENSE SUSPENSION.**

83.12 (a) Upon motion of an obligee, which has been properly served on the obligor and upon
83.13 which there has been an opportunity for hearing, if a court finds that the obligor has been
83.14 or may be issued a driver's license by the commissioner of public safety and the obligor is
83.15 in arrears in court-ordered child support or maintenance payments, or both, in an amount
83.16 equal to or greater than three times the obligor's total monthly support and maintenance
83.17 payments and is not in compliance with a written payment agreement pursuant to section
83.18 518A.69 that is approved by the court, a child support magistrate, or the public authority,
83.19 the court ~~shall~~ may order the commissioner of public safety to suspend the obligor's driver's
83.20 license. The court may consider the circumstances in paragraph (i) to determine whether
83.21 driver's license suspension is an appropriate remedy that is likely to induce the payment of
83.22 child support. The court may consider whether driver's license suspension would have a
83.23 direct harmful effect on the obligor or joint children that would make driver's license
83.24 suspension an inappropriate remedy. The public authority may not administratively reinstate
83.25 a driver's license suspended by the court unless specifically authorized to do so in the court
83.26 order. This paragraph expires December 31, 2025.

83.27 (b) This paragraph is effective January 1, 2026. Upon the motion of an obligee that has
83.28 been properly served on the obligor and for which there has been an opportunity for a
83.29 hearing, if a court finds that the obligor has a valid driver's license issued by the commissioner
83.30 of public safety and the obligor is in arrears in court-ordered child support or maintenance
83.31 payments, or both, in an amount equal to or greater than three times the obligor's total
83.32 monthly support and maintenance payments and is not in compliance with a written payment
83.33 agreement pursuant to section 518A.69 that is approved by the court, a child support

84.1 magistrate, or the public authority, the court may order the commissioner of public safety
84.2 to suspend the obligor's driver's license. The court may consider the circumstances in
84.3 paragraph (i) to determine whether driver's license suspension is an appropriate remedy that
84.4 is likely to induce the payment of child support. The court may consider whether driver's
84.5 license suspension would have a direct harmful effect on the obligor or joint children that
84.6 would make driver's license suspension an inappropriate remedy. The public authority may
84.7 not administratively reinstate a driver's license suspended by the court unless specifically
84.8 authorized to do so in the court order.

84.9 (c) The court's order must be stayed for 90 days in order to allow the obligor to execute
84.10 a written payment agreement pursuant to section 518A.69. The payment agreement must
84.11 be approved by either the court or the public authority responsible for child support
84.12 enforcement. If the obligor has not executed or is not in compliance with a written payment
84.13 agreement pursuant to section 518A.69 after the 90 days expires, the court's order becomes
84.14 effective and the commissioner of public safety shall suspend the obligor's driver's license.
84.15 The remedy under this section is in addition to any other enforcement remedy available to
84.16 the court. An obligee may not bring a motion under this paragraph within 12 months of a
84.17 denial of a previous motion under this paragraph.

84.18 ~~(b)~~ (d) If a public authority responsible for child support enforcement determines that
84.19 the obligor has been or may be issued a driver's license by the commissioner of public safety
84.20 ~~and~~; the obligor is in arrears in court-ordered child support or maintenance payments or
84.21 both in an amount equal to or greater than three times the obligor's total monthly support
84.22 and maintenance payments and not in compliance with a written payment agreement pursuant
84.23 to section 518A.69 that is approved by the court, a child support magistrate, or the public
84.24 authority, the public authority shall direct the commissioner of public safety to suspend the
84.25 obligor's driver's license unless exercising administrative discretion under paragraph (i).
84.26 The remedy under this section is in addition to any other enforcement remedy available to
84.27 the public authority. This paragraph expires December 31, 2025.

84.28 (e) This paragraph is effective January 1, 2026. If a public authority responsible for child
84.29 support enforcement determines that:

84.30 (1) the obligor has a valid driver's license issued by the commissioner of public safety;
84.31 (2) the obligor is in arrears in court-ordered child support or maintenance payments or
84.32 both in an amount equal to or greater than three times the obligor's total monthly support
84.33 and maintenance payments;

85.1 (3) the obligor is not in compliance with a written payment agreement pursuant to section
85.2 518A.69 that is approved by the court, a child support magistrate, or the public authority;
85.3 and

85.4 (4) the obligor's mailing address is known to the public authority;

85.5 then the public authority shall direct the commissioner of public safety to suspend the
85.6 obligor's driver's license unless exercising administrative discretion under paragraph (i).

85.7 The remedy under this section is in addition to any other enforcement remedy available to
85.8 the public authority.

85.9 ~~(e)~~ (f) At least 90 days prior to notifying the commissioner of public safety according
85.10 to paragraph ~~(b)~~ (d), the public authority must mail a written notice to the obligor at the
85.11 obligor's last known address, that it intends to seek suspension of the obligor's driver's
85.12 license and that the obligor must request a hearing within 30 days in order to contest the
85.13 suspension. If the obligor makes a written request for a hearing within 30 days of the date
85.14 of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the
85.15 obligor must be served with 14 days' notice in writing specifying the time and place of the
85.16 hearing and the allegations against the obligor. The notice must include information that
85.17 apprises the obligor of the requirement to develop a written payment agreement that is
85.18 approved by a court, a child support magistrate, or the public authority responsible for child
85.19 support enforcement regarding child support, maintenance, and any arrearages in order to
85.20 avoid license suspension. The notice may be served personally or by mail. If the public
85.21 authority does not receive a request for a hearing within 30 days of the date of the notice,
85.22 and the obligor does not execute a written payment agreement pursuant to section 518A.69
85.23 that is approved by the public authority within 90 days of the date of the notice, the public
85.24 authority shall direct the commissioner of public safety to suspend the obligor's driver's
85.25 license under paragraph ~~(b)~~ (d).

85.26 ~~(d)~~ (g) At a hearing requested by the obligor under paragraph ~~(e)~~ (f), and on finding that
85.27 the obligor is in arrears in court-ordered child support or maintenance payments or both in
85.28 an amount equal to or greater than three times the obligor's total monthly support and
85.29 maintenance payments, the district court or child support magistrate shall order the
85.30 commissioner of public safety to suspend the obligor's driver's license or operating privileges
85.31 unless:

85.32 (1) the court or child support magistrate determines that the obligor has executed and is
85.33 in compliance with a written payment agreement pursuant to section 518A.69 that is approved
85.34 by the court, a child support magistrate, or the public authority; or

86.1 (2) the court, in its discretion, determines that driver's license suspension is unlikely to
86.2 induce payment of child support or would have direct harmful effects on the obligor or joint
86.3 child that makes driver's license suspension an inappropriate remedy. The court may consider
86.4 the circumstances in paragraph (i) in exercising the court's discretion.

86.5 ~~(e)~~ (h) An obligor whose driver's license or operating privileges are suspended may:

86.6 (1) provide proof to the public authority responsible for child support enforcement that
86.7 the obligor is in compliance with all written payment agreements pursuant to section 518A.69;

86.8 (2) bring a motion for reinstatement of the driver's license. At the hearing, if the court
86.9 or child support magistrate orders reinstatement of the driver's license, the court or child
86.10 support magistrate must establish a written payment agreement pursuant to section 518A.69;
86.11 or

86.12 (3) seek a limited license under section 171.30. A limited license issued to an obligor
86.13 under section 171.30 expires 90 days after the date it is issued.

86.14 Within 15 days of the receipt of that proof or a court order, the public authority shall
86.15 inform the commissioner of public safety that the obligor's driver's license or operating
86.16 privileges should no longer be suspended.

86.17 (i) Prior to notifying the commissioner of public safety that an obligor's driver's license
86.18 should be suspended or after an obligor's driving privileges have been suspended, the public
86.19 authority responsible for child support enforcement may use administrative authority to end
86.20 the suspension process or inform the commissioner of public safety that the obligor's driving
86.21 privileges should no longer be suspended under any of the following circumstances:

86.22 (1) the full amount of court-ordered payments have been received for at least one month;

86.23 (2) an income withholding notice has been sent to an employer or payor of money;

86.24 (3) payments less than the full court-ordered amount have been received and the
86.25 circumstances of the obligor demonstrate the obligor's substantial intent to comply with the
86.26 order;

86.27 (4) the obligor receives public assistance;

86.28 (5) the case is being reviewed by the public authority for downward modification due
86.29 to changes in the obligor's financial circumstances or a party has filed a motion to modify
86.30 the child support order;

86.31 (6) the obligor no longer lives in the state and the child support case is in the process of
86.32 interstate enforcement;

87.1 (7) the obligor is currently incarcerated for one week or more or is receiving in-patient
87.2 treatment for physical health, mental health, chemical dependency, or other treatment. This
87.3 clause applies for six months after the obligor is no longer incarcerated or receiving in-patient
87.4 treatment;

87.5 (8) the obligor is temporarily or permanently disabled and unable to pay child support;

87.6 (9) the obligor has presented evidence to the public authority that the obligor needs
87.7 driving privileges to maintain or obtain the obligor's employment;

87.8 (10) the obligor has not had a meaningful opportunity to pay toward arrears; or

87.9 (11) other circumstances of the obligor indicate that a temporary condition exists for
87.10 which suspension of the obligor's driver's license for the nonpayment of child support is
87.11 not appropriate. When considering whether suspension of the obligor's driver's license is
87.12 appropriate, the public authority must assess: (i) whether suspension of the obligor's driver's
87.13 license is likely to induce payment of child support; and (ii) whether suspension of the
87.14 obligor's driver's license would have direct harmful effects on the obligor or joint children
87.15 that make driver's license suspension an inappropriate remedy.

87.16 The presence of circumstances in this paragraph does not prevent the public authority from
87.17 proceeding with a suspension of the obligor's driver's license.

87.18 ~~(f)~~ (j) In addition to the criteria established under this section for the suspension of an
87.19 obligor's driver's license, a court, a child support magistrate, or the public authority may
87.20 direct the commissioner of public safety to suspend the license of a party who has failed,
87.21 after receiving notice, to comply with a subpoena relating to a paternity or child support
87.22 proceeding. Notice to an obligor of intent to suspend must be served by first class mail at
87.23 the obligor's last known address. The notice must inform the obligor of the right to request
87.24 a hearing. If the obligor makes a written request within ten days of the date of the hearing,
87.25 a hearing must be held. At the hearing, the only issues to be considered are mistake of fact
87.26 and whether the obligor received the subpoena.

87.27 ~~(g)~~ (k) The license of an obligor who fails to remain in compliance with an approved
87.28 written payment agreement may be suspended. Prior to suspending a license for
87.29 noncompliance with an approved written payment agreement, the public authority must
87.30 mail to the obligor's last known address a written notice that (1) the public authority intends
87.31 to seek suspension of the obligor's driver's license under this paragraph, and (2) the obligor
87.32 must request a hearing, within 30 days of the date of the notice, to contest the suspension.
87.33 If, within 30 days of the date of the notice, the public authority does not receive a written
87.34 request for a hearing and the obligor does not comply with an approved written payment

88.1 agreement, the public authority must direct the Department of Public Safety to suspend the
 88.2 obligor's license under paragraph ~~(b)~~ (d). If the obligor makes a written request for a hearing
 88.3 within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any
 88.4 law to the contrary, the obligor must be served with 14 days' notice in writing specifying
 88.5 the time and place of the hearing and the allegations against the obligor. The notice may be
 88.6 served personally or by mail at the obligor's last known address. If the obligor appears at
 88.7 the hearing and the court determines that the obligor has failed to comply with an approved
 88.8 written payment agreement, the court or public authority shall notify the Department of
 88.9 Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d). If the obligor fails
 88.10 to appear at the hearing, the court or public authority must notify the Department of Public
 88.11 Safety to suspend the obligor's license under paragraph ~~(b)~~ (d).

88.12 Sec. 10. Minnesota Statutes 2022, section 518A.77, is amended to read:

88.13 **518A.77 GUIDELINES REVIEW.**

88.14 ~~(a)~~ No later than 2006 and every four years after that, the Department of Human Services
 88.15 must conduct a review of the child support guidelines as required under Code of Federal
 88.16 Regulations, title 45, section 302.56(h).

88.17 ~~(b) This section expires January 1, 2032.~~

88.18 Sec. 11. **REPEALER.**

88.19 Minnesota Statutes 2022, section 518A.59, is repealed.

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

88.21 **ARTICLE 4**

88.22 **LICENSING**

88.23 Section 1. Minnesota Statutes 2022, section 245.095, is amended to read:

88.24 **245.095 LIMITS ON RECEIVING PUBLIC FUNDS.**

88.25 Subdivision 1. **Prohibition.** (a) If a provider, vendor, or individual enrolled, licensed,
 88.26 receiving funds under a grant contract, or registered in any program administered by the
 88.27 commissioner, including under the commissioner's powers and authorities in section 256.01,
 88.28 is excluded from that program, the commissioner shall:

88.29 (1) prohibit the excluded provider, vendor, or individual from enrolling, becoming
 88.30 licensed, receiving grant funds, or registering in any other program administered by the
 88.31 commissioner; and

89.1 (2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider,
89.2 vendor, or individual in any other program administered by the commissioner.

89.3 (b) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant
89.4 contract, or registered in any program administered by the commissioner, including under
89.5 the commissioner's powers and authorities in section 256.01, is excluded from that program,
89.6 the commissioner may:

89.7 (1) prohibit any associated entities or associated individuals from enrolling, becoming
89.8 licensed, receiving grant funds, or registering in any other program administered by the
89.9 commissioner; and

89.10 (2) disenroll, revoke or suspend a license of, disqualify, or debar any associated entities
89.11 or associated individuals in any other program administered by the commissioner.

89.12 (c) If a provider, vendor, or individual enrolled, licensed, or otherwise receiving funds
89.13 under any contract or registered in any program administered by a Minnesota state or federal
89.14 agency is excluded from that program, the commissioner of human services may:

89.15 (1) prohibit the excluded provider, vendor, individual, or any associated entities or
89.16 associated individuals from enrolling, becoming licensed, receiving grant funds, or registering
89.17 in any program administered by the commissioner; and

89.18 (2) disenroll, revoke or suspend a license of, disqualify, or debar the excluded provider,
89.19 vendor, individual, or any associated entities or associated individuals in any program
89.20 administered by the commissioner.

89.21 ~~(b)~~ (d) The duration of this a prohibition, disenrollment, revocation, suspension,
89.22 disqualification, or debarment under paragraph (a) must last for the longest applicable
89.23 sanction or disqualifying period in effect for the provider, vendor, or individual permitted
89.24 by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension,
89.25 disqualification, or debarment under paragraphs (b) and (c) may last until up to the longest
89.26 applicable sanction or disqualifying period in effect for the provider, vendor, individual,
89.27 associated entity, or associated individual as permitted by state or federal law.

89.28 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions have the
89.29 meanings given ~~them~~.

89.30 (b) "Associated entity" means a provider or vendor owned or controlled by an excluded
89.31 individual.

90.1 (c) "Associated individual" means an individual or entity that has a relationship with
90.2 the business or its owners or controlling individuals, such that the individual or entity would
90.3 have knowledge of the financial practices of the program in question.

90.4 ~~(b) (d) "Excluded" means disenrolled, disqualified, having a license that has been revoked~~
90.5 ~~or suspended under chapter 245A, or debarred or suspended under Minnesota Rules, part~~
90.6 ~~1230.1150, or excluded pursuant to section 256B.064, subdivision 3 removed under other~~
90.7 ~~authorities from a program administered by a Minnesota state or federal agency, including~~
90.8 ~~a final determination to stop payments.~~

90.9 ~~(e) (e) "Individual" means a natural person providing products or services as a provider~~
90.10 ~~or vendor.~~

90.11 ~~(d) (f) "Provider" includes any entity or individual receiving payment from a program~~
90.12 ~~administered by the Department of Human Services, and an owner, controlling individual,~~
90.13 ~~license holder, director, or managerial official of an entity receiving payment from a program~~
90.14 ~~administered by the Department of Human Services means any entity, individual, owner,~~
90.15 ~~controlling individual, license holder, director, or managerial official of an entity receiving~~
90.16 ~~payment from a program administered by a Minnesota state or federal agency.~~

90.17 Subd. 3. **Notice.** Within five days of taking an action under subdivision (1), paragraph
90.18 (a), (b), or (c), against a provider, vendor, individual, associated individual, or associated
90.19 entity, the commissioner must send notice of the action to the provider, vendor, individual,
90.20 associated individual, or associated entity. The notice must state:

90.21 (1) the basis for the action;

90.22 (2) the effective date of the action;

90.23 (3) the right to appeal the action; and

90.24 (4) the requirements and procedures for reinstatement.

90.25 Subd. 4. **Appeal.** Upon receipt of a notice under subdivision 3, a provider, vendor,
90.26 individual, associated individual, or associated entity may request a contested case hearing,
90.27 as defined in section 14.02, subdivision 3, by filing with the commissioner a written request
90.28 of appeal. The scope of any contested case hearing is solely limited to action taken under
90.29 this section. The commissioner must receive the appeal request no later than 30 days after
90.30 the date the notice was mailed to the provider, vendor, individual, associated individual, or
90.31 associated entity. The appeal request must specify:

90.32 (1) each disputed item and the reason for the dispute;

91.1 (2) the authority in statute or rule upon which the provider, vendor, individual, associated
91.2 individual, or associated entity relies for each disputed item;

91.3 (3) the name and address of the person or entity with whom contacts may be made
91.4 regarding the appeal; and

91.5 (4) any other information required by the commissioner.

91.6 **Subd. 5. Withholding of payments.** (a) Except as otherwise provided by state or federal
91.7 law, the commissioner may withhold payments to a provider, vendor, individual, associated
91.8 individual, or associated entity in any program administered by the commissioner, if the
91.9 commissioner determines there is a credible allegation of fraud for which an investigation
91.10 is pending for a program administered by a Minnesota state or federal agency.

91.11 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation
91.12 that has been verified by the commissioner from any source, including but not limited to:

91.13 (1) fraud hotline complaints;

91.14 (2) claims data mining;

91.15 (3) patterns identified through provider audits, civil false claims cases, and law
91.16 enforcement investigations; and

91.17 (4) court filings and other legal documents, including but not limited to police reports,
91.18 complaints, indictments, informations, affidavits, declarations, and search warrants.

91.19 (c) The commissioner must send notice of the withholding of payments within five days
91.20 of taking such action. The notice must:

91.21 (1) state that payments are being withheld according to this subdivision;

91.22 (2) set forth the general allegations related to the withholding action, except the notice
91.23 need not disclose specific information concerning an ongoing investigation;

91.24 (3) state that the withholding is for a temporary period and cite the circumstances under
91.25 which the withholding will be terminated; and

91.26 (4) inform the provider, vendor, individual, associated individual, or associated entity
91.27 of the right to submit written evidence to contest the withholding action for consideration
91.28 by the commissioner.

91.29 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,
91.30 individual, associated individual, or associated entity has a right to request administrative
91.31 reconsideration. A request for administrative reconsideration must be made in writing, state

92.1 with specificity the reasons the payment withholding decision is in error, and include
92.2 documents to support the request. Within 60 days from receipt of the request, the
92.3 commissioner shall judiciously review allegations, facts, evidence available to the
92.4 commissioner, and information submitted by the provider, vendor, individual, associated
92.5 individual, or associated entity to determine whether the payment withholding should remain
92.6 in place.

92.7 (e) The commissioner shall stop withholding payments if the commissioner determines
92.8 there is insufficient evidence of fraud by the provider, vendor, individual, associated
92.9 individual, or associated entity or when legal proceedings relating to the alleged fraud are
92.10 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
92.11 vendor, individual, associated individual, or associated entity.

92.12 (f) The withholding of payments is a temporary action and is not subject to appeal under
92.13 section 256.045 or chapter 14.

92.14 Sec. 2. Minnesota Statutes 2022, section 245A.02, subdivision 2c, is amended to read:

92.15 Subd. 2c. **Annual or annually; family child care training requirements.** For the
92.16 purposes of sections 245A.50 to 245A.53, "annual" or "annually" means ~~the 12-month~~
92.17 ~~period beginning on the license effective date or the annual anniversary of the effective date~~
92.18 ~~and ending on the day prior to the annual anniversary of the license effective date~~ each
92.19 calendar year.

92.20 Sec. 3. Minnesota Statutes 2022, section 245A.02, is amended by adding a subdivision to
92.21 read:

92.22 Subd. 5b. **Cradleboard.** "Cradleboard" means a board or frame on which an infant is
92.23 secured using blankets or other material, such as fabric or leather sides, and laces and often
92.24 has a frame extending to protect the infant's head. The infant is always placed with the
92.25 infant's head facing outward, and the infant remains supervised in the cradleboard while
92.26 sleeping or being carried.

92.27 **EFFECTIVE DATE.** This section is effective January 1, 2024.

92.28 Sec. 4. Minnesota Statutes 2022, section 245A.02, subdivision 6b, is amended to read:

92.29 Subd. 6b. **Experience.** For purposes of child care centers, "experience" ~~includes~~ is paid
92.30 or unpaid employment serving children as a teacher, assistant teacher, aide, or a student
92.31 intern in a licensed child care center, in a public or nonpublic school, or in a program licensed
92.32 as a family day care or group family day care provider.:

- 93.1 (1) caring for children as a teacher, assistant teacher, aide, or student intern:
- 93.2 (i) in a licensed child care center, a licensed family day care or group family day care,
- 93.3 or a Tribally licensed child care program in any United States state or territory; or
- 93.4 (ii) in a public or nonpublic school;
- 93.5 (2) caring for children as a staff person or unsupervised volunteer in a certified,
- 93.6 license-exempt child care center under chapter 245H; or
- 93.7 (3) providing direct contact services in a home or residential facility serving children
- 93.8 with disabilities that requires a background study under section 245C.03.

93.9 **EFFECTIVE DATE.** This section is effective October 1, 2023.

93.10 Sec. 5. Minnesota Statutes 2022, section 245A.03, subdivision 2, is amended to read:

93.11 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

93.12 (1) residential or nonresidential programs that are provided to a person by an individual

93.13 who is related unless the residential program is a child foster care placement made by a

93.14 local social services agency or a licensed child-placing agency, except as provided in

93.15 subdivision 2a;

93.16 (2) nonresidential programs that are provided by an unrelated individual to persons from

93.17 a single related family;

93.18 (3) residential or nonresidential programs that are provided to adults who do not misuse

93.19 substances or have a substance use disorder, a mental illness, a developmental disability, a

93.20 functional impairment, or a physical disability;

93.21 (4) sheltered workshops or work activity programs that are certified by the commissioner

93.22 of employment and economic development;

93.23 (5) programs operated by a public school for children 33 months or older;

93.24 (6) nonresidential programs primarily for children that provide care or supervision for

93.25 periods of less than three hours a day while the child's parent or legal guardian is in the

93.26 same building as the nonresidential program or present within another building that is

93.27 directly contiguous to the building in which the nonresidential program is located;

93.28 (7) nursing homes or hospitals licensed by the commissioner of health except as specified

93.29 under section 245A.02;

94.1 (8) board and lodge facilities licensed by the commissioner of health that do not provide
94.2 children's residential services under Minnesota Rules, chapter 2960, mental health or
94.3 substance use disorder treatment;

94.4 (9) homes providing programs for persons placed by a county or a licensed agency for
94.5 legal adoption, unless the adoption is not completed within two years;

94.6 (10) programs licensed by the commissioner of corrections;

94.7 (11) recreation programs for children or adults that are operated or approved by a park
94.8 and recreation board whose primary purpose is to provide social and recreational activities;

94.9 (12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA
94.10 as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in
94.11 section 315.51, whose primary purpose is to provide child care or services to school-age
94.12 children;

94.13 (13) Head Start nonresidential programs which operate for less than 45 days in each
94.14 calendar year;

94.15 (14) noncertified boarding care homes unless they provide services for five or more
94.16 persons whose primary diagnosis is mental illness or a developmental disability;

94.17 (15) programs for children such as scouting, boys clubs, girls clubs, and sports and art
94.18 programs, and nonresidential programs for children provided for a cumulative total of less
94.19 than 30 days in any 12-month period;

94.20 (16) residential programs for persons with mental illness, that are located in hospitals;

94.21 (17) the religious instruction of school-age children; Sabbath or Sunday schools; or the
94.22 congregate care of children by a church, congregation, or religious society during the period
94.23 used by the church, congregation, or religious society for its regular worship;

94.24 (18) camps licensed by the commissioner of health under Minnesota Rules, chapter
94.25 4630;

94.26 (19) mental health outpatient services for adults with mental illness or children with
94.27 emotional disturbance;

94.28 (20) residential programs serving school-age children whose sole purpose is cultural or
94.29 educational exchange, until the commissioner adopts appropriate rules;

94.30 (21) community support services programs as defined in section 245.462, subdivision
94.31 6, and family community support services as defined in section 245.4871, subdivision 17;

95.1 (22) the placement of a child by a birth parent or legal guardian in a preadoptive home
95.2 for purposes of adoption as authorized by section 259.47;

95.3 (23) settings registered under chapter 144D which provide home care services licensed
95.4 by the commissioner of health to fewer than seven adults;

95.5 (24) substance use disorder treatment activities of licensed professionals in private
95.6 practice as defined in section 245G.01, subdivision 17;

95.7 (25) consumer-directed community support service funded under the Medicaid waiver
95.8 for persons with developmental disabilities when the individual who provided the service
95.9 is:

95.10 (i) the same individual who is the direct payee of these specific waiver funds or paid by
95.11 a fiscal agent, fiscal intermediary, or employer of record; and

95.12 (ii) not otherwise under the control of a residential or nonresidential program that is
95.13 required to be licensed under this chapter when providing the service;

95.14 (26) a program serving only children who are age 33 months or older, that is operated
95.15 by a nonpublic school, for no more than four hours per day per child, with no more than 20
95.16 children at any one time, and that is accredited by:

95.17 (i) an accrediting agency that is formally recognized by the commissioner of education
95.18 as a nonpublic school accrediting organization; or

95.19 (ii) an accrediting agency that requires background studies and that receives and
95.20 investigates complaints about the services provided.

95.21 A program that asserts its exemption from licensure under item (ii) shall, upon request
95.22 from the commissioner, provide the commissioner with documentation from the accrediting
95.23 agency that verifies: that the accreditation is current; that the accrediting agency investigates
95.24 complaints about services; and that the accrediting agency's standards require background
95.25 studies on all people providing direct contact services;

95.26 (27) a program operated by a nonprofit organization incorporated in Minnesota or another
95.27 state that serves youth in kindergarten through grade 12; provides structured, supervised
95.28 youth development activities; and has learning opportunities take place before or after
95.29 school, on weekends, or during the summer or other seasonal breaks in the school calendar.

95.30 A program exempt under this clause is not eligible for child care assistance under chapter
95.31 119B. A program exempt under this clause must:

96.1 (i) have a director or supervisor on site who is responsible for overseeing written policies
 96.2 relating to the management and control of the daily activities of the program, ensuring the
 96.3 health and safety of program participants, and supervising staff and volunteers;

96.4 (ii) have obtained written consent from a parent or legal guardian for each youth
 96.5 participating in activities at the site; and

96.6 (iii) have provided written notice to a parent or legal guardian for each youth at the site
 96.7 that the program is not licensed or supervised by the state of Minnesota and is not eligible
 96.8 to receive child care assistance payments;

96.9 (28) a county that is an eligible vendor under section 254B.05 to provide care coordination
 96.10 and comprehensive assessment services; ~~or~~

96.11 (29) a recovery community organization that is an eligible vendor under section 254B.05
 96.12 to provide peer recovery support services; or

96.13 (30) Head Start programs that serve only children who are at least three years old but
 96.14 not yet six years old.

96.15 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
 96.16 building in which a nonresidential program is located if it shares a common wall with the
 96.17 building in which the nonresidential program is located or is attached to that building by
 96.18 skyway, tunnel, atrium, or common roof.

96.19 (c) Except for the home and community-based services identified in section 245D.03,
 96.20 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
 96.21 provided and funded according to an approved federal waiver plan where licensure is
 96.22 specifically identified as not being a condition for the services and funding.

96.23 **EFFECTIVE DATE.** This section is effective January 1, 2024.

96.24 Sec. 6. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:

96.25 Subd. 4. **Inspections; waiver.** (a) Before issuing a license under this chapter, the
 96.26 commissioner shall conduct an inspection of the program. The inspection must include but
 96.27 is not limited to:

96.28 (1) an inspection of the physical plant;

96.29 (2) an inspection of records and documents;

96.30 (3) observation of the program in operation; and

97.1 (4) an inspection for the health, safety, and fire standards in licensing requirements for
97.2 a child care license holder.

97.3 (b) The observation in paragraph (a), clause (3), is not required prior to issuing a license
97.4 under subdivision 7. If the commissioner issues a license under this chapter, these
97.5 requirements must be completed within one year after the issuance of the license.

97.6 (c) Before completing a licensing inspection in a family child care program or child care
97.7 center, the licensing agency must offer the license holder an exit interview to discuss
97.8 violations or potential violations of law or rule observed during the inspection and offer
97.9 technical assistance on how to comply with applicable laws and rules. The commissioner
97.10 shall not issue a correction order or negative licensing action for violations of law or rule
97.11 not discussed in an exit interview, unless a license holder chooses not to participate in an
97.12 exit interview or not to complete the exit interview. If the license holder is unable to complete
97.13 the exit interview, the licensing agency must offer an alternate time for the license holder
97.14 to complete the exit interview.

97.15 (d) If a family child care license holder disputes a county licensor's interpretation of a
97.16 licensing requirement during a licensing inspection or exit interview, the license holder
97.17 may, within five business days after the exit interview or licensing inspection, request
97.18 clarification from the commissioner, in writing, in a manner prescribed by the commissioner.
97.19 The license holder's request must describe the county licensor's interpretation of the licensing
97.20 requirement at issue, and explain why the license holder believes the county licensor's
97.21 interpretation is inaccurate. The commissioner and the county must include the license
97.22 holder in all correspondence regarding the disputed interpretation, and must provide an
97.23 opportunity for the license holder to contribute relevant information that may impact the
97.24 commissioner's decision. The county licensor must not issue a correction order related to
97.25 the disputed licensing requirement until the commissioner has provided clarification to the
97.26 license holder about the licensing requirement.

97.27 (e) The commissioner or the county shall inspect at least ~~annually~~ once each calendar
97.28 year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502
97.29 or 9503, for compliance with applicable licensing standards.

97.30 (f) No later than November 19, 2017, the commissioner shall make publicly available
97.31 on the department's website the results of inspection reports of all child care providers
97.32 licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the
97.33 number of deaths, serious injuries, and instances of substantiated child maltreatment that
97.34 occurred in licensed child care settings each year.

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

98.2 Sec. 7. Minnesota Statutes 2022, section 245A.05, is amended to read:

98.3 **245A.05 DENIAL OF APPLICATION.**

98.4 (a) The commissioner may deny a license if an applicant or controlling individual:

98.5 (1) fails to submit a substantially complete application after receiving notice from the
98.6 commissioner under section 245A.04, subdivision 1;

98.7 (2) fails to comply with applicable laws or rules;

98.8 (3) knowingly withholds relevant information from or gives false or misleading
98.9 information to the commissioner in connection with an application for a license or during
98.10 an investigation;

98.11 (4) has a disqualification that has not been set aside under section 245C.22 and no
98.12 variance has been granted;

98.13 (5) has an individual living in the household who received a background study under
98.14 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
98.15 has not been set aside under section 245C.22, and no variance has been granted;

98.16 (6) is associated with an individual who received a background study under section
98.17 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
98.18 children or vulnerable adults, and who has a disqualification that has not been set aside
98.19 under section 245C.22, and no variance has been granted;

98.20 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

98.21 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
98.22 6;

98.23 (9) has a history of noncompliance as a license holder or controlling individual with
98.24 applicable laws or rules, including but not limited to this chapter and chapters 119B and
98.25 245C;

98.26 (10) is prohibited from holding a license according to section 245.095; or

98.27 (11) for a family foster setting, has or has an individual who is living in the household
98.28 where the licensed services are provided or is otherwise subject to a background study who
98.29 has nondisqualifying background study information, as described in section 245C.05,
98.30 subdivision 4, that reflects on the individual's applicant's ability to safely provide care to
98.31 foster children.

99.1 (b) An applicant whose application has been denied by the commissioner must be given
99.2 notice of the denial, which must state the reasons for the denial in plain language. Notice
99.3 must be given by certified mail or personal service. The notice must state the reasons the
99.4 application was denied and must inform the applicant of the right to a contested case hearing
99.5 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may
99.6 appeal the denial by notifying the commissioner in writing by certified mail or personal
99.7 service. If mailed, the appeal must be postmarked and sent to the commissioner within 20
99.8 calendar days after the applicant received the notice of denial. If an appeal request is made
99.9 by personal service, it must be received by the commissioner within 20 calendar days after
99.10 the applicant received the notice of denial. Section 245A.08 applies to hearings held to
99.11 appeal the commissioner's denial of an application.

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

99.13 Sec. 8. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

99.14 Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If the
99.15 commissioner finds that the applicant or license holder has failed to comply with an
99.16 applicable law or rule and this failure does not imminently endanger the health, safety, or
99.17 rights of the persons served by the program, the commissioner may issue a correction order
99.18 and an order of conditional license to the applicant or license holder. When issuing a
99.19 conditional license, the commissioner shall consider the nature, chronicity, or severity of
99.20 the violation of law or rule and the effect of the violation on the health, safety, or rights of
99.21 persons served by the program. The correction order or conditional license must state the
99.22 following in plain language:

99.23 (1) the specific factual conditions observable or reviewable by the licensor that constitute
99.24 a violation of the law or rule;

99.25 (2) the specific law or rule violated;

99.26 (3) the time allowed to correct each violation; and

99.27 (4) if a license is made conditional, the length and terms of the conditional license, and
99.28 the reasons for making the license conditional.

99.29 (b) Nothing in this section prohibits the commissioner from proposing a sanction as
99.30 specified in section 245A.07, prior to issuing a correction order or conditional license.

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

100.1 Sec. 9. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

100.2 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
100.3 under section 245A.06, the commissioner may suspend or revoke the license, impose a fine,
100.4 or secure an injunction against the continuing operation of the program of a license holder
100.5 who:

100.6 (1) does not comply with applicable law or rule, ~~or who~~;

100.7 (2) has nondisqualifying background study information, as described in section 245C.05,
100.8 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
100.9 children; or

100.10 (3) has an individual living in the household where the licensed services are provided
100.11 or is otherwise subject to a background study, and the individual has nondisqualifying
100.12 background study information, as described in section 245C.05, subdivision 4, that reflects
100.13 on the license holder's ability to safely provide care to foster children.

100.14 When applying sanctions authorized under this section, the commissioner shall consider
100.15 the nature, chronicity, or severity of the violation of law or rule and the effect of the violation
100.16 on the health, safety, or rights of persons served by the program.

100.17 (b) If a license holder appeals the suspension or revocation of a license and the license
100.18 holder continues to operate the program pending a final order on the appeal, the commissioner
100.19 shall issue the license holder a temporary provisional license. Unless otherwise specified
100.20 by the commissioner, variances in effect on the date of the license sanction under appeal
100.21 continue under the temporary provisional license. If a license holder fails to comply with
100.22 applicable law or rule while operating under a temporary provisional license, the
100.23 commissioner may impose additional sanctions under this section and section 245A.06, and
100.24 may terminate any prior variance. If a temporary provisional license is set to expire, a new
100.25 temporary provisional license shall be issued to the license holder upon payment of any fee
100.26 required under section 245A.10. The temporary provisional license shall expire on the date
100.27 the final order is issued. If the license holder prevails on the appeal, a new nonprovisional
100.28 license shall be issued for the remainder of the current license period.

100.29 (c) If a license holder is under investigation and the license issued under this chapter is
100.30 due to expire before completion of the investigation, the program shall be issued a new
100.31 license upon completion of the reapplication requirements and payment of any applicable
100.32 license fee. Upon completion of the investigation, a licensing sanction may be imposed
100.33 against the new license under this section, section 245A.06, or 245A.08.

101.1 (d) Failure to reapply or closure of a license issued under this chapter by the license
101.2 holder prior to the completion of any investigation shall not preclude the commissioner
101.3 from issuing a licensing sanction under this section or section 245A.06 at the conclusion
101.4 of the investigation.

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

101.6 Sec. 10. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

101.7 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend
101.8 or revoke a license, or impose a fine if:

101.9 (1) a license holder fails to comply fully with applicable laws or rules including but not
101.10 limited to the requirements of this chapter and chapter 245C;

101.11 (2) a license holder, a controlling individual, or an individual living in the household
101.12 where the licensed services are provided or is otherwise subject to a background study has
101.13 been disqualified and the disqualification was not set aside and no variance has been granted;

101.14 (3) a license holder knowingly withholds relevant information from or gives false or
101.15 misleading information to the commissioner in connection with an application for a license,
101.16 in connection with the background study status of an individual, during an investigation,
101.17 or regarding compliance with applicable laws or rules;

101.18 (4) a license holder is excluded from any program administered by the commissioner
101.19 under section 245.095; ~~or~~

101.20 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

101.21 (6) for a family foster setting, a license holder or an individual living in the household
101.22 where the licensed services are provided or who is otherwise subject to a background study
101.23 has nondisqualifying background study information, as described in section 245C.05,
101.24 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
101.25 children.

101.26 A license holder who has had a license issued under this chapter suspended, revoked,
101.27 or has been ordered to pay a fine must be given notice of the action by certified mail or
101.28 personal service. If mailed, the notice must be mailed to the address shown on the application
101.29 or the last known address of the license holder. The notice must state in plain language the
101.30 reasons the license was suspended or revoked, or a fine was ordered.

101.31 (b) If the license was suspended or revoked, the notice must inform the license holder
101.32 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts

102.1 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
102.2 a license. The appeal of an order suspending or revoking a license must be made in writing
102.3 by certified mail or personal service. If mailed, the appeal must be postmarked and sent to
102.4 the commissioner within ten calendar days after the license holder receives notice that the
102.5 license has been suspended or revoked. If a request is made by personal service, it must be
102.6 received by the commissioner within ten calendar days after the license holder received the
102.7 order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a
102.8 timely appeal of an order suspending or revoking a license, the license holder may continue
102.9 to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and
102.10 (g), until the commissioner issues a final order on the suspension or revocation.

102.11 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
102.12 holder of the responsibility for payment of fines and the right to a contested case hearing
102.13 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
102.14 order to pay a fine must be made in writing by certified mail or personal service. If mailed,
102.15 the appeal must be postmarked and sent to the commissioner within ten calendar days after
102.16 the license holder receives notice that the fine has been ordered. If a request is made by
102.17 personal service, it must be received by the commissioner within ten calendar days after
102.18 the license holder received the order.

102.19 (2) The license holder shall pay the fines assessed on or before the payment date specified.
102.20 If the license holder fails to fully comply with the order, the commissioner may issue a
102.21 second fine or suspend the license until the license holder complies. If the license holder
102.22 receives state funds, the state, county, or municipal agencies or departments responsible for
102.23 administering the funds shall withhold payments and recover any payments made while the
102.24 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
102.25 until the commissioner issues a final order.

102.26 (3) A license holder shall promptly notify the commissioner of human services, in writing,
102.27 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
102.28 commissioner determines that a violation has not been corrected as indicated by the order
102.29 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
102.30 the license holder by certified mail or personal service that a second fine has been assessed.
102.31 The license holder may appeal the second fine as provided under this subdivision.

102.32 (4) Fines shall be assessed as follows:

102.33 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
102.34 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557

103.1 for which the license holder is determined responsible for the maltreatment under section
103.2 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

103.3 (ii) if the commissioner determines that a determination of maltreatment for which the
103.4 license holder is responsible is the result of maltreatment that meets the definition of serious
103.5 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
103.6 \$5,000;

103.7 (iii) for a program that operates out of the license holder's home and a program licensed
103.8 under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
103.9 holder shall not exceed \$1,000 for each determination of maltreatment;

103.10 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
103.11 governing matters of health, safety, or supervision, including but not limited to the provision
103.12 of adequate staff-to-child or adult ratios, and failure to comply with background study
103.13 requirements under chapter 245C; and

103.14 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
103.15 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

103.16 For purposes of this section, "occurrence" means each violation identified in the
103.17 commissioner's fine order. Fines assessed against a license holder that holds a license to
103.18 provide home and community-based services, as identified in section 245D.03, subdivision
103.19 1, and a community residential setting or day services facility license under chapter 245D
103.20 where the services are provided, may be assessed against both licenses for the same
103.21 occurrence, but the combined amount of the fines shall not exceed the amount specified in
103.22 this clause for that occurrence.

103.23 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
103.24 selling, or otherwise transferring the licensed program to a third party. In such an event, the
103.25 license holder will be personally liable for payment. In the case of a corporation, each
103.26 controlling individual is personally and jointly liable for payment.

103.27 (d) Except for background study violations involving the failure to comply with an order
103.28 to immediately remove an individual or an order to provide continuous, direct supervision,
103.29 the commissioner shall not issue a fine under paragraph (c) relating to a background study
103.30 violation to a license holder who self-corrects a background study violation before the
103.31 commissioner discovers the violation. A license holder who has previously exercised the
103.32 provisions of this paragraph to avoid a fine for a background study violation may not avoid
103.33 a fine for a subsequent background study violation unless at least 365 days have passed
103.34 since the license holder self-corrected the earlier background study violation.

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

104.2 Sec. 11. Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision
104.3 to read:

104.4 **Subd. 12. License holder qualifications for child foster care.** (a) Child foster care
104.5 license holders must maintain the ability to care for a foster child and ensure a safe home
104.6 environment for children placed in their care. License holders must immediately notify the
104.7 licensing agency of:

104.8 (1) any changes to the license holder or household member's physical or behavioral
104.9 health that may affect the license holder's ability to care for a foster child or pose a risk to
104.10 a foster child's health; or

104.11 (2) changes related to the care of a child or vulnerable adult for whom the license holder
104.12 is a parent or legally responsible, including living out of the home for treatment for physical
104.13 or behavioral health, modified parenting time arrangements, legal custody, or placement in
104.14 foster care.

104.15 (b) The licensing agency may request a license holder or household member to undergo
104.16 an evaluation by a specialist in areas such as physical or behavioral health to evaluate the
104.17 license holder's ability to provide a safe environment for a foster child. Prior to assigning
104.18 a specialist to evaluate, the licensing agency must tell the license holder or household
104.19 member why the licensing agency has requested a specialist evaluation and request a release
104.20 of information from the license holder or household member.

104.21 **EFFECTIVE DATE.** This section is effective January 1, 2024.

104.22 Sec. 12. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

104.23 **Subd. 4. Special family child care homes.** (a) Nonresidential child care programs
104.24 servicing 14 or fewer children that are conducted at a location other than the license holder's
104.25 own residence shall be licensed under this section and the rules governing family child care
104.26 or group family child care if:

104.27 (~~a~~) (1) the license holder is the primary provider of care and the nonresidential child
104.28 care program is conducted in a dwelling that is located on a residential lot;

104.29 (~~b~~) (2) the license holder is an employer who may or may not be the primary provider
104.30 of care, and the purpose for the child care program is to provide child care services to
104.31 children of the license holder's employees;

105.1 ~~(e)~~ (3) the license holder is a church or religious organization;

105.2 ~~(d)~~ (4) the license holder is a community collaborative child care provider. For purposes
105.3 of this subdivision, a community collaborative child care provider is a provider participating
105.4 in a cooperative agreement with a community action agency as defined in section 256E.31;

105.5 ~~(e)~~ (5) the license holder is a not-for-profit agency that provides child care in a dwelling
105.6 located on a residential lot and the license holder maintains two or more contracts with
105.7 community employers or other community organizations to provide child care services.
105.8 The county licensing agency may grant a capacity variance to a license holder licensed
105.9 under this ~~paragraph~~ clause to exceed the licensed capacity of 14 children by no more than
105.10 five children during transition periods related to the work schedules of parents, if the license
105.11 holder meets the following requirements:

105.12 ~~(1)~~ (i) the program does not exceed a capacity of 14 children more than a cumulative
105.13 total of four hours per day;

105.14 ~~(2)~~ (ii) the program meets a one to seven staff-to-child ratio during the variance period;

105.15 ~~(3)~~ (iii) all employees receive at least an extra four hours of training per year than required
105.16 in the rules governing family child care each year;

105.17 ~~(4)~~ (iv) the facility has square footage required per child under Minnesota Rules, part
105.18 9502.0425;

105.19 ~~(5)~~ (v) the program is in compliance with local zoning regulations;

105.20 ~~(6)~~ (vi) the program is in compliance with the applicable fire code as follows:

105.21 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but
105.22 no more than five children 2-1/2 years of age or less, the applicable fire code is educational
105.23 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~
105.24 2020, Section 202; or

105.25 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the
105.26 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided in the Minnesota
105.27 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years
105.28 of age or younger are cared for are located on a level of exit discharge and each of these
105.29 child care rooms has an exit door directly to the exterior, then the applicable fire code is
105.30 Group E ~~occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020,
105.31 Section 202; and

106.1 ~~(7)~~ (vii) any age and capacity limitations required by the fire code inspection and square
 106.2 footage determinations shall be printed on the license; or

106.3 ~~(f)~~ (6) the license holder is the primary provider of care and has located the licensed
 106.4 child care program in a commercial space, if the license holder meets the following
 106.5 requirements:

106.6 ~~(1)~~ (i) the program is in compliance with local zoning regulations;

106.7 ~~(2)~~ (ii) the program is in compliance with the applicable fire code as follows:

106.8 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but
 106.9 no more than five children 2-1/2 years of age or less, the applicable fire code is educational
 106.10 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~
 106.11 2020, Section 202; or

106.12 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the
 106.13 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided under the Minnesota
 106.14 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years
 106.15 of age or younger are cared for are located on a level of exit discharge and each of these
 106.16 child care rooms has an exit door directly to the exterior, then the applicable fire code is
 106.17 Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;

106.18 ~~(3)~~ (iii) any age and capacity limitations required by the fire code inspection and square
 106.19 footage determinations are printed on the license; and

106.20 ~~(4)~~ (iv) the license holder prominently displays the license issued by the commissioner
 106.21 which contains the statement "This special family child care provider is not licensed as a
 106.22 child care center."

106.23 ~~(g)~~ (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner
 106.24 may issue up to four licenses to an organization licensed under paragraph ~~(b), (c), or (e)~~ (a),
 106.25 clause (2), (3), or (5). Each license must have its own primary provider of care as required
 106.26 under paragraph ~~(i)~~ (d). Each license must operate as a distinct and separate program in
 106.27 compliance with all applicable laws and regulations.

106.28 ~~(h)~~ (c) For licenses issued under paragraph ~~(b), (c), (d), (e), or (f)~~ (a), clause (2), (3),
 106.29 (4), (5), or (6), the commissioner may approve up to four licenses at the same location or
 106.30 under one contiguous roof if each license holder is able to demonstrate compliance with all
 106.31 applicable rules and laws. Each licensed program must operate as a distinct program and
 106.32 within the capacity, age, and ratio distributions of each license.

107.1 ~~(d)~~ (d) For a license issued under paragraph ~~(b), (c), or (e)~~ (a), clause (2), (3), or (5), the
107.2 license holder must designate a person to be the primary provider of care at the licensed
107.3 location on a form and in a manner prescribed by the commissioner. The license holder
107.4 shall notify the commissioner in writing before there is a change of the person designated
107.5 to be the primary provider of care. The primary provider of care:

107.6 (1) must be the person who will be the provider of care at the program and present during
107.7 the hours of operation;

107.8 (2) must operate the program in compliance with applicable laws and regulations under
107.9 chapter 245A and Minnesota Rules, chapter 9502;

107.10 (3) is considered a child care background study subject as defined in section 245C.02,
107.11 subdivision 6a, and must comply with background study requirements in chapter 245C;

107.12 (4) must complete the training that is required of license holders in section 245A.50;
107.13 and

107.14 (5) is authorized to communicate with the county licensing agency and the department
107.15 on matters related to licensing.

107.16 ~~(d)~~ (e) For any license issued under this subdivision, the license holder must ensure that
107.17 any other caregiver, substitute, or helper who assists in the care of children meets the training
107.18 requirements in section 245A.50 and background study requirements under chapter 245C.

107.19 Sec. 13. Minnesota Statutes 2022, section 245A.1435, is amended to read:

107.20 **245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH**
107.21 **IN LICENSED PROGRAMS.**

107.22 (a) When a license holder is placing an infant to sleep, the license holder must place the
107.23 infant on the infant's back, unless the license holder has documentation from the infant's
107.24 physician, advanced practice registered nurse, or physician assistant directing an alternative
107.25 sleeping position for the infant. The physician, advanced practice registered nurse, or
107.26 physician assistant directive must be on a form ~~approved~~ developed by the commissioner
107.27 and must remain on file at the licensed location. An infant who independently rolls onto its
107.28 stomach after being placed to sleep on its back may be allowed to remain sleeping on its
107.29 stomach if the infant is at least six months of age or the license holder has a signed statement
107.30 from the parent indicating that the infant regularly rolls over at home.

107.31 (b) The license holder must place the infant in a crib directly on a firm mattress with a
107.32 fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and

108.1 overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of
108.2 the sheet with reasonable effort. The license holder must not place anything in the crib with
108.3 the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title
108.4 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of
108.5 this section apply to license holders serving infants younger than one year of age. Licensed
108.6 child care providers must meet the crib requirements under section 245A.146. A correction
108.7 order shall not be issued under this paragraph unless there is evidence that a violation
108.8 occurred when an infant was present in the license holder's care.

108.9 (c) If an infant falls asleep before being placed in a crib, the license holder must move
108.10 the infant to a crib as soon as practicable, and must keep the infant within sight of the license
108.11 holder until the infant is placed in a crib. When an infant falls asleep while being held, the
108.12 license holder must consider the supervision needs of other children in care when determining
108.13 how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant
108.14 must not be in a position where the airway may be blocked or with anything covering the
108.15 infant's face.

108.16 (d) When a license holder places an infant under one year of age down to sleep, the
108.17 infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

108.18 (e) A license holder may place an infant under one year of age down to sleep wearing
108.19 a helmet if the license holder has signed documentation by a physician, advanced practice
108.20 registered nurse, physician assistant, licensed occupational therapist, or licensed physical
108.21 therapist on a form developed by the commissioner.

108.22 ~~(d)~~ (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended
108.23 for an infant of any age and is prohibited for any infant who has begun to roll over
108.24 independently. However, with the written consent of a parent or guardian according to this
108.25 paragraph, a license holder may place the infant who has not yet begun to roll over on its
108.26 own down to sleep in a ~~one-piece sleeper equipped with an attached system that fastens~~
108.27 ~~securely only across the upper torso, with no constriction of the hips or legs, to create a~~
108.28 swaddle. A swaddle is defined as a one-piece sleepwear that wraps over the infant's arms,
108.29 fastens securely only across the infant's upper torso, and does not constrict the infant's hips
108.30 or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets
108.31 the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to
108.32 breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use
108.33 of swaddling for sleep by a provider licensed under this chapter, the license holder must
108.34 obtain informed written consent for the use of swaddling from the parent or guardian of the

109.1 infant on a form ~~provided~~ developed by the commissioner and ~~prepared in partnership with~~
109.2 ~~the Minnesota Sudden Infant Death Center.~~

109.3 (g) A license holder may request a variance to this section to permit the use of a
109.4 cradleboard when requested by a parent or guardian for a cultural accommodation. A variance
109.5 for the use of a cradleboard may be issued only by the commissioner. The variance request
109.6 must be submitted on a form developed by the commissioner in partnership with Tribal
109.7 welfare agencies and the Department of Health.

109.8 **EFFECTIVE DATE.** This section is effective January 1, 2024.

109.9 Sec. 14. Minnesota Statutes 2022, section 245A.146, subdivision 3, is amended to read:

109.10 Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date printed
109.11 on the license, all license holders shall check all their cribs' brand names and model numbers
109.12 against the United States Consumer Product Safety Commission website listing of unsafe
109.13 cribs.

109.14 (b) The license holder shall maintain written documentation to be reviewed on site for
109.15 each crib showing that the review required in paragraph (a) has been completed, and which
109.16 of the following conditions applies:

109.17 (1) the crib was not identified as unsafe on the United States Consumer Product Safety
109.18 Commission website;

109.19 (2) the crib was identified as unsafe on the United States Consumer Product Safety
109.20 Commission website, but the license holder has taken the action directed by the United
109.21 States Consumer Product Safety Commission to make the crib safe; or

109.22 (3) the crib was identified as unsafe on the United States Consumer Product Safety
109.23 Commission website, and the license holder has removed the crib so that it is no longer
109.24 used by or accessible to children in care.

109.25 (c) Documentation of the review completed under this subdivision shall be maintained
109.26 by the license holder on site and made available to parents or guardians of children in care
109.27 and the commissioner.

109.28 (d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that
109.29 complies with this section may use a mesh-sided or fabric-sided play yard, pack and play,
109.30 or playpen or crib that has not been identified as unsafe on the United States Consumer
109.31 Product Safety Commission website for the care or sleeping of infants.

110.1 (e) On at least a monthly basis, the family child care license holder shall perform safety
110.2 inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used
110.3 by or that is accessible to any child in care, and must document the following:

110.4 (1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of
110.5 crib;

110.6 (2) the weave of the mesh on the crib is no larger than one-fourth of an inch;

110.7 (3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

110.8 (4) no tears or holes to top rail of crib;

110.9 (5) the mattress floor board is not soft and does not exceed one inch thick;

110.10 (6) the mattress floor board has no rips or tears in covering;

110.11 (7) the mattress floor board in use is ~~a waterproof~~ an original mattress or replacement
110.12 mattress provided by the manufacturer of the crib;

110.13 (8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;

110.14 (9) there are no knobs or wing nuts on outside crib legs;

110.15 (10) there are no missing, loose, or exposed staples; and

110.16 (11) the latches on top and side rails used to collapse crib are secure, they lock properly,
110.17 and are not loose.

110.18 (f) If a cradleboard is used in a licensed setting, the license holder must check the
110.19 cradleboard not less than monthly to ensure the cradleboard is structurally sound and there
110.20 are no loose or protruding parts. The license holder shall maintain written documentation
110.21 of this review.

110.22 **EFFECTIVE DATE.** This section is effective January 1, 2024.

110.23 Sec. 15. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

110.24 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private
110.25 agencies that have been designated or licensed by the commissioner to perform licensing
110.26 functions and activities under section 245A.04 and background studies for family child care
110.27 under chapter 245C; to recommend denial of applicants under section 245A.05; to issue
110.28 correction orders, to issue variances, and recommend a conditional license under section
110.29 245A.06; or to recommend suspending or revoking a license or issuing a fine under section
110.30 245A.07, shall comply with rules and directives of the commissioner governing those

111.1 functions and with this section. The following variances are excluded from the delegation
111.2 of variance authority and may be issued only by the commissioner:

111.3 (1) dual licensure of family child care and child foster care, dual licensure of child and
111.4 adult foster care, and adult foster care and family child care;

111.5 (2) adult foster care maximum capacity;

111.6 (3) adult foster care minimum age requirement;

111.7 (4) child foster care maximum age requirement;

111.8 (5) variances regarding disqualified individuals except that, before the implementation
111.9 of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding
111.10 disqualified individuals when the county is responsible for conducting a consolidated
111.11 reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and
111.12 (b), of a county maltreatment determination and a disqualification based on serious or
111.13 recurring maltreatment;

111.14 (6) the required presence of a caregiver in the adult foster care residence during normal
111.15 sleeping hours;

111.16 (7) variances to requirements relating to chemical use problems of a license holder or a
111.17 household member of a license holder; ~~and~~

111.18 (8) variances to section 245A.53 for a time-limited period. If the commissioner grants
111.19 a variance under this clause, the license holder must provide notice of the variance to all
111.20 parents and guardians of the children in care; and

111.21 (9) variances to section 245A.1435 for the use of a cradleboard for a cultural
111.22 accommodation.

111.23 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must
111.24 not grant a license holder a variance to exceed the maximum allowable family child care
111.25 license capacity of 14 children.

111.26 (b) A county agency that has been designated by the commissioner to issue family child
111.27 care variances must:

111.28 (1) publish the county agency's policies and criteria for issuing variances on the county's
111.29 public website and update the policies as necessary; and

111.30 (2) annually distribute the county agency's policies and criteria for issuing variances to
111.31 all family child care license holders in the county.

112.1 (c) Before the implementation of NETStudy 2.0, county agencies must report information
112.2 about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision
112.3 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the
112.4 commissioner at least monthly in a format prescribed by the commissioner.

112.5 (d) For family child care programs, the commissioner shall require a county agency to
112.6 conduct one unannounced licensing review at least annually.

112.7 (e) For family adult day services programs, the commissioner may authorize licensing
112.8 reviews every two years after a licensee has had at least one annual review.

112.9 (f) A license issued under this section may be issued for up to two years.

112.10 (g) During implementation of chapter 245D, the commissioner shall consider:

112.11 (1) the role of counties in quality assurance;

112.12 (2) the duties of county licensing staff; and

112.13 (3) the possible use of joint powers agreements, according to section 471.59, with counties
112.14 through which some licensing duties under chapter 245D may be delegated by the
112.15 commissioner to the counties.

112.16 Any consideration related to this paragraph must meet all of the requirements of the corrective
112.17 action plan ordered by the federal Centers for Medicare and Medicaid Services.

112.18 (h) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
112.19 successor provisions; and section 245D.061 or successor provisions, for family child foster
112.20 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
112.21 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and
112.22 private agencies.

112.23 (i) A county agency shall report to the commissioner, in a manner prescribed by the
112.24 commissioner, the following information for a licensed family child care program:

112.25 (1) the results of each licensing review completed, including the date of the review, and
112.26 any licensing correction order issued;

112.27 (2) any death, serious injury, or determination of substantiated maltreatment; and

112.28 (3) any fires that require the service of a fire department within 48 hours of the fire. The
112.29 information under this clause must also be reported to the state fire marshal within two
112.30 business days of receiving notice from a licensed family child care provider.

112.31 **EFFECTIVE DATE.** This section is effective January 1, 2024.

113.1 Sec. 16. Minnesota Statutes 2022, section 245A.16, subdivision 9, is amended to read:

113.2 Subd. 9. **Licensed family foster settings.** (a) Before recommending to grant a license,
113.3 deny a license under section 245A.05, or revoke a license under section 245A.07 for
113.4 nondisqualifying background study information received under section 245C.05, subdivision
113.5 4, paragraph (a), clause (3), for a licensed family foster setting, a county agency or private
113.6 agency that has been designated or licensed by the commissioner must review the following
113.7 for the license holder, the applicant, and an individual living in the household where the
113.8 licensed services are provided or who is otherwise subject to a background study:

113.9 (1) the type of offenses;

113.10 (2) the number of offenses;

113.11 (3) the nature of the offenses;

113.12 (4) the age of the individual at the time of the offenses;

113.13 (5) the length of time that has elapsed since the last offense;

113.14 (6) the relationship of the offenses and the capacity to care for a child;

113.15 (7) evidence of rehabilitation;

113.16 (8) information or knowledge from community members regarding the individual's
113.17 capacity to provide foster care;

113.18 (9) any available information regarding child maltreatment reports or child in need of
113.19 protection or services petitions, or related cases, in which the individual has been involved
113.20 or implicated, and documentation that the individual has remedied issues or conditions
113.21 identified in child protection or court records that are relevant to safely caring for a child;

113.22 (10) a statement from the study subject;

113.23 (11) a statement from the license holder; and

113.24 (12) other aggravating and mitigating factors.

113.25 (b) For purposes of this section, "evidence of rehabilitation" includes but is not limited
113.26 to the following:

113.27 (1) maintaining a safe and stable residence;

113.28 (2) continuous, regular, or stable employment;

113.29 (3) successful participation in an education or job training program;

113.30 (4) positive involvement with the community or extended family;

114.1 (5) compliance with the terms and conditions of probation or parole following the
114.2 individual's most recent conviction;

114.3 (6) if the individual has had a substance use disorder, successful completion of a substance
114.4 use disorder assessment, substance use disorder treatment, and recommended continuing
114.5 care, if applicable, demonstrated abstinence from controlled substances, as defined in section
114.6 152.01, subdivision 4, or the establishment of a sober network;

114.7 (7) if the individual has had a mental illness or documented mental health issues,
114.8 demonstrated completion of a mental health evaluation, participation in therapy or other
114.9 recommended mental health treatment, or appropriate medication management, if applicable;

114.10 (8) if the individual's offense or conduct involved domestic violence, demonstrated
114.11 completion of a domestic violence or anger management program, and the absence of any
114.12 orders for protection or harassment restraining orders against the individual since the previous
114.13 offense or conduct;

114.14 (9) written letters of support from individuals of good repute, including but not limited
114.15 to employers, members of the clergy, probation or parole officers, volunteer supervisors,
114.16 or social services workers;

114.17 (10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior
114.18 changes; and

114.19 (11) absence of convictions or arrests since the previous offense or conduct, including
114.20 any convictions that were expunged or pardoned.

114.21 (c) An applicant for a family foster setting license must sign all releases of information
114.22 requested by the county or private licensing agency.

114.23 (d) When licensing a relative for a family foster setting, the commissioner shall also
114.24 consider the importance of maintaining the child's relationship with relatives as an additional
114.25 significant factor in determining whether an application will be denied.

114.26 (e) When recommending that the commissioner deny or revoke a license, the county or
114.27 private licensing agency must send a summary of the review completed according to
114.28 paragraph (a), on a form developed by the commissioner, to the commissioner and include
114.29 any recommendation for licensing action.

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

115.1 Sec. 17. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision
115.2 to read:

115.3 Subd. 10. **Electronic checklist use by family child care licensors.** County staff who
115.4 perform family child care licensing functions must use the commissioner's electronic licensing
115.5 checklist in the manner prescribed by the commissioner.

115.6 Sec. 18. Minnesota Statutes 2022, section 245A.18, subdivision 2, is amended to read:

115.7 Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs
115.8 licensed by the Department of Human Services under this chapter and Minnesota Rules,
115.9 chapter 2960, that serve a child or children under eight years of age must document training
115.10 that fulfills the requirements in this subdivision.

115.11 (b) Before a license holder, staff person, or caregiver transports a child or children under
115.12 age eight in a motor vehicle, the person transporting the child must satisfactorily complete
115.13 training on the proper use and installation of child restraint systems in motor vehicles.
115.14 Training completed under this section may be used to meet initial or ongoing training under
115.15 Minnesota Rules, part 2960.3070, subparts 1 and 2.

115.16 (c) Training required under this section must be completed at orientation or initial training
115.17 and repeated at least once every five years. At a minimum, the training must address the
115.18 proper use of child restraint systems based on the child's size, weight, and age, and the
115.19 proper installation of a car seat or booster seat in the motor vehicle used by the license
115.20 holder to transport the child or children.

115.21 (d) Training under paragraph (c) must be provided by individuals who are certified and
115.22 approved by the ~~Department of Public Safety~~, Office of Traffic Safety within the Department
115.23 of Public Safety. License holders may obtain a list of certified and approved trainers through
115.24 the Department of Public Safety website or by contacting the agency.

115.25 (e) Notwithstanding paragraph (a), for an emergency relative placement under section
115.26 245A.035, the commissioner may grant a variance to the training required by this subdivision
115.27 for a relative who completes a child seat safety check up. The child seat safety check up
115.28 trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and
115.29 must provide one-on-one instruction on placing a child of a specific age in the exact child
115.30 passenger restraint in the motor vehicle in which the child will be transported. Once granted
115.31 a variance, and if all other licensing requirements are met, the relative applicant may receive
115.32 a license and may transport a relative foster child younger than eight years of age. A child
115.33 seat safety check up must be completed each time a child requires a different size car seat

116.1 according to car seat and vehicle manufacturer guidelines. A relative license holder must
116.2 complete training that meets the other requirements of this subdivision prior to placement
116.3 of another foster child younger than eight years of age in the home or prior to the renewal
116.4 of the child foster care license.

116.5 Sec. 19. Minnesota Statutes 2022, section 245A.22, is amended by adding a subdivision
116.6 to read:

116.7 Subd. 8. **Maltreatment of minors training requirements.** The license holder must
116.8 train each mandatory reporter as described in section 260E.06, subdivision 1, on the
116.9 maltreatment of minors reporting requirements and definitions in chapter 260E before the
116.10 mandatory reporter has direct contact, as defined in section 245C.02, subdivision 11, with
116.11 a person served by the program. The license holder must train each mandatory reporter
116.12 annually thereafter.

116.13 **EFFECTIVE DATE.** This section is effective January 1, 2024.

116.14 Sec. 20. [245A.42] **CHILD CARE CENTER HIRING PRACTICES.**

116.15 As part of the employment assessment process, a child care center license holder or staff
116.16 person may observe how a prospective employee interacts with children in the licensed
116.17 facility. The prospective employee is not considered a child care background study subject
116.18 under section 245C.02, subdivision 6a, provided the prospective employee is under
116.19 continuous direct supervision by a staff person when the prospective employee has physical
116.20 access to a child served by the center. The observation period shall not be longer than two
116.21 hours, and a prospective employee must not be counted in staff-to-child ratios.

116.22 **EFFECTIVE DATE.** This section is effective October 1, 2023.

116.23 Sec. 21. Minnesota Statutes 2022, section 245A.50, subdivision 3, is amended to read:

116.24 Subd. 3. **First aid.** (a) Before initial licensure and before caring for a child, license
116.25 holders, second adult caregivers, and substitutes must be trained in pediatric first aid. The
116.26 first aid training must have been provided by an individual approved to provide first aid
116.27 instruction. First aid training may be less than eight hours and persons qualified to provide
116.28 first aid training include individuals approved as first aid instructors. License holders, second
116.29 adult caregivers, and substitutes must repeat pediatric first aid training every two years.
116.30 ~~When the training expires, it must be retaken no later than the day before the anniversary~~
116.31 ~~of the license holder's license effective date.~~ License holders, second adult caregivers, and
116.32 substitutes must not let the training expire.

117.1 (b) Video training reviewed and approved by the county licensing agency satisfies the
117.2 training requirement of this subdivision.

117.3 Sec. 22. Minnesota Statutes 2022, section 245A.50, subdivision 4, is amended to read:

117.4 Subd. 4. **Cardiopulmonary resuscitation.** (a) Before initial licensure and before caring
117.5 for a child, license holders, second adult caregivers, and substitutes must be trained in
117.6 pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and
117.7 children, and in the treatment of obstructed airways. The CPR training must have been
117.8 provided by an individual approved to provide CPR instruction. License holders, second
117.9 adult caregivers, and substitutes must repeat pediatric CPR training at least once every two
117.10 years and must document the training in the license holder's records. ~~When the training~~
117.11 ~~expires, it must be retaken no later than the day before the anniversary of the license holder's~~
117.12 ~~license effective date.~~ License holders, second adult caregivers, and substitutes must not let
117.13 the training expire.

117.14 (b) Persons providing CPR training must use CPR training that has been developed:

117.15 (1) by the American Heart Association or the American Red Cross and incorporates
117.16 psychomotor skills to support the instruction; or

117.17 (2) using nationally recognized, evidence-based guidelines for CPR training and
117.18 incorporates psychomotor skills to support the instruction.

117.19 Sec. 23. Minnesota Statutes 2022, section 245A.50, subdivision 5, is amended to read:

117.20 Subd. 5. **Sudden unexpected infant death and abusive head trauma training.** (a)
117.21 License holders must ensure and document that before the license holder, second adult
117.22 caregivers, substitutes, and helpers assist in the care of infants, they are instructed on the
117.23 standards in section 245A.1435 and receive training on reducing the risk of sudden
117.24 unexpected infant death. In addition, license holders must ensure and document that before
117.25 the license holder, second adult caregivers, substitutes, and helpers assist in the care of
117.26 infants and children under school age, they receive training on reducing the risk of abusive
117.27 head trauma from shaking infants and young children. The training in this subdivision may
117.28 be provided as initial training under subdivision 1 or ongoing annual training under
117.29 subdivision 7.

117.30 (b) Sudden unexpected infant death reduction training required under this subdivision
117.31 must, at a minimum, address the risk factors related to sudden unexpected infant death,
117.32 means of reducing the risk of sudden unexpected infant death in child care, and license

118.1 holder communication with parents regarding reducing the risk of sudden unexpected infant
118.2 death.

118.3 (c) Abusive head trauma training required under this subdivision must, at a minimum,
118.4 address the risk factors related to shaking infants and young children, means of reducing
118.5 the risk of abusive head trauma in child care, and license holder communication with parents
118.6 regarding reducing the risk of abusive head trauma.

118.7 (d) Training for family and group family child care providers must be developed by the
118.8 commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved
118.9 by the Minnesota Center for Professional Development. Sudden unexpected infant death
118.10 reduction training and abusive head trauma training may be provided in a single course of
118.11 no more than two hours in length.

118.12 (e) Sudden unexpected infant death reduction training and abusive head trauma training
118.13 required under this subdivision must be completed in person or as allowed under subdivision
118.14 10, clause (1) or (2), at least once every two years. ~~When the training expires, it must be~~
118.15 ~~retaken no later than the day before the anniversary of the license holder's license effective~~
118.16 ~~date.~~ On the years when the individual receiving training is not receiving training in person
118.17 or as allowed under subdivision 10, clause (1) or (2), the individual receiving training in
118.18 accordance with this subdivision must receive sudden unexpected infant death reduction
118.19 training and abusive head trauma training through a video of no more than one hour in
118.20 length. The video must be developed or approved by the commissioner.

118.21 (f) An individual who is related to the license holder as defined in section 245A.02,
118.22 subdivision 13, and who is involved only in the care of the license holder's own infant or
118.23 child under school age and who is not designated to be a second adult caregiver, helper, or
118.24 substitute for the licensed program, is exempt from the sudden unexpected infant death and
118.25 abusive head trauma training.

118.26 Sec. 24. Minnesota Statutes 2022, section 245A.50, subdivision 6, is amended to read:

118.27 Subd. 6. **Child passenger restraint systems; training requirement.** (a) A license
118.28 holder must comply with all seat belt and child passenger restraint system requirements
118.29 under section 169.685.

118.30 (b) Family and group family child care programs licensed by the Department of Human
118.31 Services that serve a child or children under eight years of age must document training that
118.32 fulfills the requirements in this subdivision.

119.1 (1) Before a license holder, second adult caregiver, substitute, or helper transports a
119.2 child or children under age eight in a motor vehicle, the person placing the child or children
119.3 in a passenger restraint must satisfactorily complete training on the proper use and installation
119.4 of child restraint systems in motor vehicles. Training completed under this subdivision may
119.5 be used to meet initial training under subdivision 1 or ongoing training under subdivision
119.6 7.

119.7 (2) Training required under this subdivision must be at least one hour in length, completed
119.8 at initial training, and repeated at least once every five years. ~~When the training expires, it~~
119.9 ~~must be retaken no later than the day before the anniversary of the license holder's license~~
119.10 ~~effective date.~~ At a minimum, the training must address the proper use of child restraint
119.11 systems based on the child's size, weight, and age, and the proper installation of a car seat
119.12 or booster seat in the motor vehicle used by the license holder to transport the child or
119.13 children.

119.14 (3) Training under this subdivision must be provided by individuals who are certified
119.15 and approved by the Department of Public Safety, Office of Traffic Safety. License holders
119.16 may obtain a list of certified and approved trainers through the Department of Public Safety
119.17 website or by contacting the agency.

119.18 (c) Child care providers that only transport school-age children as defined in section
119.19 245A.02, subdivision 19, paragraph (f), in child care buses as defined in section 169.448,
119.20 subdivision 1, paragraph (e), are exempt from this subdivision.

119.21 Sec. 25. Minnesota Statutes 2022, section 245A.50, subdivision 9, is amended to read:

119.22 **Subd. 9. Supervising for safety; training requirement.** (a) Courses required by this
119.23 subdivision must include the following health and safety topics:

119.24 (1) preventing and controlling infectious diseases;

119.25 (2) administering medication;

119.26 (3) preventing and responding to allergies;

119.27 (4) ensuring building and physical premises safety;

119.28 (5) handling and storing biological contaminants;

119.29 (6) preventing and reporting child abuse and maltreatment; and

119.30 (7) emergency preparedness.

120.1 (b) Before initial licensure and before caring for a child, all family child care license
120.2 holders and each second adult caregiver shall complete and document the completion of
120.3 the six-hour Supervising for Safety for Family Child Care course developed by the
120.4 commissioner.

120.5 (c) The license holder must ensure and document that, before caring for a child, all
120.6 substitutes have completed the four-hour Basics of Licensed Family Child Care for
120.7 Substitutes course developed by the commissioner, which must include health and safety
120.8 topics as well as child development and learning.

120.9 (d) The family child care license holder and each second adult caregiver shall complete
120.10 and document:

120.11 (1) the annual completion of either:

120.12 (i) a two-hour active supervision course developed by the commissioner; or

120.13 (ii) any courses in the ensuring safety competency area under the health, safety, and
120.14 nutrition standard of the Knowledge and Competency Framework that the commissioner
120.15 has identified as an active supervision training course; and

120.16 (2) the completion at least once every five years of the two-hour courses Health and
120.17 Safety I and Health and Safety II. ~~When the training is due for the first time or expires, it~~
120.18 ~~must be taken no later than the day before the anniversary of the license holder's license~~
120.19 ~~effective date.~~ A license holder's or second adult caregiver's completion of either training
120.20 in a given year meets the annual active supervision training requirement in clause (1).

120.21 (e) At least once every three years, license holders must ensure and document that
120.22 substitutes have completed the four-hour Basics of Licensed Family Child Care for
120.23 Substitutes course. ~~When the training expires, it must be retaken no later than the day before~~
120.24 ~~the anniversary of the license holder's license effective date.~~

120.25 Sec. 26. Minnesota Statutes 2022, section 245A.52, subdivision 1, is amended to read:

120.26 Subdivision 1. **Means of escape.** (a)(1) At least one emergency escape route separate
120.27 from the main exit from the space must be available in each room used for sleeping by
120.28 anyone receiving licensed care, and (2) a basement used for child care. One means of escape
120.29 must be a stairway or door leading to the floor of exit discharge. The other must be a door
120.30 or window leading directly outside. A window used as an emergency escape route must be
120.31 openable without special knowledge.

121.1 (b) In homes with construction that began before ~~May 2, 2016~~ March 31, 2020, the
121.2 interior of the window leading directly outside must have a net clear opening area of not
121.3 less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions
121.4 of 20 inches wide and 20 inches high. The net clear opening dimensions shall be the result
121.5 of normal operation of the opening. The opening must be no higher than 48 inches from the
121.6 floor. The height to the window may be measured from a platform if a platform is located
121.7 below the window.

121.8 (c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020, the
121.9 interior of the window leading directly outside must have minimum clear opening dimensions
121.10 of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result
121.11 of normal operation of the opening. The opening must be no higher than 44 inches from the
121.12 floor.

121.13 ~~(d)~~ Additional requirements are dependent on the distance of the openings from the ground
121.14 outside the window: (1) windows or other openings with a sill height not more than 44
121.15 inches above or below the finished ground level adjacent to the opening (grade-floor
121.16 emergency escape and rescue openings) must have a minimum opening of five square feet;
121.17 and (2) non-grade-floor emergency escape and rescue openings must have a minimum
121.18 opening of 5.7 square feet.

121.19 Sec. 27. Minnesota Statutes 2022, section 245A.52, subdivision 3, is amended to read:

121.20 Subd. 3. **Heating and venting systems.** (a) Notwithstanding Minnesota Rules, part
121.21 9502.0425, subpart 7, item C, items that can be ignited and support combustion, including
121.22 but not limited to plastic, fabric, and wood products must not be located within:

121.23 (1) 18 inches of a gas or fuel-oil heater or furnace; or

121.24 (2) 36 inches of a solid-fuel-burning appliance.

121.25 (b) If a license holder produces manufacturer instructions listing a smaller distance, then
121.26 the manufacturer instructions control the distance combustible items must be from gas,
121.27 fuel-oil, or solid-fuel burning heaters or furnaces.

121.28 Sec. 28. Minnesota Statutes 2022, section 245A.52, subdivision 5, is amended to read:

121.29 Subd. 5. **Carbon monoxide and smoke alarms.** (a) All homes must have an approved
121.30 and operational carbon monoxide alarm installed within ten feet of each room used for
121.31 sleeping children in care.

122.1 (b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly
122.2 installed and maintained ~~on all levels including basements, but not including crawl spaces~~
122.3 ~~and uninhabitable attics, and in hallways outside rooms used for sleeping children in care.~~
122.4 in hallways outside of rooms used for sleeping children and on all levels, including basements
122.5 but not including crawl spaces and uninhabitable attics.

122.6 (c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020,
122.7 smoke alarms must be installed and maintained in each room used for sleeping children in
122.8 care.

122.9 Sec. 29. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision
122.10 to read:

122.11 Subd. 8. **Fire code variances.** When a variance is requested of the standards contained
122.12 in subdivision 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from
122.13 the state fire marshal of the variance requested and the alternative measures identified to
122.14 ensure the safety of children in care.

122.15 Sec. 30. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision
122.16 to read:

122.17 Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training
122.18 required by the applicable licensing rules and statutes, children's residential facility and
122.19 private child-placing agency license holders must provide a training annually on the
122.20 maltreatment of minors reporting requirements and definitions in chapter 260E to each
122.21 mandatory reporter, as described in section 260E.06, subdivision 1.

122.22 (b) In addition to the orientation training required by the applicable licensing rules and
122.23 statutes, all family child foster care license holders and caregivers and foster residence
122.24 setting staff and volunteers that are mandatory reporters as described in section 260E.06,
122.25 subdivision 1, must complete training each year on the maltreatment of minors reporting
122.26 requirements and definitions in chapter 260E.

122.27 **EFFECTIVE DATE.** This section is effective January 1, 2024.

122.28 Sec. 31. Minnesota Statutes 2022, section 245G.13, subdivision 2, is amended to read:

122.29 Subd. 2. **Staff development.** (a) A license holder must ensure that each staff member
122.30 has the training described in this subdivision.

122.31 (b) Each staff member must be trained every two years in:

123.1 (1) client confidentiality rules and regulations and client ethical boundaries; and
123.2 (2) emergency procedures and client rights as specified in sections 144.651, 148F.165,
123.3 and 253B.03.

123.4 (c) Annually each staff member with direct contact must be trained on mandatory
123.5 reporting as specified in sections 245A.65, 626.557, and 626.5572, and chapter 260E,
123.6 including specific training covering the license holder's policies for obtaining a release of
123.7 client information.

123.8 (d) Upon employment and annually thereafter, each staff member with direct contact
123.9 must receive training on HIV minimum standards according to section 245A.19.

123.10 (e) The license holder must ensure that each mandatory reporter, as described in section
123.11 260E.06, subdivision 1, is trained on the maltreatment of minors reporting requirements
123.12 and definitions in chapter 260E before the mandatory reporter has direct contact, as defined
123.13 in section 245C.02, subdivision 11, with a person served by the program.

123.14 ~~(e)~~ (f) A treatment director, supervisor, nurse, or counselor must have a minimum of 12
123.15 hours of training in co-occurring disorders that includes competencies related to philosophy,
123.16 trauma-informed care, screening, assessment, diagnosis and person-centered treatment
123.17 planning, documentation, programming, medication, collaboration, mental health
123.18 consultation, and discharge planning. A new staff member who has not obtained the training
123.19 must complete the training within six months of employment. A staff member may request,
123.20 and the license holder may grant, credit for relevant training obtained before employment,
123.21 which must be documented in the staff member's personnel file.

123.22 **EFFECTIVE DATE.** This section is effective January 1, 2024.

123.23 Sec. 32. Minnesota Statutes 2022, section 245H.01, subdivision 5, is amended to read:

123.24 Subd. 5. **Certified license-exempt child care center.** "Certified license-exempt child
123.25 care center" means the commissioner's written authorization for a child care center excluded
123.26 from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), (11) to (13),
123.27 (15), (18), ~~or (26)~~, or (30), to register to receive child care assistance payments under chapter
123.28 119B.

123.29 **EFFECTIVE DATE.** This section is effective January 1, 2024.

124.1 Sec. 33. Minnesota Statutes 2022, section 245H.02, is amended to read:

124.2 **245H.02 WHO MUST BE CERTIFIED.**

124.3 A program that is exempt from licensure under section 245A.03, subdivision 2, paragraph
124.4 (a), clause (5), (11) to (13), (15), (18), ~~or (26), and is authorized to receive child care~~
124.5 ~~assistance payments under chapter 119B or (30)~~, must be a certified license-exempt child
124.6 care center according to this section to receive child care assistance payments under chapter
124.7 119B.

124.8 **EFFECTIVE DATE.** This section is effective January 1, 2024.

124.9 Sec. 34. Minnesota Statutes 2022, section 245H.03, is amended by adding a subdivision
124.10 to read:

124.11 **Subd. 5. Notification required.** (a) A certification holder must notify the commissioner,
124.12 in a manner prescribed by the commissioner, and obtain the commissioner's approval before
124.13 making any changes:

124.14 (1) to the certification holder as defined in section 245H.01, subdivision 4;

124.15 (2) to the certification holder information on file with the secretary of state or Department
124.16 of Revenue;

124.17 (3) in the location of the program certified under this chapter;

124.18 (4) to the ages of children served by the program; or

124.19 (5) to the certified center's schedule including its:

124.20 (i) yearly schedule;

124.21 (ii) hours of operation; or

124.22 (iii) days of the week it is open.

124.23 (b) When, for reasons beyond the certification holder's control, a certification holder
124.24 cannot provide the commissioner with prior notice of the changes in paragraph (a), the
124.25 certification holder must notify the commissioner by the tenth business day after the change
124.26 and must provide any additional information requested by the commissioner.

124.27 (c) When a certification holder notifies the commissioner of a change to the certification
124.28 holder information on file with the secretary of state, the certification holder must provide
124.29 documentation of the change.

125.1 (d) Upon implementation of the provider licensing and reporting hub, certification holders
125.2 must enter and update information in the hub in a manner prescribed by the commissioner.

125.3 **EFFECTIVE DATE.** This section is effective August 1, 2023.

125.4 Sec. 35. Minnesota Statutes 2022, section 245H.05, is amended to read:

125.5 **245H.05 MONITORING AND INSPECTIONS.**

125.6 (a) The commissioner must conduct an on-site inspection of a certified license-exempt
125.7 child care center at least ~~annually~~ once each calendar year to determine compliance with
125.8 the health, safety, and fire standards specific to a certified license-exempt child care center.

125.9 (b) No later than November 19, 2017, the commissioner shall make publicly available
125.10 on the department's website the results of inspection reports for all certified centers including
125.11 the number of deaths, serious injuries, and instances of substantiated child maltreatment
125.12 that occurred in certified centers each year.

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

125.14 Sec. 36. Minnesota Statutes 2022, section 245H.08, subdivision 4, is amended to read:

125.15 Subd. 4. **Maximum group size.** (a) For a child six weeks old through 16 months old,
125.16 the maximum group size shall be no more than eight children.

125.17 (b) For a child 16 months old through 33 months old, the maximum group size shall be
125.18 no more than 14 children.

125.19 (c) For a child 33 months old through prekindergarten, a maximum group size shall be
125.20 no more than 20 children.

125.21 (d) For a child in kindergarten through 13 years old, a maximum group size shall be no
125.22 more than 30 children.

125.23 (e) The maximum group size applies at all times except during group activity coordination
125.24 time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and
125.25 special activity including a film, guest speaker, indoor large muscle activity, or holiday
125.26 program.

125.27 (f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14
125.28 years of age or older if one of the following conditions is true:

125.29 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
125.30 1, paragraph (e); or

126.1 (2) the certified center serves only school-age children in a setting that has students
126.2 enrolled in no grade higher than 8th grade.

126.3 **EFFECTIVE DATE.** This section is effective August 1, 2023.

126.4 Sec. 37. Minnesota Statutes 2022, section 245H.08, subdivision 5, is amended to read:

126.5 Subd. 5. **Ratios.** (a) The minimally acceptable staff-to-child ratios are:

126.6 six weeks old through 16 months old 1:4

126.7 16 months old through 33 months old 1:7

126.8 33 months old through prekindergarten 1:10

126.9 kindergarten through 13 years old 1:15

126.10 (b) Kindergarten includes a child of sufficient age to have attended the first day of
126.11 kindergarten or who is eligible to enter kindergarten within the next four months.

126.12 (c) For mixed groups, the ratio for the age group of the youngest child applies.

126.13 (d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14
126.14 years of age or older if one of the following conditions is true:

126.15 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
126.16 1, paragraph (e); or

126.17 (2) the certified center serves only school-age children in a setting that has students
126.18 enrolled in no grade higher than 8th grade.

126.19 **EFFECTIVE DATE.** This section is effective August 1, 2023.

126.20 Sec. 38. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:

126.21 Subd. 3. **Administration of medication.** (a) A certified center that chooses to administer
126.22 medicine must meet the requirements in this subdivision.

126.23 (b) The certified center must obtain written permission from the child's parent or legal
126.24 guardian before administering prescription medicine, nonprescription medicine, diapering
126.25 product, sunscreen lotion, and insect repellent.

126.26 (c) The certified center must administer nonprescription medicine, diapering product,
126.27 sunscreen lotion, and insect repellent according to the manufacturer's instructions unless
126.28 provided written instructions by a licensed health professional to use a product differently.

126.29 (d) The certified center must obtain and follow written instructions from the prescribing
126.30 health professional before administering prescription medicine. Medicine with the child's

127.1 first and last name and current prescription information on the label is considered written
127.2 instructions.

127.3 (e) The certified center must ensure all prescription and nonprescription medicine is:

127.4 (1) kept in the medicine's original container with a legible label stating the child's first
127.5 and last name;

127.6 (2) given only to the child whose name is on the label;

127.7 (3) not given after an expiration date on the label; and

127.8 (4) returned to the child's parent or legal guardian or destroyed, if unused.

127.9 (f) The certified center must document in the child's record the administration of
127.10 prescription and nonprescription medication, including the child's first and last name; the
127.11 name of the medication or prescription number; the date, time, and dosage; and the name
127.12 and signature of the person who administered the medicine. This documentation must be
127.13 available to the child's parent or legal guardian.

127.14 (g) The certified center must store prescription and nonprescription medicines, insect
127.15 repellents, and diapering products according to directions on the original container.

127.16 **EFFECTIVE DATE.** This section is effective August 1, 2023.

127.17 Sec. 39. Minnesota Statutes 2022, section 245H.13, subdivision 7, is amended to read:

127.18 Subd. 7. **Risk reduction plan.** (a) The certified center must develop a risk reduction
127.19 plan that identifies risks to children served by the child care center. The assessment of risk
127.20 must include risks presented by (1) the physical plant where the certified services are
127.21 provided, including electrical hazards; and (2) the environment, including the proximity to
127.22 busy roads and bodies of water.

127.23 (b) The certification holder must establish policies and procedures to minimize identified
127.24 risks. After any change to the risk reduction plan, the certification holder must inform staff
127.25 of the change in the risk reduction plan and document that staff were informed of the change.

127.26 (c) If middle-school-age children are enrolled in the center and combined with elementary
127.27 children, the certification holder must establish policies and procedures to ensure adequate
127.28 supervision as defined in subdivision 10 when children are grouped together.

127.29 **EFFECTIVE DATE.** This section is effective August 1, 2023.

128.1 Sec. 40. **DIRECTION TO COMMISSIONER; AMENDING THE DEFINITION OF**
128.2 **EDUCATION.**

128.3 (a) The commissioner of human services must amend Minnesota Rules, part 9503.0030,
128.4 subpart 1, item B, to include accredited course work from an accredited postsecondary
128.5 institution that can be shown to be relevant to the primary skills necessary to meet the
128.6 qualifications of a teacher.

128.7 (b) For purposes of this section, the commissioner may use the good cause exemption
128.8 process under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota
128.9 Statutes, section 14.386, does not apply.

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

128.11 Sec. 41. **DIRECTION TO COMMISSIONER; TEMPORARY CHANGES TO STAFF**
128.12 **QUALIFICATION RULES FOR CHILD CARE CENTERS.**

128.13 (a) Notwithstanding Minnesota Rules, part 9503.0033, the commissioner of human
128.14 services must allow a licensed child care center to hire an individual as an assistant teacher
128.15 if the individual is at least 18 years old, has been employed in a direct child-serving role at
128.16 the center for a minimum of 30 days, is enrolled in a child development associate credential
128.17 program at the time of hire or will be within 60 days of being hired, and completes the child
128.18 development associate credential from the Council for Professional Recognition within one
128.19 year of the individual's hiring date.

128.20 (b) This section expires July 1, 2025. A licensed child care center may continue to employ
128.21 any individual hired under this section as an assistant teacher after the expiration of this
128.22 section.

128.23 **ARTICLE 5**

128.24 **ECONOMIC ASSISTANCE**

128.25 Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 3, is amended to read:

128.26 Subd. 3. **Application.** "Application" means the submission to a county agency, by or
128.27 on behalf of a family, of a completed, signed, and dated:

128.28 (1) child care assistance universal application form; or

128.29 (2) child care addendum form in combination with a combined application form for
128.30 MFIP, ~~DWP~~, or Supplemental Nutrition Assistance Program (SNAP) benefits.

128.31 **EFFECTIVE DATE.** This section is effective March 1, 2024.

129.1 Sec. 2. Minnesota Statutes 2022, section 119B.011, subdivision 15, is amended to read:

129.2 Subd. 15. **Income.** "Income" means earned income as defined under section 256P.01,
129.3 subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public
129.4 assistance cash benefits, including the Minnesota family investment program, ~~diversionary~~
129.5 ~~work program~~, work benefit, Minnesota supplemental aid, general assistance, refugee cash
129.6 assistance, at-home infant child care subsidy payments, and child support and maintenance
129.7 distributed to the family under section 256.741, subdivision 2a.

129.8 The following are deducted from income: funds used to pay for health insurance
129.9 premiums for family members, and child or spousal support paid to or on behalf of a person
129.10 or persons who live outside of the household. Income sources not included in this subdivision
129.11 and section 256P.06, subdivision 3, are not counted as income.

129.12 **EFFECTIVE DATE.** This section is effective March 1, 2024.

129.13 Sec. 3. Minnesota Statutes 2022, section 119B.02, subdivision 4, is amended to read:

129.14 Subd. 4. **Universal application form.** The commissioner must develop and make
129.15 available to all counties a universal application form for child care assistance under this
129.16 chapter. The commissioner may develop and make available to all counties a child care
129.17 addendum form to be used to supplement the combined application form for MFIP, ~~DWP~~,
129.18 or Supplemental Nutrition Assistance Program (SNAP) benefits or to supplement other
129.19 statewide application forms for public assistance programs for families applying for one of
129.20 these programs in addition to child care assistance. The application must provide notice of
129.21 eligibility requirements for assistance and penalties for wrongfully obtaining assistance.

129.22 **EFFECTIVE DATE.** This section is effective March 1, 2024.

129.23 Sec. 4. Minnesota Statutes 2022, section 119B.025, subdivision 4, is amended to read:

129.24 Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility
129.25 factors according to paragraphs (b) to (g).

129.26 (b) A family is subject to the reporting requirements in section 256P.07, subdivision 6.

129.27 (c) If a family reports a change or a change is known to the agency before the family's
129.28 regularly scheduled redetermination, the county must act on the change. The commissioner
129.29 shall establish standards for verifying a change.

129.30 (d) A change in income occurs on the day the participant received the first payment
129.31 reflecting the change in income.

130.1 (e) During a family's 12-month eligibility period, if the family's income increases and
130.2 remains at or below 85 percent of the state median income, adjusted for family size, there
130.3 is no change to the family's eligibility. The county shall not request verification of the
130.4 change. The co-payment fee shall not increase during the remaining portion of the family's
130.5 12-month eligibility period.

130.6 (f) During a family's 12-month eligibility period, if the family's income increases and
130.7 exceeds 85 percent of the state median income, adjusted for family size, the family is not
130.8 eligible for child care assistance. The family must be given 15 calendar days to provide
130.9 verification of the change. If the required verification is not returned or confirms ineligibility,
130.10 the family's eligibility ends following a subsequent 15-day adverse action notice.

130.11 (g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170,
130.12 subpart 1, if an applicant or participant reports that employment ended, the agency may
130.13 accept a signed statement from the applicant or participant as verification that employment
130.14 ended.

130.15 **EFFECTIVE DATE.** This section is effective March 1, 2025.

130.16 Sec. 5. Minnesota Statutes 2022, section 119B.03, subdivision 3, is amended to read:

130.17 Subd. 3. **Eligible participants.** Families that meet the eligibility requirements under
130.18 sections 119B.09 and 119B.10, except MFIP participants, ~~diversionary work program,~~ and
130.19 transition year families are eligible for child care assistance under the basic sliding fee
130.20 program. Families enrolled in the basic sliding fee program shall be continued until they
130.21 are no longer eligible. Child care assistance provided through the child care fund is considered
130.22 assistance to the parent.

130.23 **EFFECTIVE DATE.** This section is effective March 1, 2024.

130.24 Sec. 6. Minnesota Statutes 2022, section 119B.03, subdivision 4, is amended to read:

130.25 Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic
130.26 sliding fee program must be given to eligible non-MFIP families who do not have a high
130.27 school diploma or commissioner of education-selected high school equivalency certification
130.28 or who need remedial and basic skill courses in order to pursue employment or to pursue
130.29 education leading to employment and who need child care assistance to participate in the
130.30 education program. This includes student parents as defined under section 119B.011,
130.31 subdivision 19b. Within this priority, the following subpriorities must be used:

130.32 (1) child care needs of minor parents;

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

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

131.3 (b) Second priority must be given to parents who have completed their MFIP ~~or DWP~~
 131.4 transition year, ~~or parents who are no longer receiving or eligible for diversionary work~~
 131.5 ~~program supports.~~

131.6 (c) Third priority must be given to families who are eligible for portable basic sliding
 131.7 fee assistance through the portability pool under subdivision 9.

131.8 (d) Fourth priority must be given to families in which at least one parent is a veteran as
 131.9 defined under section 197.447.

131.10 (e) Families under paragraph (b) must be added to the basic sliding fee waiting list on
 131.11 the date they begin the transition year under section 119B.011, subdivision 20, and must
 131.12 be moved into the basic sliding fee program as soon as possible after they complete their
 131.13 transition year.

131.14 **EFFECTIVE DATE.** This section is effective March 1, 2024.

131.15 Sec. 7. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

131.16 Subd. 4a. **Temporary reprioritization.** (a) Notwithstanding subdivision 4, priority for
 131.17 child care assistance under the basic sliding fee assistance program shall be determined
 131.18 according to this subdivision beginning July 1, 2021, through May 31, 2024.

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

131.25 (1) child care needs of minor parents;

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

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

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

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

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

132.3 (f) Fifth priority must be given to eligible families receiving services under section
132.4 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
132.5 year, or if the parents are no longer receiving or eligible for DWP supports.

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

132.8 **EFFECTIVE DATE.** This section is effective March 1, 2024.

132.9 Sec. 8. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

132.10 Subdivision 1. **Eligible participants.** Families eligible for child care assistance under
132.11 the MFIP child care program are:

132.12 (1) MFIP participants who are employed or in job search and meet the requirements of
132.13 section 119B.10;

132.14 (2) persons who are members of transition year families under section 119B.011,
132.15 subdivision 20, and meet the requirements of section 119B.10;

132.16 ~~(3) families who are participating in employment orientation or job search, or other~~
132.17 ~~employment or training activities that are included in an approved employability development~~
132.18 ~~plan under section 256J.95;~~

132.19 ~~(4)~~ (3) MFIP families who are participating in work job search, job support, employment,
132.20 or training activities as required in their employment plan, or in appeals, hearings,
132.21 assessments, or orientations according to chapter 256J;

132.22 ~~(5)~~ (4) MFIP families who are participating in social services activities under chapter
132.23 256J as required in their employment plan approved according to chapter 256J;

132.24 ~~(6)~~ (5) families who are participating in services or activities that are included in an
132.25 approved family stabilization plan under section 256J.575;

132.26 ~~(7)~~ (6) families who are participating in programs as required in tribal contracts under
132.27 section 119B.02, subdivision 2, or 256.01, subdivision 2;

132.28 ~~(8)~~ (7) families who are participating in the transition year extension under section
132.29 119B.011, subdivision 20a;

132.30 ~~(9)~~ (8) student parents as defined under section 119B.011, subdivision 19b; and

133.1 ~~(10)~~ (9) student parents who turn 21 years of age and who continue to meet the other
133.2 requirements under section 119B.011, subdivision 19b. A student parent continues to be
133.3 eligible until the student parent is approved for basic sliding fee child care assistance or
133.4 until the student parent's redetermination, whichever comes first. At the student parent's
133.5 redetermination, if the student parent was not approved for basic sliding fee child care
133.6 assistance, a student parent's eligibility ends following a 15-day adverse action notice.

133.7 **EFFECTIVE DATE.** This section is effective March 1, 2024.

133.8 Sec. 9. Minnesota Statutes 2022, section 119B.09, subdivision 7, is amended to read:

133.9 Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child care
133.10 assistance under this chapter is the later of the date the application was received by the
133.11 county; the beginning date of employment, education, or training; the date the infant is born
133.12 for applicants to the at-home infant care program; or the date a determination has been made
133.13 that the applicant is a participant in employment and training services under Minnesota
133.14 Rules, part 3400.0080, or chapter 256J.

133.15 (b) Payment ceases for a family under the at-home infant child care program when a
133.16 family has used a total of 12 months of assistance as specified under section 119B.035.
133.17 Payment of child care assistance for employed persons on MFIP is effective the date of
133.18 employment or the date of MFIP eligibility, whichever is later. Payment of child care
133.19 assistance for MFIP ~~or DWP~~ participants in employment and training services is effective
133.20 the date of commencement of the services or the date of MFIP ~~or DWP~~ eligibility, whichever
133.21 is later. Payment of child care assistance for transition year child care must be made
133.22 retroactive to the date of eligibility for transition year child care.

133.23 (c) Notwithstanding paragraph (b), payment of child care assistance for participants
133.24 eligible under section 119B.05 may only be made retroactive for a maximum of three months
133.25 from the date of application for child care assistance.

133.26 **EFFECTIVE DATE.** This section is effective March 1, 2024.

133.27 Sec. 10. Minnesota Statutes 2022, section 119B.095, subdivision 2, is amended to read:

133.28 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota
133.29 Rules, chapter 3400, the amount of child care authorized under section 119B.10 for
133.30 employment, education, or an MFIP ~~or DWP~~ employment plan shall continue at the same
133.31 number of hours or more hours until redetermination, including:

134.1 (1) when the other parent moves in and is employed or has an education plan under
134.2 section 119B.10, subdivision 3, or has an MFIP ~~or DWP~~ employment plan; or

134.3 (2) when the participant's work hours are reduced or a participant temporarily stops
134.4 working or attending an approved education program. Temporary changes include, but are
134.5 not limited to, a medical leave, seasonal employment fluctuations, or a school break between
134.6 semesters.

134.7 (b) The county may increase the amount of child care authorized at any time if the
134.8 participant verifies the need for increased hours for authorized activities.

134.9 (c) The county may reduce the amount of child care authorized if a parent requests a
134.10 reduction or because of a change in:

134.11 (1) the child's school schedule;

134.12 (2) the custody schedule; or

134.13 (3) the provider's availability.

134.14 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph
134.15 (b), must change when the participant's activity schedule changes. Paragraph (a) does not
134.16 apply to a family subject to subdivision 1, paragraph (b).

134.17 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of
134.18 age, the amount of child care authorized shall continue at the same number of hours or more
134.19 hours until redetermination.

134.20 **EFFECTIVE DATE.** This section is effective March 1, 2024.

134.21 Sec. 11. Minnesota Statutes 2022, section 119B.095, subdivision 3, is amended to read:

134.22 Subd. 3. **Assistance for persons who are homeless.** An applicant who is homeless and
134.23 eligible for child care assistance is exempt from the activity participation requirements under
134.24 this chapter for three months. The applicant under this subdivision is eligible for 60 hours
134.25 of child care assistance per service period for three months from the date the county receives
134.26 the application. Additional hours may be authorized as needed based on the applicant's
134.27 participation in employment, education, or MFIP ~~or DWP~~ employment plan. To continue
134.28 receiving child care assistance after the initial three months, the applicant must verify that
134.29 the applicant meets eligibility and activity requirements for child care assistance under this
134.30 chapter.

134.31 **EFFECTIVE DATE.** This section is effective March 1, 2024.

135.1 Sec. 12. Minnesota Statutes 2022, section 119B.10, subdivision 1, is amended to read:

135.2 Subdivision 1. **Assistance for persons seeking and retaining employment.** (a) Persons
135.3 who are seeking employment and who are eligible for assistance under this section are
135.4 eligible to receive up to 240 hours of child care assistance per calendar year.

135.5 (b) At application and redetermination, employed persons who work at least an average
135.6 of 20 hours and full-time students who work at least an average of ten hours a week and
135.7 receive at least a minimum wage for all hours worked are eligible for child care assistance
135.8 for employment. For purposes of this section, work-study programs must be counted as
135.9 employment. An employed person with an MFIP ~~or DWP~~ employment plan shall receive
135.10 child care assistance as specified in the person's employment plan. Child care assistance
135.11 during employment must be authorized as provided in paragraphs (c) and (d).

135.12 (c) When the person works for an hourly wage and the hourly wage is equal to or greater
135.13 than the applicable minimum wage, child care assistance shall be provided for the hours of
135.14 employment, break, and mealtime during the employment and travel time up to two hours
135.15 per day.

135.16 (d) When the person does not work for an hourly wage, child care assistance must be
135.17 provided for the lesser of:

135.18 (1) the amount of child care determined by dividing gross earned income by the applicable
135.19 minimum wage, up to one hour every eight hours for meals and break time, plus up to two
135.20 hours per day for travel time; or

135.21 (2) the amount of child care equal to the actual amount of child care used during
135.22 employment, including break and mealtime during employment, and travel time up to two
135.23 hours per day.

135.24 **EFFECTIVE DATE.** This section is effective March 1, 2024.

135.25 Sec. 13. Minnesota Statutes 2022, section 119B.10, subdivision 3, is amended to read:

135.26 Subd. 3. **Assistance for persons attending an approved education or training**
135.27 **program.** (a) Money for an eligible person according to sections 119B.03, subdivision 3,
135.28 and 119B.05, subdivision 1, shall be used to reduce child care costs for a student. The county
135.29 shall not limit the duration of child care subsidies for a person in an employment or
135.30 educational program unless the person is ineligible for child care funds. Any other limitation
135.31 must be based on county policies included in the approved child care fund plan.

136.1 (b) To be eligible, the student must be in good standing and be making satisfactory
136.2 progress toward the degree. The maximum length of time a student is eligible for child care
136.3 assistance under the child care fund for education and training is no more than the time
136.4 necessary to complete the credit requirements for an associate's or baccalaureate degree as
136.5 determined by the educational institution. Time limitations for child care assistance do not
136.6 apply to basic or remedial educational programs needed for postsecondary education or
136.7 employment. Basic or remedial educational programs include high school, commissioner
136.8 of education-selected high school equivalency, and English as a second language programs.
136.9 A program exempt from this time limit must not run concurrently with a postsecondary
136.10 program.

136.11 (c) If a student meets the conditions of paragraphs (a) and (b), child care assistance must
136.12 be authorized for all hours of class time and credit hours, including independent study and
136.13 internships, and up to two hours of travel time per day. A postsecondary student shall receive
136.14 four hours of child care assistance per credit hour for study time and academic appointments
136.15 per service period.

136.16 (d) For an MFIP ~~or DWP~~ participant, child care assistance must be authorized according
136.17 to the person's approved employment plan. If an MFIP ~~or DWP~~ participant receiving MFIP
136.18 ~~or DWP~~ child care assistance under this chapter moves to another county, continues to
136.19 participate in an authorized educational or training program, and remains eligible for MFIP
136.20 ~~or DWP~~ child care assistance, the participant must receive continued child care assistance
136.21 from the county responsible for the person's current employment plan under section 256G.07.

136.22 (e) If a person with an approved education program under section 119B.03, subdivision
136.23 3, or 119B.05, subdivision 1, begins receiving MFIP ~~or DWP~~ assistance, the person continues
136.24 to receive child care assistance for the approved education program until the person's
136.25 education is included in an approved MFIP ~~or DWP~~ employment plan or until
136.26 redetermination, whichever occurs first.

136.27 (f) If a person's MFIP ~~or DWP~~ assistance ends and the approved MFIP ~~or DWP~~
136.28 employment plan included education, the person continues to be eligible for child care
136.29 assistance for education under transition year child care assistance until the person's education
136.30 is included in an approved education plan or until redetermination.

136.31 **EFFECTIVE DATE.** This section is effective March 1, 2024.

137.1 Sec. 14. Minnesota Statutes 2022, section 119B.105, subdivision 2, is amended to read:

137.2 Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three
137.3 months of extended eligibility and redetermination is not due, to continue receiving child
137.4 care assistance the participant must be employed or have an education plan that meets the
137.5 requirements of section 119B.10, subdivision 3, or have an MFIP ~~or DWP~~ employment
137.6 plan. If child care assistance continues, the amount of child care authorized shall continue
137.7 at the same number or more hours until redetermination, unless a condition in section
137.8 119B.095, subdivision 2, paragraph (c), applies. A family subject to section 119B.095,
137.9 subdivision 1, paragraph (b), shall have child care authorized based on a verified activity
137.10 schedule.

137.11 (b) If the family's redetermination occurs before the end of the three-month extended
137.12 eligibility period to continue receiving child care assistance, the participant must verify that
137.13 the participant meets eligibility and activity requirements for child care assistance under
137.14 this chapter. If child care assistance continues, the amount of child care authorized is based
137.15 on section 119B.10. A family subject to section 119B.095, subdivision 1, paragraph (b),
137.16 shall have child care authorized based on a verified activity schedule.

137.17 **EFFECTIVE DATE.** This section is effective March 1, 2024.

137.18 Sec. 15. Minnesota Statutes 2022, section 168B.07, subdivision 3, is amended to read:

137.19 Subd. 3. **Retrieval of contents.** (a) For purposes of this subdivision:

137.20 (1) "contents" does not include any permanently affixed mechanical or nonmechanical
137.21 automobile parts; automobile body parts; or automobile accessories, including audio or
137.22 video players; and

137.23 (2) "relief based on need" includes, but is not limited to, receipt of MFIP ~~and Diversionary~~
137.24 ~~Work Program~~, medical assistance, general assistance, emergency general assistance,
137.25 Minnesota supplemental aid, MSA-emergency assistance, MinnesotaCare, Supplemental
137.26 Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance
137.27 Program (SNAP) benefits, earned income tax credit, or Minnesota working family tax credit.

137.28 (b) A unit of government or impound lot operator shall establish reasonable procedures
137.29 for retrieval of vehicle contents, and may establish reasonable procedures to protect the
137.30 safety and security of the impound lot and its personnel.

137.31 (c) At any time before the expiration of the waiting periods provided in section 168B.051,
137.32 a registered owner who provides documentation from a government or nonprofit agency or
137.33 legal aid office that the registered owner is homeless, receives relief based on need, or is

138.1 eligible for legal aid services, has the unencumbered right to retrieve any and all contents
138.2 without charge and regardless of whether the registered owner pays incurred charges or
138.3 fees, transfers title, or reclaims the vehicle.

138.4 **EFFECTIVE DATE.** This section is effective March 1, 2024.

138.5 Sec. 16. Minnesota Statutes 2022, section 256.046, subdivision 1, is amended to read:

138.6 Subdivision 1. **Hearing authority.** A local agency must initiate an administrative fraud
138.7 disqualification hearing for individuals accused of wrongfully obtaining assistance or
138.8 intentional program violations, in lieu of a criminal action when it has not been pursued, in
138.9 the Minnesota family investment program and any affiliated program to include ~~the~~
138.10 ~~diversionary work program~~ and the work participation cash benefit program, child care
138.11 assistance programs, general assistance, family general assistance program formerly codified
138.12 in section 256D.05, subdivision 1, clause (15), Minnesota supplemental aid, the Supplemental
138.13 Nutrition Assistance Program (SNAP), MinnesotaCare for adults without children, and
138.14 upon federal approval, all categories of medical assistance and remaining categories of
138.15 MinnesotaCare except for children through age 18. The Department of Human Services, in
138.16 lieu of a local agency, may initiate an administrative fraud disqualification hearing when
138.17 the state agency is directly responsible for administration or investigation of the program
138.18 for which benefits were wrongfully obtained. The hearing is subject to the requirements of
138.19 sections 256.045 and 256.0451 and the requirements in Code of Federal Regulations, title
138.20 7, section 273.16.

138.21 **EFFECTIVE DATE.** This section is effective March 1, 2024, and applies to acts of
138.22 wrongfully obtaining assistance and intentional program violations that occur on or after
138.23 that date.

138.24 Sec. 17. Minnesota Statutes 2022, section 256.98, subdivision 8, is amended to read:

138.25 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of
138.26 wrongfully obtaining assistance by a federal or state court or by an administrative hearing
138.27 determination, or waiver thereof, through a disqualification consent agreement, or as part
138.28 of any approved diversion plan under section 401.065, or any court-ordered stay which
138.29 carries with it any probationary or other conditions, in the Minnesota family investment
138.30 program and any affiliated program to include ~~the diversionary work program~~ and the work
138.31 participation cash benefit program, the Supplemental Nutrition Assistance Program (SNAP),
138.32 the general assistance program, housing support under chapter 256I, or the Minnesota
138.33 supplemental aid program shall be disqualified from that program. In addition, any person

139.1 disqualified from the Minnesota family investment program shall also be disqualified from
139.2 SNAP. The needs of that individual shall not be taken into consideration in determining the
139.3 grant level for that assistance unit:

139.4 (1) for one year after the first offense;

139.5 (2) for two years after the second offense; and

139.6 (3) permanently after the third or subsequent offense.

139.7 The period of program disqualification shall begin on the date stipulated on the advance
139.8 notice of disqualification without possibility of postponement for administrative stay or
139.9 administrative hearing and shall continue through completion unless and until the findings
139.10 upon which the sanctions were imposed are reversed by a court of competent jurisdiction.
139.11 The period for which sanctions are imposed is not subject to review. The sanctions provided
139.12 under this subdivision are in addition to, and not in substitution for, any other sanctions that
139.13 may be provided for by law for the offense involved. A disqualification established through
139.14 hearing or waiver shall result in the disqualification period beginning immediately unless
139.15 the person has become otherwise ineligible for assistance. If the person is ineligible for
139.16 assistance, the disqualification period begins when the person again meets the eligibility
139.17 criteria of the program from which they were disqualified and makes application for that
139.18 program.

139.19 (b) A family receiving assistance through child care assistance programs under chapter
139.20 119B with a family member who is found to be guilty of wrongfully obtaining child care
139.21 assistance by a federal court, state court, or an administrative hearing determination or
139.22 waiver, through a disqualification consent agreement, as part of an approved diversion plan
139.23 under section 401.065, or a court-ordered stay with probationary or other conditions, is
139.24 disqualified from child care assistance programs. The disqualifications must be for periods
139.25 of one year and two years for the first and second offenses, respectively. Subsequent
139.26 violations must result in permanent disqualification. During the disqualification period,
139.27 disqualification from any child care program must extend to all child care programs and
139.28 must be immediately applied.

139.29 (c) A provider caring for children receiving assistance through child care assistance
139.30 programs under chapter 119B is disqualified from receiving payment for child care services
139.31 from the child care assistance program under chapter 119B when the provider is found to
139.32 have wrongfully obtained child care assistance by a federal court, state court, or an
139.33 administrative hearing determination or waiver under section 256.046, through a
139.34 disqualification consent agreement, as part of an approved diversion plan under section

140.1 401.065, or a court-ordered stay with probationary or other conditions. The disqualification
140.2 must be for a period of three years for the first offense. Any subsequent violation must result
140.3 in permanent disqualification. The disqualification period must be imposed immediately
140.4 after a determination is made under this paragraph. During the disqualification period, the
140.5 provider is disqualified from receiving payment from any child care program under chapter
140.6 119B.

140.7 (d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults
140.8 without children and upon federal approval, all categories of medical assistance and
140.9 remaining categories of MinnesotaCare, except for children through age 18, by a federal or
140.10 state court or by an administrative hearing determination, or waiver thereof, through a
140.11 disqualification consent agreement, or as part of any approved diversion plan under section
140.12 401.065, or any court-ordered stay which carries with it any probationary or other conditions,
140.13 is disqualified from that program. The period of disqualification is one year after the first
140.14 offense, two years after the second offense, and permanently after the third or subsequent
140.15 offense. The period of program disqualification shall begin on the date stipulated on the
140.16 advance notice of disqualification without possibility of postponement for administrative
140.17 stay or administrative hearing and shall continue through completion unless and until the
140.18 findings upon which the sanctions were imposed are reversed by a court of competent
140.19 jurisdiction. The period for which sanctions are imposed is not subject to review. The
140.20 sanctions provided under this subdivision are in addition to, and not in substitution for, any
140.21 other sanctions that may be provided for by law for the offense involved.

140.22 **EFFECTIVE DATE.** This section is effective March 1, 2024, and applies to acts of
140.23 wrongfully obtaining assistance that occur on or after that date.

140.24 Sec. 18. Minnesota Statutes 2022, section 256.987, subdivision 4, is amended to read:

140.25 Subd. 4. **Disqualification.** (a) Any person found to be guilty of purchasing tobacco
140.26 products or alcoholic beverages with their EBT debit card by a federal or state court or by
140.27 an administrative hearing determination, or waiver thereof, through a disqualification consent
140.28 agreement, or as part of any approved diversion plan under section 401.065, or any
140.29 court-ordered stay which carries with it any probationary or other conditions, in the: (1)
140.30 Minnesota family investment program and any affiliated program to include ~~the diversionary~~
140.31 ~~work program~~ and the work participation cash benefit program under chapter 256J; (2)
140.32 general assistance program under chapter 256D; or (3) Minnesota supplemental aid program
140.33 under chapter 256D, shall be disqualified from all of the listed programs.

141.1 (b) The needs of the disqualified individual shall not be taken into consideration in
141.2 determining the grant level for that assistance unit: (1) for one year after the first offense;
141.3 (2) for two years after the second offense; and (3) permanently after the third or subsequent
141.4 offense.

141.5 (c) The period of program disqualification shall begin on the date stipulated on the
141.6 advance notice of disqualification without possibility for postponement for administrative
141.7 stay or administrative hearing and shall continue through completion unless and until the
141.8 findings upon which the sanctions were imposed are reversed by a court of competent
141.9 jurisdiction. The period for which sanctions are imposed is not subject to review.

141.10 **EFFECTIVE DATE.** This section is effective March 1, 2024, and applies to purchases
141.11 made on or after that date.

141.12 Sec. 19. Minnesota Statutes 2022, section 256D.03, is amended by adding a subdivision
141.13 to read:

141.14 Subd. 2b. **Budgeting and reporting.** Every county agency shall determine eligibility
141.15 and calculate benefit amounts for general assistance according to chapter 256P.

141.16 **EFFECTIVE DATE.** This section is effective March 1, 2025.

141.17 Sec. 20. Minnesota Statutes 2022, section 256D.63, subdivision 2, is amended to read:

141.18 Subd. 2. **SNAP reporting requirements.** The commissioner of human services shall
141.19 implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as
141.20 amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP
141.21 benefit recipient households required to report periodically shall not be required to report
141.22 more often than one time every six months. ~~This provision shall not apply to households~~
141.23 ~~receiving food benefits under the Minnesota family investment program waiver.~~

141.24 **EFFECTIVE DATE.** This section is effective March 1, 2025.

141.25 Sec. 21. Minnesota Statutes 2022, section 256E.34, subdivision 4, is amended to read:

141.26 Subd. 4. **Use of money.** At least 96 percent of the money distributed to Hunger Solutions
141.27 under this section must be distributed to food shelf programs to purchase, transport, and
141.28 coordinate the distribution of nutritious food to needy individuals and families. The money
141.29 distributed to food shelf programs may also be used to purchase personal hygiene products,
141.30 including but not limited to diapers and toilet paper. No more than four percent of the money

142.1 may be expended for other expenses, such as rent, salaries, and other administrative expenses
142.2 of Hunger Solutions.

142.3 Sec. 22. [256E.341] AMERICAN INDIAN FOOD SOVEREIGNTY FUNDING
142.4 PROGRAM.

142.5 Subdivision 1. Establishment. The American Indian food sovereignty funding program
142.6 is established to improve access and equity to food security programs within Tribal and
142.7 American Indian communities. The program shall assist Tribal Nations and American Indian
142.8 communities in achieving self-determination and improve collaboration and partnership
142.9 building between American Indian communities and the state. The commissioner of human
142.10 services shall administer the program and provide outreach, technical assistance, and program
142.11 development support to increase food security for American Indians.

142.12 Subd. 2. Distribution of funding. (a) The commissioner shall provide funding to support
142.13 food system changes and provide equitable access to existing and new methods of food
142.14 support for American Indian communities. The commissioner shall determine the timing
142.15 and form of the application for the program.

142.16 (b) Eligible recipients of funding under this section include:

142.17 (1) federally recognized American Indian Tribes or bands in Minnesota as defined in
142.18 section 10.65; or

142.19 (2) nonprofit organizations or fiscal sponsors with a majority American Indian board of
142.20 directors.

142.21 (c) Funding for American Indian Tribes or bands must be allocated by a formula
142.22 determined by the commissioner. Funding for nonprofit organizations or fiscal sponsors
142.23 must be awarded through a competitive grant process.

142.24 Subd. 3. Allowable uses of money. Recipients shall use money provided under this
142.25 section to promote food security for American Indian communities by:

142.26 (1) planning for sustainable food systems;

142.27 (2) implementing food security programs, including but not limited to technology to
142.28 facilitate no-contact or low-contact food distribution and outreach models;

142.29 (3) providing culturally relevant training for building food access;

142.30 (4) purchasing, producing, processing, transporting, storing, and coordinating the
142.31 distribution of food, including culturally relevant food; and

143.1 (5) purchasing seeds, plants, equipment, or materials to preserve, procure, or grow food.

143.2 Subd. 4. **Reporting.** (a) Recipients shall report on the use of American Indian food
143.3 sovereignty funding program money under this section to the commissioner.

143.4 (b) The commissioner shall determine the timing and form required for the reports.

143.5 Sec. 23. Minnesota Statutes 2022, section 256E.35, subdivision 1, is amended to read:

143.6 Subdivision 1. **Establishment.** The Minnesota family assets for independence initiative
143.7 is established to provide incentives for low-income families to accrue assets for education,
143.8 housing, vehicles, emergencies, and economic development purposes.

143.9 Sec. 24. Minnesota Statutes 2022, section 256E.35, subdivision 2, is amended to read:

143.10 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

143.11 (b) "Eligible educational institution" means the following:

143.12 (1) an institution of higher education described in section 101 or 102 of the Higher
143.13 Education Act of 1965; or

143.14 (2) an area vocational education school, as defined in subparagraph (C) or (D) of United
143.15 States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and
143.16 Applied Technology Education Act), which is located within any state, as defined in United
143.17 States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the
143.18 extent section 2302 is in effect on August 1, 2008.

143.19 (c) "Family asset account" means a savings account opened by a household participating
143.20 in the Minnesota family assets for independence initiative.

143.21 (d) "Fiduciary organization" means:

143.22 (1) a community action agency that has obtained recognition under section 256E.31;

143.23 (2) a federal community development credit union ~~serving the seven-county metropolitan~~
143.24 ~~area; or~~

143.25 (3) a women-oriented economic development agency ~~serving the seven-county~~
143.26 ~~metropolitan area;~~

143.27 (4) a federally recognized Tribal Nation; or

143.28 (5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue
143.29 Code.

144.1 (e) "Financial coach" means a person who:

144.2 (1) has completed an intensive financial literacy training workshop that includes
144.3 curriculum on budgeting to increase savings, debt reduction and asset building, building a
144.4 good credit rating, and consumer protection;

144.5 (2) participates in ongoing statewide family assets for independence in Minnesota (FAIM)
144.6 network training meetings under FAIM program supervision; and

144.7 (3) provides financial coaching to program participants under subdivision 4a.

144.8 (f) "Financial institution" means a bank, bank and trust, savings bank, savings association,
144.9 or credit union, the deposits of which are insured by the Federal Deposit Insurance
144.10 Corporation or the National Credit Union Administration.

144.11 (g) "Household" means all individuals who share use of a dwelling unit as primary
144.12 quarters for living and eating separate from other individuals.

144.13 (h) "Permissible use" means:

144.14 (1) postsecondary educational expenses at an eligible educational institution as defined
144.15 in paragraph (b), including books, supplies, and equipment required for courses of instruction;

144.16 (2) acquisition costs of acquiring, constructing, or reconstructing a residence, including
144.17 any usual or reasonable settlement, financing, or other closing costs;

144.18 (3) business capitalization expenses for expenditures on capital, plant, equipment, working
144.19 capital, and inventory expenses of a legitimate business pursuant to a business plan approved
144.20 by the fiduciary organization;

144.21 (4) acquisition costs of a principal residence within the meaning of section 1034 of the
144.22 Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase
144.23 price applicable to the residence determined according to section 143(e)(2) and (3) of the
144.24 Internal Revenue Code of 1986; ~~and~~

144.25 (5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

144.26 (6) contributions to an emergency savings account; and

144.27 (7) contributions to a Minnesota 529 savings plan.

144.28 Sec. 25. Minnesota Statutes 2022, section 256E.35, subdivision 3, is amended to read:

144.29 Subd. 3. **Grants awarded.** The commissioner shall allocate funds to participating
144.30 fiduciary organizations to provide family asset services. Grant awards must be based on a
144.31 plan submitted by a statewide organization representing fiduciary organizations. The

145.1 statewide organization must ensure that any interested unrepresented fiduciary organization
145.2 have input into the development of the plan. The plan must equitably distribute funds to
145.3 achieve geographic balance and document the capacity of participating fiduciary
145.4 organizations to manage the program. A portion of funds appropriated for this section may
145.5 be expended on evaluation of the Minnesota family assets for independence initiative.

145.6 Sec. 26. Minnesota Statutes 2022, section 256E.35, subdivision 4a, is amended to read:

145.7 Subd. 4a. **Financial coaching.** A financial coach shall provide the following to program
145.8 participants:

145.9 (1) financial education relating to budgeting, debt reduction, asset-specific training,
145.10 credit building, and financial stability activities;

145.11 (2) asset-specific training related to buying a home or vehicle, acquiring postsecondary
145.12 education, ~~or starting or expanding a small business~~, saving for emergencies, or saving for
145.13 a child's education; and

145.14 (3) financial stability education and training to improve and sustain financial security.

145.15 Sec. 27. Minnesota Statutes 2022, section 256E.35, subdivision 6, is amended to read:

145.16 Subd. 6. **Withdrawal; matching; permissible uses.** (a) To receive a match, a
145.17 participating household must transfer funds withdrawn from a family asset account to its
145.18 matching fund custodial account held by the fiscal agent, according to the family asset
145.19 agreement. The fiscal agent must determine if the match request is for a permissible use
145.20 consistent with the household's family asset agreement.

145.21 (b) The fiscal agent must ensure the household's custodial account contains the applicable
145.22 matching funds to match the balance in the household's account, including interest, on at
145.23 least a quarterly basis and at the time of an approved withdrawal. Matches must be a
145.24 contribution of \$3 from state grant or TANF funds for every \$1 of funds withdrawn from
145.25 the family asset account not to exceed a ~~\$6,000~~ \$12,000 lifetime limit.

145.26 (c) Notwithstanding paragraph (b), if funds are appropriated for the Federal Assets for
145.27 Independence Act of 1998, and a participating fiduciary organization is awarded a grant
145.28 under that act, participating households with that fiduciary organization must be provided
145.29 matches as follows:

145.30 (1) from state grant and TANF funds, a matching contribution of \$1.50 for every \$1 of
145.31 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit;
145.32 and

146.1 (2) from nonstate funds, a matching contribution of not less than \$1.50 for every \$1 of
146.2 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit.

146.3 (d) Upon receipt of transferred custodial account funds, the fiscal agent must make a
146.4 direct payment to the vendor of the goods or services for the permissible use.

146.5 Sec. 28. Minnesota Statutes 2022, section 256E.35, subdivision 7, is amended to read:

146.6 Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary organization
146.7 participating in a family assets for independence initiative must report quarterly to the
146.8 commissioner of human services identifying the participants with accounts; the number of
146.9 accounts; the amount of savings and matches for each participant's account; the uses of
146.10 the account, ~~and~~; the number of businesses, homes, vehicles, and educational services paid
146.11 for with money from the account; and the amount of contributions to Minnesota 529 savings
146.12 plans and emergency savings accounts, as well as other information that may be required
146.13 for the commissioner to administer the program and meet federal TANF reporting
146.14 requirements.

146.15 Sec. 29. Minnesota Statutes 2022, section 256I.03, subdivision 13, is amended to read:

146.16 Subd. 13. **Prospective budgeting.** "Prospective budgeting" ~~means estimating the amount~~
146.17 ~~of monthly income a person will have in the payment month~~ has the meaning given in
146.18 section 256P.01, subdivision 9.

146.19 **EFFECTIVE DATE.** This section is effective March 1, 2025.

146.20 Sec. 30. Minnesota Statutes 2022, section 256I.06, subdivision 6, is amended to read:

146.21 Subd. 6. **Reports.** Recipients must report changes in circumstances according to section
146.22 256P.07 ~~that affect eligibility or housing support payment amounts, other than changes in~~
146.23 ~~earned income, within ten days of the change.~~ Recipients with countable earned income
146.24 must complete a household report form ~~at least~~ once every six months according to section
146.25 256P.10. ~~If the report form is not received before the end of the month in which it is due,~~
146.26 ~~the county agency must terminate eligibility for housing support payments. The termination~~
146.27 ~~shall be effective on the first day of the month following the month in which the report was~~
146.28 ~~due. If a complete report is received within the month eligibility was terminated, the~~
146.29 ~~individual is considered to have continued an application for housing support payment~~
146.30 ~~effective the first day of the month the eligibility was terminated.~~

146.31 **EFFECTIVE DATE.** This section is effective March 1, 2025.

147.1 Sec. 31. Minnesota Statutes 2022, section 256I.06, is amended by adding a subdivision
147.2 to read:

147.3 Subd. 6a. **When to terminate assistance.** An agency must terminate benefits when the
147.4 assistance unit fails to submit the household report form before the end of the month in
147.5 which it is due. The termination shall be effective on the first day of the month following
147.6 the month in which the report was due. If the assistance unit submits the household report
147.7 form within 30 days of the termination of benefits and remains eligible, benefits must be
147.8 reinstated and made available retroactively for the full benefit month.

147.9 **EFFECTIVE DATE.** This section is effective March 1, 2025.

147.10 Sec. 32. Minnesota Statutes 2022, section 256I.06, subdivision 8, is amended to read:

147.11 Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board
147.12 payment to be made on behalf of an eligible individual is determined by subtracting the
147.13 individual's countable income under section 256I.04, subdivision 1, for a whole calendar
147.14 month from the room and board rate for that same month. The housing support payment is
147.15 determined by multiplying the housing support rate times the period of time the individual
147.16 was a resident or temporarily absent under section 256I.05, subdivision 2a.

147.17 (b) For an individual with earned income under paragraph (a), prospective budgeting
147.18 according to section 256P.09 must be used to determine the amount of the individual's
147.19 payment for the following six-month period. An increase in income shall not affect an
147.20 individual's eligibility or payment amount until the month following the reporting month.
147.21 A decrease in income shall be effective the first day of the month after the month in which
147.22 the decrease is reported.

147.23 (c) For an individual who receives housing support payments under section 256I.04,
147.24 subdivision 1, paragraph (c), the amount of the housing support payment is determined by
147.25 multiplying the housing support rate times the period of time the individual was a resident.

147.26 **EFFECTIVE DATE.** This section is effective March 1, 2025.

147.27 Sec. 33. Minnesota Statutes 2022, section 256J.01, subdivision 1, is amended to read:

147.28 Subdivision 1. **Implementation of Minnesota family investment program**
147.29 **(MFIP).** ~~Except for section 256J.95,~~ This chapter and chapter 256K may be cited as the
147.30 Minnesota family investment program (MFIP). MFIP is the statewide implementation of
147.31 components of the Minnesota family investment plan (MFIP) authorized and formerly

148.1 codified in section 256.031 and Minnesota family investment plan-Ramsey County (MFIP-R)
148.2 formerly codified in section 256.047.

148.3 **EFFECTIVE DATE.** This section is effective March 1, 2024.

148.4 Sec. 34. Minnesota Statutes 2022, section 256J.02, subdivision 2, is amended to read:

148.5 Subd. 2. **Use of money.** State money appropriated for purposes of this section and TANF
148.6 block grant money must be used for:

148.7 (1) financial assistance to or on behalf of any minor child who is a resident of this state
148.8 under section 256J.12;

148.9 (2) the health care and human services training and retention program under chapter
148.10 116L, for costs associated with families with children with incomes below 200 percent of
148.11 the federal poverty guidelines;

148.12 (3) the pathways program under section 116L.04, subdivision 1a;

148.13 (4) welfare to work transportation authorized under Public Law 105-178;

148.14 (5) reimbursements for the federal share of child support collections passed through to
148.15 the custodial parent;

148.16 (6) program administration under this chapter;

148.17 ~~(7) the diversionary work program under section 256J.95;~~

148.18 ~~(8)~~ (7) the MFIP consolidated fund under section 256J.626; and

148.19 ~~(9)~~ (8) the Minnesota Department of Health consolidated fund under Laws 2001, First
148.20 Special Session chapter 9, article 17, section 3, subdivision 2.

148.21 **EFFECTIVE DATE.** This section is effective March 1, 2024.

148.22 Sec. 35. Minnesota Statutes 2022, section 256J.08, subdivision 65, is amended to read:

148.23 Subd. 65. **Participant.** (a) "Participant" includes any of the following:

148.24 (1) a person who is currently receiving cash assistance or the food portion available
148.25 through MFIP;

148.26 (2) a person who withdraws a cash or food assistance payment by electronic transfer or
148.27 receives and cashes an MFIP assistance check or food coupons and is subsequently
148.28 determined to be ineligible for assistance for that period of time is a participant, regardless
148.29 whether that assistance is repaid;

149.1 (3) the caregiver relative and the minor child whose needs are included in the assistance
149.2 payment;

149.3 (4) a person in an assistance unit who does not receive a cash and food assistance payment
149.4 because the case has been suspended from MFIP; and

149.5 ~~(5) a person who receives cash payments under the diversionary work program under~~
149.6 ~~section 256J.95 is a participant; and~~

149.7 ~~(6)~~ (5) a person who receives cash payments under family stabilization services under
149.8 section 256J.575.

149.9 (b) "Participant" does not include a person who fails to withdraw or access electronically
149.10 any portion of the person's cash and food assistance payment by the end of the payment
149.11 month, who makes a written request for closure before the first of a payment month and
149.12 repays cash and food assistance electronically issued for that payment month within that
149.13 payment month, or who returns any uncashed assistance check and food coupons and
149.14 withdraws from the program.

149.15 **EFFECTIVE DATE.** This section is effective March 1, 2024.

149.16 Sec. 36. Minnesota Statutes 2022, section 256J.08, subdivision 71, is amended to read:

149.17 Subd. 71. **Prospective budgeting.** "Prospective budgeting" ~~means a method of~~
149.18 ~~determining the amount of the assistance payment in which the budget month and payment~~
149.19 ~~month are the same~~ has the meaning given in section 256P.01, subdivision 9.

149.20 **EFFECTIVE DATE.** This section is effective March 1, 2025.

149.21 Sec. 37. Minnesota Statutes 2022, section 256J.08, subdivision 79, is amended to read:

149.22 Subd. 79. **Recurring income.** "Recurring income" means a form of income which is:

149.23 (1) received periodically, and may be received irregularly when receipt can be anticipated
149.24 even though the date of receipt cannot be predicted; and

149.25 (2) from the same source or of the same type that is received and budgeted in a
149.26 prospective month ~~and is received in one or both of the first two retrospective months.~~

149.27 **EFFECTIVE DATE.** This section is effective March 1, 2025.

149.28 Sec. 38. Minnesota Statutes 2022, section 256J.09, subdivision 10, is amended to read:

149.29 Subd. 10. **Ineligibility for MFIP ~~or the diversionary work program.~~** When an applicant
149.30 is not eligible for MFIP ~~or the diversionary work program under section 256J.95~~ because

150.1 the applicant does not meet eligibility requirements, the county agency must determine
150.2 whether the applicant is eligible for SNAP, or health care programs. The county must also
150.3 inform applicants about resources available through the county or other agencies to meet
150.4 short-term emergency needs.

150.5 **EFFECTIVE DATE.** This section is effective March 1, 2024.

150.6 Sec. 39. Minnesota Statutes 2022, section 256J.11, subdivision 1, is amended to read:

150.7 Subdivision 1. **General citizenship requirements.** (a) To be eligible for MFIP, a member
150.8 of the assistance unit must be a citizen of the United States, a qualified noncitizen as defined
150.9 in section 256J.08, or a noncitizen who is otherwise residing lawfully in the United States.

150.10 (b) A qualified noncitizen who entered the United States on or after August 22, 1996,
150.11 is eligible for MFIP. However, TANF dollars cannot be used to fund the MFIP benefits for
150.12 an individual under this paragraph for a period of five years after the date of entry unless
150.13 the qualified noncitizen meets one of the following criteria:

150.14 (1) was admitted to the United States as a refugee under United States Code, title 8,
150.15 section 1157;

150.16 (2) was granted asylum under United States Code, title 8, section 1158;

150.17 (3) was granted withholding of deportation under the United States Code, title 8, section
150.18 1253(h);

150.19 (4) is a veteran of the United States armed forces with an honorable discharge for a
150.20 reason other than noncitizen status, or is a spouse or unmarried minor dependent child of
150.21 the same; or

150.22 (5) is an individual on active duty in the United States armed forces, other than for
150.23 training, or is a spouse or unmarried minor dependent child of the same.

150.24 (c) A person who is not a qualified noncitizen but who is otherwise residing lawfully in
150.25 the United States is eligible for MFIP. However, TANF dollars cannot be used to fund the
150.26 MFIP benefits for an individual under this paragraph.

150.27 (d) For purposes of this subdivision, a nonimmigrant in one or more of the classes listed
150.28 in United States Code, title 8, section 1101(a)(15)(A)-(S) and (V), or an undocumented
150.29 immigrant who resides in the United States without the approval or acquiescence of the
150.30 United States Citizenship and Immigration Services, is not eligible for MFIP.

150.31 **EFFECTIVE DATE.** This section is effective March 1, 2024.

151.1 Sec. 40. Minnesota Statutes 2022, section 256J.21, subdivision 3, is amended to read:

151.2 Subd. 3. **Initial income test.** (a) The agency shall determine initial eligibility by
151.3 considering all earned and unearned income as defined in section 256P.06. To be eligible
151.4 for MFIP, the assistance unit's countable income minus the earned income disregards in
151.5 paragraph (a) and section 256P.03 must be below the family wage level according to section
151.6 256J.24, subdivision 7, for that size assistance unit.

151.7 ~~(a)~~ (b) The initial eligibility determination must disregard the following items:

151.8 (1) the earned income disregard as determined in section 256P.03;

151.9 (2) dependent care costs must be deducted from gross earned income for the actual
151.10 amount paid for dependent care up to a maximum of \$200 per month for each child less
151.11 than two years of age, and \$175 per month for each child two years of age and older;

151.12 (3) all payments made according to a court order for spousal support or the support of
151.13 children not living in the assistance unit's household shall be disregarded from the income
151.14 of the person with the legal obligation to pay support; and

151.15 (4) an allocation for the unmet need of an ineligible spouse or an ineligible child under
151.16 the age of 21 for whom the caregiver is financially responsible and who lives with the
151.17 caregiver according to section 256J.36.

151.18 ~~(b) After initial eligibility is established,~~ (c) The income test is for a six-month period.
151.19 The assistance payment calculation is based on ~~the monthly income test~~ prospective budgeting
151.20 according to section 256P.09.

151.21 **EFFECTIVE DATE.** This section is effective March 1, 2025.

151.22 Sec. 41. Minnesota Statutes 2022, section 256J.21, subdivision 4, is amended to read:

151.23 Subd. 4. **Monthly Income test and determination of assistance payment.** ~~The county~~
151.24 ~~agency shall determine ongoing eligibility and the assistance payment amount according~~
151.25 ~~to the monthly income test.~~ To be eligible for MFIP, the result of the computations in
151.26 paragraphs (a) to (e) applied to prospective budgeting must be at least \$1.

151.27 (a) Apply an income disregard as defined in section 256P.03, to gross earnings and
151.28 subtract this amount from the family wage level. If the difference is equal to or greater than
151.29 the MFIP transitional standard, the assistance payment is equal to the MFIP transitional
151.30 standard. If the difference is less than the MFIP transitional standard, the assistance payment
151.31 is equal to the difference. The earned income disregard in this paragraph must be deducted
151.32 every month there is earned income.

152.1 (b) All payments made according to a court order for spousal support or the support of
 152.2 children not living in the assistance unit's household must be disregarded from the income
 152.3 of the person with the legal obligation to pay support.

152.4 (c) An allocation for the unmet need of an ineligible spouse or an ineligible child under
 152.5 the age of 21 for whom the caregiver is financially responsible and who lives with the
 152.6 caregiver must be made according to section 256J.36.

152.7 (d) Subtract unearned income dollar for dollar from the MFIP transitional standard to
 152.8 determine the assistance payment amount.

152.9 (e) When income is both earned and unearned, the amount of the assistance payment
 152.10 must be determined by first treating gross earned income as specified in paragraph (a). After
 152.11 determining the amount of the assistance payment under paragraph (a), unearned income
 152.12 must be subtracted from that amount dollar for dollar to determine the assistance payment
 152.13 amount.

152.14 ~~(f) When the monthly income is greater than the MFIP transitional standard after~~
 152.15 ~~deductions and the income will only exceed the standard for one month, the county agency~~
 152.16 ~~must suspend the assistance payment for the payment month.~~

152.17 **EFFECTIVE DATE.** This section is effective March 1, 2025.

152.18 Sec. 42. Minnesota Statutes 2022, section 256J.33, subdivision 1, is amended to read:

152.19 Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP
 152.20 eligibility prospectively ~~for a payment month~~ based on ~~retrospectively~~ assessing income
 152.21 and the county agency's best estimate of the circumstances that will exist in the payment
 152.22 month.

152.23 ~~(b) Except as described in section 256J.34, subdivision 1, when prospective eligibility~~
 152.24 ~~exists,~~ A county agency must calculate the amount of the assistance payment using
 152.25 ~~retrospective~~ prospective budgeting. To determine MFIP eligibility and the assistance
 152.26 payment amount, a county agency must apply countable income, described in sections
 152.27 256P.06 and 256J.37, subdivisions 3 to ~~10~~ 9, received by members of an assistance unit or
 152.28 by other persons whose income is counted for the assistance unit, described under sections
 152.29 256J.37, subdivisions 1 to 2, and 256P.06, subdivision 1.

152.30 (c) This income must be applied to the MFIP standard of need or family wage level
 152.31 subject to this section and sections 256J.34 to 256J.36. Countable income as described in
 152.32 section 256P.06, subdivision 3, received ~~in a calendar month~~ must be applied to the needs
 152.33 of an assistance unit.

153.1 (d) An assistance unit is not eligible when the countable income equals or exceeds the
153.2 MFIP standard of need or the family wage level for the assistance unit.

153.3 **EFFECTIVE DATE.** This section is effective March 1, 2025, except that the amendment
153.4 to paragraph (b) striking "10" and inserting "9" is effective July 1, 2024.

153.5 Sec. 43. Minnesota Statutes 2022, section 256J.33, subdivision 2, is amended to read:

153.6 Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility
153.7 requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15
153.8 and 256P.02, will be met prospectively for the payment month period. ~~Except for the~~
153.9 ~~provisions in section 256J.34, subdivision 1,~~ The income test will be applied ~~retrospectively~~
153.10 prospectively.

153.11 **EFFECTIVE DATE.** This section is effective March 1, 2025.

153.12 Sec. 44. Minnesota Statutes 2022, section 256J.35, is amended to read:

153.13 **256J.35 AMOUNT OF ASSISTANCE PAYMENT.**

153.14 Except as provided in paragraphs (a) to ~~(d)~~ (e), the amount of an assistance payment is
153.15 equal to the difference between the MFIP standard of need or the Minnesota family wage
153.16 level in section 256J.24 and countable income.

153.17 (a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing
153.18 assistance grant of \$110 per month, unless:

153.19 (1) the housing assistance unit is currently receiving public and assisted rental subsidies
153.20 provided through the Department of Housing and Urban Development (HUD) and is subject
153.21 to section 256J.37, subdivision 3a; or

153.22 (2) the assistance unit is a child-only case under section 256J.88.

153.23 (b) On October 1 of each year, the commissioner shall adjust the MFIP housing assistance
153.24 grant in paragraph (a) for inflation based on the CPI-U for the prior calendar year.

153.25 ~~(b)~~ (c) When MFIP eligibility exists for the month of application, the amount of the
153.26 assistance payment for the month of application must be prorated from the date of application
153.27 or the date all other eligibility factors are met for that applicant, whichever is later. This
153.28 provision applies when an applicant loses at least one day of MFIP eligibility.

153.29 ~~(e)~~ (d) MFIP overpayments to an assistance unit must be recouped according to section
153.30 256P.08, subdivision 6.

154.1 ~~(d)~~(e) An initial assistance payment must not be made to an applicant who is not eligible
154.2 on the date payment is made.

154.3 **EFFECTIVE DATE.** This section is effective October 1, 2024.

154.4 Sec. 45. Minnesota Statutes 2022, section 256J.37, subdivision 3, is amended to read:

154.5 Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency
154.6 must include gross earned income less any disregards in the initial ~~and monthly~~ income
154.7 test. Gross earned income received by persons employed on a contractual basis must be
154.8 prorated over the period covered by the contract even when payments are received over a
154.9 lesser period of time.

154.10 **EFFECTIVE DATE.** This section is effective March 1, 2025.

154.11 Sec. 46. Minnesota Statutes 2022, section 256J.37, subdivision 3a, is amended to read:

154.12 Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency
154.13 shall count \$50 of the value of public and assisted rental subsidies provided through the
154.14 Department of Housing and Urban Development (HUD) as unearned income to the cash
154.15 portion of the MFIP grant. The full amount of the subsidy must be counted as unearned
154.16 income when the subsidy is less than \$50. The income from this subsidy shall be budgeted
154.17 according to section ~~256J.34~~ 256P.09.

154.18 (b) The provisions of this subdivision shall not apply to an MFIP assistance unit which
154.19 includes a participant who is:

154.20 (1) age 60 or older;

154.21 (2) a caregiver who is suffering from an illness, injury, or incapacity that has been
154.22 certified by a qualified professional when the illness, injury, or incapacity is expected to
154.23 continue for more than 30 days and severely limits the person's ability to obtain or maintain
154.24 suitable employment; or

154.25 (3) a caregiver whose presence in the home is required due to the illness or incapacity
154.26 of another member in the assistance unit, a relative in the household, or a foster child in the
154.27 household when the illness or incapacity and the need for the participant's presence in the
154.28 home has been certified by a qualified professional and is expected to continue for more
154.29 than 30 days.

154.30 (c) The provisions of this subdivision shall not apply to an MFIP assistance unit where
154.31 the parental caregiver is an SSI participant.

155.1 **EFFECTIVE DATE.** This section is effective March 1, 2025.

155.2 Sec. 47. Minnesota Statutes 2022, section 256J.40, is amended to read:

155.3 **256J.40 FAIR HEARINGS.**

155.4 Caregivers receiving a notice of intent to sanction or a notice of adverse action that
155.5 includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or
155.6 termination of benefits may request a fair hearing. A request for a fair hearing must be
155.7 submitted in writing to the county agency or to the commissioner and must be mailed within
155.8 30 days after a participant or former participant receives written notice of the agency's action
155.9 or within 90 days when a participant or former participant shows good cause for not
155.10 submitting the request within 30 days. A former participant who receives a notice of adverse
155.11 action due to an overpayment may appeal the adverse action according to the requirements
155.12 in this section. Issues that may be appealed are:

155.13 (1) the amount of the assistance payment;

155.14 (2) a suspension, reduction, denial, or termination of assistance;

155.15 (3) the basis for an overpayment, the calculated amount of an overpayment, and the level
155.16 of recoupment;

155.17 (4) the eligibility for an assistance payment; and

155.18 (5) the use of protective or vendor payments under section 256J.39, subdivision 2, clauses
155.19 (1) to (3).

155.20 ~~Except for benefits issued under section 256J.95,~~ A county agency must not reduce,
155.21 suspend, or terminate payment when an aggrieved participant requests a fair hearing prior
155.22 to the effective date of the adverse action or within ten days of the mailing of the notice of
155.23 adverse action, whichever is later, unless the participant requests in writing not to receive
155.24 continued assistance pending a hearing decision. ~~An appeal request cannot extend benefits~~
155.25 ~~for the diversionary work program under section 256J.95 beyond the four-month time limit.~~
155.26 Assistance issued pending a fair hearing is subject to recovery under section 256P.08 when
155.27 as a result of the fair hearing decision the participant is determined ineligible for assistance
155.28 or the amount of the assistance received. A county agency may increase or reduce an
155.29 assistance payment while an appeal is pending when the circumstances of the participant
155.30 change and are not related to the issue on appeal. The commissioner's order is binding on
155.31 a county agency. No additional notice is required to enforce the commissioner's order.

156.1 A county agency shall reimburse appellants for reasonable and necessary expenses of
156.2 attendance at the hearing, such as child care and transportation costs and for the transportation
156.3 expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable
156.4 and necessary expenses do not include legal fees. Fair hearings must be conducted at a
156.5 reasonable time and date by an impartial human services judge employed by the department.
156.6 The hearing may be conducted by telephone or at a site that is readily accessible to persons
156.7 with disabilities.

156.8 The appellant may introduce new or additional evidence relevant to the issues on appeal.
156.9 Recommendations of the human services judge and decisions of the commissioner must be
156.10 based on evidence in the hearing record and are not limited to a review of the county agency
156.11 action.

156.12 **EFFECTIVE DATE.** This section is effective March 1, 2024.

156.13 Sec. 48. Minnesota Statutes 2022, section 256J.42, subdivision 5, is amended to read:

156.14 Subd. 5. **Exemption for certain families.** (a) Any cash assistance received by an
156.15 assistance unit does not count toward the 60-month limit on assistance during a month in
156.16 which the caregiver is age 60 or older.

156.17 (b) From July 1, 1997, until the date MFIP is operative in the caregiver's county of
156.18 financial responsibility, any cash assistance received by a caregiver who is complying with
156.19 Minnesota Statutes 1996, section 256.73, subdivision 5a, and Minnesota Statutes 1998,
156.20 section 256.736, if applicable, does not count toward the 60-month limit on assistance.
156.21 Thereafter, any cash assistance received by a minor caregiver who is complying with the
156.22 requirements of sections 256J.14 and 256J.54, if applicable, does not count towards the
156.23 60-month limit on assistance.

156.24 (c) Any diversionary assistance or emergency assistance received prior to July 1, 2003,
156.25 does not count toward the 60-month limit.

156.26 (d) Any cash assistance received by an 18- or 19-year-old caregiver who is complying
156.27 with an employment plan that includes an education option under section 256J.54 does not
156.28 count toward the 60-month limit.

156.29 (e) Payments provided to meet short-term emergency needs under section 256J.626 ~~and~~
156.30 ~~diversionary work program benefits provided under section 256J.95~~ do not count toward
156.31 the 60-month time limit.

156.32 **EFFECTIVE DATE.** This section is effective March 1, 2024.

157.1 Sec. 49. Minnesota Statutes 2022, section 256J.425, subdivision 1, is amended to read:

157.2 Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant in
157.3 an assistance unit subject to the time limit under section 256J.42, subdivision 1, must be in
157.4 compliance in the participant's 60th counted month. ~~For purposes of determining eligibility~~
157.5 ~~for a hardship extension, a participant is in compliance in any month that the participant~~
157.6 ~~has not been sanctioned. In order to maintain eligibility for any of the hardship extension~~
157.7 ~~categories a participant shall develop and comply with either an employment plan or a~~
157.8 family stabilization services plan, whichever is appropriate.

157.9 (b) If one participant in a two-parent assistance unit is determined to be ineligible for a
157.10 hardship extension, the county shall give the assistance unit the option of disqualifying the
157.11 ineligible participant from MFIP. In that case, the assistance unit shall be treated as a
157.12 one-parent assistance unit.

157.13 ~~(c) Prior to denying an extension, the county must review the sanction status and~~
157.14 ~~determine whether the sanction is appropriate or if good cause exists under section 256J.57.~~
157.15 ~~If the sanction was inappropriately applied or the participant is granted a good cause~~
157.16 ~~exception before the end of month 60, the participant shall be considered for an extension.~~

157.17 **EFFECTIVE DATE.** This section is effective May 1, 2026.

157.18 Sec. 50. Minnesota Statutes 2022, section 256J.425, subdivision 4, is amended to read:

157.19 Subd. 4. **Employed participants.** (a) An assistance unit subject to the time limit under
157.20 section 256J.42, subdivision 1, is eligible to receive assistance under a hardship extension
157.21 if the participant who reached the time limit belongs to:

157.22 (1) a one-parent assistance unit in which the participant is participating in work activities
157.23 for at least 30 hours per week, of which an average of at least 25 hours per week every
157.24 month are spent participating in employment;

157.25 (2) a two-parent assistance unit in which the participants are participating in work
157.26 activities for at least 55 hours per week, of which an average of at least 45 hours per week
157.27 every month are spent participating in employment; or

157.28 (3) an assistance unit in which a participant is participating in employment for fewer
157.29 hours than those specified in clause (1), and the participant submits verification from a
157.30 qualified professional, in a form acceptable to the commissioner, stating that the number
157.31 of hours the participant may work is limited due to illness or disability, as long as the
157.32 participant is participating in employment for at least the number of hours specified by the
157.33 qualified professional. The participant must be following the treatment recommendations

158.1 of the qualified professional providing the verification. The commissioner shall develop a
158.2 form to be completed and signed by the qualified professional, documenting the diagnosis
158.3 and any additional information necessary to document the functional limitations of the
158.4 participant that limit work hours. If the participant is part of a two-parent assistance unit,
158.5 the other parent must be treated as a one-parent assistance unit for purposes of meeting the
158.6 work requirements under this subdivision.

158.7 (b) For purposes of this section, employment means:

158.8 (1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);

158.9 (2) subsidized employment under section 256J.49, subdivision 13, clause (2);

158.10 (3) on-the-job training under section 256J.49, subdivision 13, clause (2);

158.11 (4) an apprenticeship under section 256J.49, subdivision 13, clause (1);

158.12 (5) supported work under section 256J.49, subdivision 13, clause (2);

158.13 (6) a combination of clauses (1) to (5); or

158.14 (7) child care under section 256J.49, subdivision 13, clause (7), if it is in combination
158.15 with paid employment.

158.16 (c) If a participant is complying with a child protection plan under chapter 260C, the
158.17 number of hours required under the child protection plan count toward the number of hours
158.18 required under this subdivision.

158.19 (d) The county shall provide the opportunity for subsidized employment to participants
158.20 needing that type of employment within available appropriations.

158.21 ~~(e) To be eligible for a hardship extension for employed participants under this~~
158.22 ~~subdivision, a participant must be in compliance for at least ten out of the 12 months the~~
158.23 ~~participant received MFIP immediately preceding the participant's 61st month on assistance.~~
158.24 ~~If ten or fewer months of eligibility for TANF assistance remain at the time the participant~~
158.25 ~~from another state applies for assistance, the participant must be in compliance every month.~~

158.26 ~~(f)~~ (e) The employment plan developed under section 256J.521, subdivision 2, for
158.27 participants under this subdivision must contain at least the minimum number of hours
158.28 specified in paragraph (a) for the purpose of meeting the requirements for an extension
158.29 under this subdivision. The job counselor and the participant must sign the employment
158.30 plan to indicate agreement between the job counselor and the participant on the contents of
158.31 the plan.

159.1 ~~(g)~~ (f) Participants who fail to meet the requirements in paragraph (a), without eligibility
159.2 for another hardship extension or good cause under section 256J.57, shall be ~~sanctioned~~
159.3 subject to sanction or permanently disqualified under subdivision 6. ~~Good cause may only~~
159.4 ~~be granted for that portion of the month for which the good cause reason applies~~ case closure.
159.5 Participants must meet all remaining requirements in the approved employment plan or be
159.6 subject to sanction or ~~permanent disqualification~~ case closure.

159.7 ~~(h)~~ (g) If the noncompliance with an employment plan is due to the involuntary loss of
159.8 employment, the participant is exempt from the hourly employment requirement under this
159.9 subdivision for one month. Participants must meet all remaining requirements in the approved
159.10 employment plan or be subject to sanction or ~~permanent disqualification~~ case closure if
159.11 ineligible for another hardship extension.

159.12 **EFFECTIVE DATE.** This section is effective May 1, 2026.

159.13 Sec. 51. Minnesota Statutes 2022, section 256J.425, subdivision 5, is amended to read:

159.14 Subd. 5. **Accrual of certain exempt months.** (a) Participants who are not eligible for
159.15 assistance under a hardship extension under this section shall be eligible for a hardship
159.16 extension for a period of time equal to the number of months that were counted toward the
159.17 60-month time limit while the participant was a caregiver with a child or an adult in the
159.18 household who meets the disability or medical criteria for home care services under section
159.19 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services
159.20 program under chapter 256B, or meets the criteria for severe emotional disturbance under
159.21 section 245.4871, subdivision 6, or for serious and persistent mental illness under section
159.22 245.462, subdivision 20, paragraph (c), and who was subject to the requirements in section
159.23 256J.561, subdivision 2.

159.24 (b) A participant who received MFIP assistance that counted toward the 60-month time
159.25 limit while the participant met the state time limit exemption criteria under section 256J.42,
159.26 subdivision 4 or 5, is eligible for assistance under a hardship extension for a period of time
159.27 equal to the number of months that were counted toward the 60-month time limit while the
159.28 participant met the state time limit exemption criteria under section 256J.42, subdivision 4
159.29 or 5.

159.30 (c) After the accrued months have been exhausted, the county agency must determine
159.31 if the assistance unit is eligible for an extension under another extension category in
159.32 subdivision 2, 3, or 4.

160.1 (d) At the time of the case review, a county agency must explain to the participant the
160.2 basis for receiving a hardship extension based on the accrual of exempt months. The
160.3 participant must provide documentation necessary to enable the county agency to determine
160.4 whether the participant is eligible to receive a hardship extension based on the accrual of
160.5 exempt months or authorize a county agency to verify the information.

160.6 ~~(e) While receiving extended MFIP assistance under this subdivision, a participant is~~
160.7 ~~subject to the MFIP policies that apply to participants during the first 60 months of MFIP,~~
160.8 ~~unless the participant is a member of a two-parent family in which one parent is extended~~
160.9 ~~under subdivision 3 or 4. For two-parent families in which one parent is extended under~~
160.10 ~~subdivision 3 or 4, the sanction provisions in subdivision 6 shall apply.~~

160.11 **EFFECTIVE DATE.** This section is effective May 1, 2026.

160.12 Sec. 52. Minnesota Statutes 2022, section 256J.425, subdivision 7, is amended to read:

160.13 Subd. 7. **Status of disqualified participants closed cases.** (a) An assistance unit that
160.14 ~~is disqualified~~ has its case closed under ~~subdivision 6, paragraph (a), section 256J.46~~ may
160.15 be approved for MFIP if the participant complies with MFIP program requirements and
160.16 demonstrates compliance for up to one month. No assistance shall be paid during this period.

160.17 (b) An assistance unit that ~~is disqualified~~ has its case closed under ~~subdivision 6,~~
160.18 ~~paragraph (a), section 256J.46~~ and that reapplies under paragraph (a) is subject to sanction
160.19 under section 256J.46, subdivision 1, paragraph (c), ~~clause (1), for a first occurrence of~~
160.20 ~~noncompliance. A subsequent occurrence of noncompliance results in a permanent~~
160.21 ~~disqualification.~~

160.22 ~~(c) If one participant in a two-parent assistance unit receiving assistance under a hardship~~
160.23 ~~extension under subdivision 3 or 4 is determined to be out of compliance with the~~
160.24 ~~employment and training services requirements under sections 256J.521 to 256J.57, the~~
160.25 ~~county shall give the assistance unit the option of disqualifying the noncompliant participant~~
160.26 ~~from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit~~
160.27 ~~for the purposes of meeting the work requirements under subdivision 4. An applicant who~~
160.28 ~~is disqualified from receiving assistance under this paragraph may reapply under paragraph~~
160.29 ~~(a). If a participant is disqualified from MFIP under this subdivision a second time, the~~
160.30 ~~participant is permanently disqualified from MFIP.~~

160.31 ~~(d)~~ (c) Prior to a disqualification case closure under this subdivision, a county agency
160.32 must review the participant's case to determine if the employment plan is still appropriate
160.33 and attempt to meet with the participant face-to-face. If a face-to-face meeting is not

161.1 conducted, the county agency must send the participant a notice of adverse action as provided
161.2 in section 256J.31. During the face-to-face meeting, the county agency must:

161.3 (1) determine whether the continued noncompliance can be explained and mitigated by
161.4 providing a needed preemployment activity, as defined in section 256J.49, subdivision 13,
161.5 clause (9);

161.6 (2) determine whether the participant qualifies for a good cause exception under section
161.7 256J.57;

161.8 (3) inform the participant of the family violence waiver criteria and make appropriate
161.9 referrals if the waiver is requested;

161.10 (4) inform the participant of the participant's sanction status and explain the consequences
161.11 of continuing noncompliance;

161.12 (5) identify other resources that may be available to the participant to meet the needs of
161.13 the family; and

161.14 (6) inform the participant of the right to appeal under section 256J.40.

161.15 **EFFECTIVE DATE.** This section is effective May 1, 2026.

161.16 Sec. 53. Minnesota Statutes 2022, section 256J.46, subdivision 1, is amended to read:

161.17 Subdivision 1. **Participants not complying with program requirements.** (a) A
161.18 participant who fails without good cause under section 256J.57 to comply with the
161.19 requirements of this chapter for orientation under section 256J.45, or employment and
161.20 training services under sections 256J.515 to 256J.57, and who is not subject to a sanction
161.21 under subdivision 2, shall be subject to a sanction or case closure as provided in this
161.22 subdivision section. Good cause may only be granted for the month for which the good
161.23 cause reason applies. Prior to the imposition of a sanction, a county agency shall provide a
161.24 notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a
161.25 notice of adverse action as provided in section 256J.31, subdivision 5.

161.26 (b) A sanction under this subdivision becomes effective the month following the month
161.27 in which a required notice is given. A sanction must not be imposed when a participant
161.28 comes into compliance ~~with the requirements for orientation under section 256J.45~~ prior to
161.29 the effective date of the sanction. ~~A sanction must not be imposed when a participant comes~~
161.30 ~~into compliance with the requirements for employment and training services under sections~~
161.31 ~~256J.515 to 256J.57 ten days prior to the effective date of the sanction.~~ For purposes of this
161.32 subdivision, each month that a participant fails to comply with a requirement of this chapter

162.1 shall be considered a separate occurrence of noncompliance. If both participants in a
162.2 two-parent assistance unit are out of compliance at the same time, it is considered one
162.3 occurrence of noncompliance.

162.4 (c) Sanctions for noncompliance ~~shall be imposed as follows:~~

162.5 (1) ~~For the first occurrence of noncompliance by a participant in an assistance unit, the~~
162.6 ~~assistance unit's grant shall be reduced by ten percent of the MFIP standard of need for an~~
162.7 ~~assistance unit of the same size with the residual grant paid to the participant. The reduction~~
162.8 ~~in the grant amount must be in effect for a minimum of one month and shall be removed in~~
162.9 ~~the month following the month that the participant returns to compliance.~~

162.10 (2) for a the first, second, third, fourth, fifth, or sixth consecutive occurrence of
162.11 noncompliance by a participant in an assistance unit, ~~the assistance unit's shelter costs shall~~
162.12 ~~be vendor paid up to the amount of the cash portion of the MFIP grant for which the~~
162.13 ~~assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor~~
162.14 ~~paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment~~
162.15 ~~of the assistance unit's shelter costs. The residual amount of the grant after vendor payment,~~
162.16 ~~if any, must be reduced by an amount are equal to 30 a reduction of five percent of the cash~~
162.17 ~~portion of the MFIP standard of need for an grant received by the assistance unit ~~of the~~~~
162.18 ~~same size before the residual grant is paid to the assistance unit. The reduction in the grant~~
162.19 ~~amount must be in effect for a minimum of one month and shall be removed in the month~~
162.20 ~~following the month that the participant in a one-parent assistance unit returns to compliance,~~
162.21 ~~unless the requirements in paragraph (h) are met. In a two-parent assistance unit, the grant~~
162.22 ~~reduction must be in effect for a minimum of one month and shall be removed in the month~~
162.23 ~~following the month both participants return to compliance, unless the requirements in~~
162.24 ~~paragraph (h) are met. The vendor payment of shelter costs and, if applicable, utilities shall~~
162.25 ~~be removed six months after the month in which the participant or participants return to~~
162.26 ~~compliance. When an assistance unit comes into compliance with the requirements in section~~
162.27 ~~256.741, or shows good cause under section 256.741, subdivision 10, or 256J.57, the sanction~~
162.28 ~~occurrences for that assistance unit shall be equal to zero sanctions. If an assistance unit is~~
162.29 ~~sanctioned under this clause, the participant's case file must be reviewed to determine if the~~
162.30 ~~employment plan is still appropriate.~~

162.31 (d) For a seventh consecutive occurrence of noncompliance by a participant in an
162.32 assistance unit, ~~or when the participants in a two-parent assistance unit have a total of seven~~
162.33 ~~occurrences of noncompliance~~, the county agency shall close the MFIP assistance unit's
162.34 financial assistance case, ~~both~~ including the cash and food portions, and redetermine the
162.35 family's ~~continued~~ eligibility for Supplemental Nutrition Assistance Program (SNAP)

163.1 payments. The MFIP case must remain closed for a minimum of one full month. Before the
163.2 case is closed, the county agency must review the participant's case to determine if the
163.3 employment plan is still appropriate and attempt to meet with the participant face-to-face.
163.4 The participant may bring an advocate to the face-to-face meeting. If a face-to-face meeting
163.5 is not conducted, the county agency must send the participant a written notice that includes
163.6 the information required under clause (1).

163.7 (1) During the face-to-face meeting, the county agency must:

163.8 (i) determine whether the continued noncompliance can be explained and mitigated by
163.9 providing a needed preemployment activity, as defined in section 256J.49, subdivision 13,
163.10 clause (9);

163.11 (ii) determine whether the participant qualifies for a good cause exception under section
163.12 256J.57, or if the sanction is for noncooperation with child support requirements, determine
163.13 if the participant qualifies for a good cause exemption under section 256.741, subdivision
163.14 10;

163.15 (iii) determine whether the work activities in the employment plan are appropriate based
163.16 on the criteria in section 256J.521, subdivision 2 or 3;

163.17 (iv) determine whether the participant qualifies for the family violence waiver;

163.18 (v) inform the participant of the participant's sanction status and explain the consequences
163.19 of continuing noncompliance;

163.20 (vi) identify other resources that may be available to the participant to meet the needs
163.21 of the family; and

163.22 (vii) inform the participant of the right to appeal under section 256J.40.

163.23 (2) If the lack of an identified activity or service can explain the noncompliance, the
163.24 county must work with the participant to provide the identified activity.

163.25 (3) The grant must be restored to the full amount for which the assistance unit is eligible
163.26 retroactively to the first day of the month in which the participant was found to lack
163.27 preemployment activities or to qualify for a family violence waiver or for a good cause
163.28 exemption under section 256.741, subdivision 10, or 256J.57.

163.29 (e) For the purpose of applying sanctions under this section, only consecutive occurrences
163.30 of noncompliance that occur ~~after July 1, 2003~~ on or after May 1, 2026, shall be considered
163.31 when counting the number of sanction occurrences under this subdivision. Active cases
163.32 under sanction on May 1, 2026, shall be considered to have one sanction occurrence. If the

164.1 participant is in 30 percent sanction in the month this section takes effect, that month counts
164.2 as the first occurrence for purposes of applying the sanctions under this section, but the
164.3 sanction shall remain at 30 percent for that month comes into compliance, the assistance
164.4 unit is considered to have zero sanctions.

164.5 (f) An assistance unit whose case is closed under paragraph (d) or (g), may reapply for
164.6 MFIP using a form prescribed by the commissioner and shall be eligible if the participant
164.7 complies with MFIP program requirements and demonstrates compliance for up to one
164.8 month. No assistance shall be paid during this period. The county agency shall not start a
164.9 new certification period for a participant who has submitted the reapplication form within
164.10 30 calendar days of case closure. The county agency must process the form according to
164.11 section 256P.04, except that the county agency shall not require additional verification of
164.12 information in the case file unless the information is inaccurate, questionable, or no longer
164.13 current. When a participant does not reapply for MFIP within 30 calendar days of case
164.14 closure, a new application must be completed.

164.15 (g) An assistance unit whose case has been closed for noncompliance, that reapplies
164.16 under paragraph (f), is subject to sanction under paragraph (c), ~~clause (2), for a first~~
164.17 ~~occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result~~
164.18 ~~in~~ and case closure under paragraph (d).

164.19 (h) If an assistance unit is in compliance by the 15th of the month in which the assistance
164.20 unit has a sanction imposed, the reduction to the assistance unit's cash grant shall be restored
164.21 retroactively for the current month and the sanction occurrences shall be equal to zero.

164.22 **EFFECTIVE DATE.** This section is effective May 1, 2026.

164.23 Sec. 54. Minnesota Statutes 2022, section 256J.46, subdivision 2, is amended to read:

164.24 Subd. 2. **Sanctions for refusal to cooperate with support requirements.** The grant of
164.25 an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement
164.26 agency, with support requirements under section 256.741, shall be subject to sanction as
164.27 specified in this subdivision and subdivision 1. ~~For a first occurrence of noncooperation,~~
164.28 ~~the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard~~
164.29 ~~of need. Subsequent occurrences of noncooperation shall be subject to sanction under~~
164.30 ~~subdivision 1, paragraphs (c), clause (2), and (d), paragraphs (b) to (h), except the assistance~~
164.31 unit's cash portion of the grant must be reduced by 25 percent of the MFIP cash received
164.32 by the assistance unit. The residual amount of the grant, if any, must be paid to the caregiver.
164.33 A sanction under this subdivision becomes effective the first month following the month
164.34 in which a required notice is given. A sanction must not be imposed when a caregiver comes

165.1 into compliance with the requirements under section 256.741 prior to the effective date of
 165.2 the sanction. The sanction shall be removed in the month following the month that the
 165.3 caregiver cooperates with the support requirements, unless the requirements in subdivision
 165.4 1, paragraph (h), are met. Each month that an MFIP caregiver fails to comply with the
 165.5 requirements of section 256.741 must be considered a separate occurrence of noncompliance
 165.6 for the purpose of applying sanctions under subdivision 1, paragraphs (c), ~~clause (2)~~, and
 165.7 (d).

165.8 **EFFECTIVE DATE.** This section is effective May 1, 2026.

165.9 Sec. 55. Minnesota Statutes 2022, section 256J.46, subdivision 2a, is amended to read:

165.10 Subd. 2a. **Dual sanctions.** (a) Notwithstanding the provisions of subdivisions 1 and 2,
 165.11 for a participant subject to a sanction for refusal to comply with child support requirements
 165.12 under subdivision 2 and subject to a concurrent sanction for refusal to cooperate with other
 165.13 program requirements under subdivision 1, sanctions shall be imposed in the manner
 165.14 prescribed in this subdivision.

165.15 ~~Any vendor payment of shelter costs or utilities under this subdivision must remain in~~
 165.16 ~~effect for six months after the month in which the participant is no longer subject to sanction~~
 165.17 ~~under subdivision 1.~~

165.18 ~~(b) If the participant was subject to sanction for:~~

165.19 ~~(1) noncompliance under subdivision 1 before being subject to sanction for~~
 165.20 ~~noncooperation under subdivision 2; or~~

165.21 ~~(2) noncooperation under subdivision 2 before being subject to sanction for~~
 165.22 ~~noncompliance under subdivision 1, the participant is considered to have a second occurrence~~
 165.23 ~~of noncompliance and shall be sanctioned as provided in subdivision 1, paragraph (c), clause~~
 165.24 ~~(2). Each subsequent occurrence of noncompliance shall be considered one additional~~
 165.25 ~~occurrence and shall be subject to the applicable level of sanction under subdivision 1. The~~
 165.26 ~~requirement that the county conduct a review as specified in subdivision 1, paragraph (d),~~
 165.27 ~~remains in effect.~~

165.28 ~~(e)~~ (b) A participant who first becomes subject to sanction under both subdivisions 1
 165.29 and 2 in the same month is subject to sanction as follows:

165.30 (1) in the first month of noncompliance and noncooperation, the participant's cash portion
 165.31 of the grant must be reduced by 30 25 percent of the applicable MFIP standard of need cash
 165.32 received by the assistance unit, with any residual amount paid to the participant;

166.1 (2) in the second and subsequent months of noncompliance and noncooperation, the
166.2 participant shall be subject to the applicable level of sanction under subdivision 1 ~~±~~ 2.

166.3 The requirement that the county conduct a review as specified in subdivision 1, paragraph
166.4 (d), remains in effect.

166.5 ~~(d)~~ (c) A participant remains subject to sanction under subdivision 2 if the participant:

166.6 (1) returns to compliance and is no longer subject to sanction for noncompliance with
166.7 section 256J.45 or sections 256J.515 to 256J.57; or

166.8 (2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to
166.9 256J.57 removed upon completion of the review under subdivision 1, paragraph ~~(e)~~ (d).

166.10 A participant remains subject to the applicable level of sanction under subdivision 1 if
166.11 the participant cooperates and is no longer subject to sanction under subdivision 2.

166.12 **EFFECTIVE DATE.** This section is effective May 1, 2026.

166.13 Sec. 56. Minnesota Statutes 2022, section 256J.49, subdivision 9, is amended to read:

166.14 Subd. 9. **Participant.** "Participant" means a recipient of MFIP assistance who participates
166.15 or is required to participate in employment and training services under sections 256J.515
166.16 to 256J.57 ~~and 256J.95~~.

166.17 **EFFECTIVE DATE.** This section is effective March 1, 2024.

166.18 Sec. 57. Minnesota Statutes 2022, section 256J.50, subdivision 1, is amended to read:

166.19 Subdivision 1. **Employment and training services component of MFIP.** (a) Each
166.20 county must develop and provide an employment and training services component which
166.21 is designed to put participants on the most direct path to unsubsidized employment.
166.22 Participation in these services is mandatory for all MFIP caregivers.

166.23 (b) A county must provide employment and training services under sections 256J.515
166.24 to 256J.74 within 30 days after the caregiver is determined eligible for MFIP, ~~or within ten~~
166.25 ~~days when the caregiver participated in the diversionary work program under section 256J.95~~
166.26 ~~within the past 12 months.~~

166.27 **EFFECTIVE DATE.** This section is effective March 1, 2024.

166.28 Sec. 58. Minnesota Statutes 2022, section 256J.521, subdivision 1, is amended to read:

166.29 Subdivision 1. **Assessments.** (a) For purposes of MFIP employment services, assessment
166.30 is a continuing process of gathering information related to employability for the purpose of

167.1 identifying both participant's strengths and strategies for coping with issues that interfere
167.2 with employment. The job counselor must use information from the assessment process to
167.3 develop and update the employment plan under subdivision 2 or 3, as appropriate, to
167.4 determine whether the participant qualifies for a family violence waiver including an
167.5 employment plan under subdivision 3, and to determine whether the participant should be
167.6 referred to family stabilization services under section 256J.575.

167.7 (b) The scope of assessment must cover at least the following areas:

167.8 (1) basic information about the participant's ability to obtain and retain employment,
167.9 including: a review of the participant's education level; interests, skills, and abilities; prior
167.10 employment or work experience; transferable work skills; child care and transportation
167.11 needs;

167.12 (2) identification of personal and family circumstances that impact the participant's
167.13 ability to obtain and retain employment, including: any special needs of the children, the
167.14 level of English proficiency, family violence issues, and any involvement with social services
167.15 or the legal system;

167.16 (3) the results of a mental and chemical health screening tool designed by the
167.17 commissioner and results of the brief screening tool for special learning needs. Screening
167.18 tools for mental and chemical health and special learning needs must be approved by the
167.19 commissioner and may only be administered by job counselors or county staff trained in
167.20 using such screening tools. Participants must be told of the purpose of the screens and how
167.21 the information will be used to assist the participant in identifying and overcoming barriers
167.22 to employment. Screening for mental and chemical health and special learning needs must
167.23 be completed by participants three months after development of the initial employment plan
167.24 or earlier if there is a documented need. Failure to complete the screens will result in sanction
167.25 under section 256J.46; and

167.26 (4) a comprehensive review of participation and progress for participants who have
167.27 received MFIP assistance and have not worked in unsubsidized employment during the past
167.28 12 months. The purpose of the review is to determine the need for additional services and
167.29 supports, including placement in subsidized employment or unpaid work experience under
167.30 section 256J.49, subdivision 13, or referral to family stabilization services under section
167.31 256J.575.

167.32 ~~(c) Information gathered during a caregiver's participation in the diversionary work~~
167.33 ~~program under section 256J.95 must be incorporated into the assessment process.~~

168.1 ~~(d)~~ (c) The job counselor may require the participant to complete a professional chemical
168.2 use assessment to be performed according to the rules adopted under section 254A.03,
168.3 subdivision 3, including provisions in the administrative rules which recognize the cultural
168.4 background of the participant, or a professional psychological assessment as a component
168.5 of the assessment process, when the job counselor has a reasonable belief, based on objective
168.6 evidence, that a participant's ability to obtain and retain suitable employment is impaired
168.7 by a medical condition. The job counselor may assist the participant with arranging services,
168.8 including child care assistance and transportation, necessary to meet needs identified by the
168.9 assessment. Data gathered as part of a professional assessment must be classified and
168.10 disclosed according to the provisions in section 13.46.

168.11 **EFFECTIVE DATE.** This section is effective March 1, 2024.

168.12 Sec. 59. Minnesota Statutes 2022, section 256J.621, subdivision 1, is amended to read:

168.13 Subdivision 1. **Program characteristics.** (a) Within 30 days of exiting the Minnesota
168.14 family investment program with earnings, the county must assess eligibility for work
168.15 participation cash benefits of \$25 per month to assist in meeting the family's basic needs as
168.16 the participant continues to move toward self-sufficiency. Payment begins effective the first
168.17 of the month following exit or termination for MFIP ~~and DWP~~ participants.

168.18 (b) To be eligible for work participation cash benefits, the participant shall not receive
168.19 MFIP ~~or diversionary work program~~ assistance during the month and the participant or
168.20 participants must meet the following work requirements:

168.21 (1) if the participant is a single caregiver and has a child under six years of age, the
168.22 participant must be employed at least 87 hours per month;

168.23 (2) if the participant is a single caregiver and does not have a child under six years of
168.24 age, the participant must be employed at least 130 hours per month; or

168.25 (3) if the household is a two-parent family, at least one of the parents must be employed
168.26 130 hours per month.

168.27 Whenever a participant ~~exits the diversionary work program or~~ is terminated from MFIP
168.28 and meets the other criteria in this section, work participation cash benefits are available
168.29 for up to 24 consecutive months.

168.30 (c) Expenditures on the program are maintenance of effort state funds under a separate
168.31 state program for participants under paragraph (b), clauses (1) and (2). Expenditures for
168.32 participants under paragraph (b), clause (3), are nonmaintenance of effort funds. Months in

169.1 which a participant receives work participation cash benefits under this section do not count
169.2 toward the participant's MFIP 60-month time limit.

169.3 **EFFECTIVE DATE.** This section is effective March 1, 2024.

169.4 Sec. 60. Minnesota Statutes 2022, section 256J.626, subdivision 2, is amended to read:

169.5 Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures
169.6 under the consolidated fund to benefits and services allowed under title IV-A of the federal
169.7 Social Security Act. Allowable expenditures under the consolidated fund may include, but
169.8 are not limited to:

169.9 (1) short-term, nonrecurring shelter and utility needs that are excluded from the definition
169.10 of assistance under Code of Federal Regulations, title 45, section 260.31, for families who
169.11 meet the residency requirement in section 256J.12, subdivisions 1 and 1a. Payments under
169.12 this subdivision are not considered TANF cash assistance and are not counted towards the
169.13 60-month time limit;

169.14 (2) transportation needed to obtain or retain employment or to participate in other
169.15 approved work activities or activities under a family stabilization plan;

169.16 (3) direct and administrative costs of staff to deliver employment services for MFIP, ~~the~~
169.17 ~~diversionary work program~~, or family stabilization services; to administer financial assistance;
169.18 and to provide specialized services intended to assist hard-to-employ participants to transition
169.19 to work or transition from family stabilization services to MFIP;

169.20 (4) costs of education and training including functional work literacy and English as a
169.21 second language;

169.22 (5) cost of work supports including tools, clothing, boots, telephone service, and other
169.23 work-related expenses;

169.24 (6) county administrative expenses as defined in Code of Federal Regulations, title 45,
169.25 section 260(b);

169.26 (7) services to parenting and pregnant teens;

169.27 (8) supported work;

169.28 (9) wage subsidies;

169.29 (10) child care needed for MFIP, ~~the diversionary work program~~, or family stabilization
169.30 services participants to participate in social services;

170.1 (11) child care to ensure that families leaving MFIP ~~or diversionary work program~~ will
170.2 continue to receive child care assistance from the time the family no longer qualifies for
170.3 transition year child care until an opening occurs under the basic sliding fee child care
170.4 program;

170.5 (12) services to help noncustodial parents who live in Minnesota and have minor children
170.6 receiving MFIP ~~or DWP~~ assistance, but do not live in the same household as the child,
170.7 obtain or retain employment; and

170.8 (13) services to help families participating in family stabilization services achieve the
170.9 greatest possible degree of self-sufficiency.

170.10 (b) Administrative costs that are not matched with county funds as provided in subdivision
170.11 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation under this
170.12 section. The commissioner shall define administrative costs for purposes of this subdivision.

170.13 (c) The commissioner may waive the cap on administrative costs for a county or tribe
170.14 that elects to provide an approved supported employment, unpaid work, or community work
170.15 experience program for a major segment of the county's or tribe's MFIP population. The
170.16 county or tribe must apply for the waiver on forms provided by the commissioner. In no
170.17 case shall total administrative costs exceed the TANF limits.

170.18 **EFFECTIVE DATE.** This section is effective March 1, 2024.

170.19 Sec. 61. Minnesota Statutes 2022, section 256J.626, subdivision 3, is amended to read:

170.20 Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman, or a
170.21 noncustodial parent of a minor child receiving assistance, with incomes below 200 percent
170.22 of the federal poverty guideline for a family of the applicable size, are eligible for services
170.23 funded under the consolidated fund. Counties and tribes must give priority to families
170.24 currently receiving MFIP, ~~the diversionary work program~~, or family stabilization services;
170.25 and families at risk of receiving MFIP ~~or diversionary work program~~. A county or tribe
170.26 shall not impose a residency requirement on families, except for the residency requirement
170.27 under section 256J.12.

170.28 **EFFECTIVE DATE.** This section is effective March 1, 2024.

170.29 Sec. 62. Minnesota Statutes 2022, section 256J.751, subdivision 2, is amended to read:

170.30 Subd. 2. **Quarterly comparison report.** (a) The commissioner shall report quarterly to
170.31 all counties on each county's performance on the following measures:

- 171.1 (1) percent of MFIP caseload working in paid employment;
- 171.2 (2) percent of MFIP caseload receiving only the food portion of assistance;
- 171.3 (3) number of MFIP cases that have left assistance;
- 171.4 (4) median placement wage rate;
- 171.5 (5) caseload by months of TANF assistance;
- 171.6 (6) percent of MFIP ~~and diversionary work program (DWP)~~ cases off cash assistance
- 171.7 or working 30 or more hours per week at one-year, two-year, and three-year follow-up
- 171.8 points from a baseline quarter. This measure is called the self-support index. The
- 171.9 commissioner shall report quarterly an expected range of performance for each county,
- 171.10 county grouping, and tribe on the self-support index. The expected range shall be derived
- 171.11 by a statistical methodology developed by the commissioner in consultation with the counties
- 171.12 and tribes. The statistical methodology shall control differences across counties in economic
- 171.13 conditions and demographics of the MFIP ~~and DWP~~ case load; and
- 171.14 (7) the TANF work participation rate, defined as the participation requirements specified
- 171.15 under Public Law 109-171, the Deficit Reduction Act of 2005.

171.16 (b) The commissioner shall not apply the limits on vocational educational training and

171.17 education activities under Code of Federal Regulations, title 45, section 261.33(c), when

171.18 determining TANF work participation rates for individual counties under this subdivision.

171.19 **EFFECTIVE DATE.** This section is effective March 1, 2024.

171.20 Sec. 63. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision

171.21 to read:

171.22 **Subd. 9. Prospective budgeting.** "Prospective budgeting" means estimating the amount

171.23 of monthly income that an assistance unit will have in the payment month.

171.24 **EFFECTIVE DATE.** This section is effective March 1, 2025.

171.25 Sec. 64. Minnesota Statutes 2022, section 256P.02, subdivision 2, is amended to read:

171.26 **Subd. 2. Personal property limitations.** The equity value of an assistance unit's personal

171.27 property listed in clauses (1) to (5) must not exceed \$10,000 for applicants and participants.

171.28 For purposes of this subdivision, personal property is limited to:

- 171.29 (1) cash;
- 171.30 (2) bank accounts not excluded under subdivision 4;

- 172.1 (3) liquid stocks and bonds that can be readily accessed without a financial penalty;
- 172.2 (4) vehicles not excluded under subdivision 3; and
- 172.3 (5) the full value of business accounts used to pay expenses not related to the business.

172.4 Sec. 65. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision
172.5 to read:

172.6 Subd. 4. **Account exception.** Family asset accounts under section 256E.35 and individual
172.7 development accounts authorized under the Assets for Independence Act, Title IV of the
172.8 Community Opportunities, Accountability, and Training and Educational Services Human
172.9 Services Reauthorization Act of 1998, Public Law 105-285, shall be excluded when
172.10 determining the equity value of personal property.

172.11 Sec. 66. Minnesota Statutes 2022, section 256P.04, subdivision 4, is amended to read:

172.12 Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

- 172.13 (1) identity of adults;
- 172.14 (2) age, if necessary to determine eligibility;
- 172.15 (3) immigration status;
- 172.16 (4) income;
- 172.17 (5) spousal support and child support payments made to persons outside the household;
- 172.18 (6) vehicles;
- 172.19 (7) checking and savings accounts, including but not limited to any business accounts
172.20 used to pay expenses not related to the business;
- 172.21 (8) inconsistent information, if related to eligibility;
- 172.22 (9) residence; and
- 172.23 (10) Social Security number; and
- 172.24 ~~(11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item~~
172.25 ~~(ix), for the intended purpose for which it was given and received.~~

172.26 (b) Applicants who are qualified noncitizens and victims of domestic violence as defined
172.27 under section 256J.08, subdivision 73, clauses (8) and (9), are not required to verify the
172.28 information in paragraph (a), clause (10). When a Social Security number is not provided
172.29 to the agency for verification, this requirement is satisfied when each member of the

173.1 assistance unit cooperates with the procedures for verification of Social Security numbers,
173.2 issuance of duplicate cards, and issuance of new numbers which have been established
173.3 jointly between the Social Security Administration and the commissioner.

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

173.5 Sec. 67. Minnesota Statutes 2022, section 256P.04, subdivision 8, is amended to read:

173.6 Subd. 8. **Recertification.** The agency shall recertify eligibility annually. During
173.7 recertification and reporting under section 256P.10, the agency shall verify the following:

173.8 (1) income, unless excluded, including self-employment earnings;

173.9 (2) assets when the value is within \$200 of the asset limit; and

173.10 (3) inconsistent information, if related to eligibility.

173.11 **EFFECTIVE DATE.** This section is effective March 1, 2025.

173.12 Sec. 68. Minnesota Statutes 2022, section 256P.06, subdivision 3, is amended to read:

173.13 Subd. 3. **Income inclusions.** The following must be included in determining the income
173.14 of an assistance unit:

173.15 (1) earned income; and

173.16 (2) unearned income, which includes:

173.17 (i) interest and dividends from investments and savings;

173.18 (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

173.19 (iii) proceeds from rent and contract for deed payments in excess of the principal and
173.20 interest portion owed on property;

173.21 (iv) income from trusts, excluding special needs and supplemental needs trusts;

173.22 (v) interest income from loans made by the participant or household;

173.23 (vi) cash prizes and winnings;

173.24 (vii) unemployment insurance income that is received by an adult member of the
173.25 assistance unit unless the individual receiving unemployment insurance income is:

173.26 (A) 18 years of age and enrolled in a secondary school; or

173.27 (B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

174.1 (viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors,
 174.2 and disability insurance payments;

174.3 ~~(ix) nonrecurring income over \$60 per quarter unless the nonrecurring income is: (A)~~
 174.4 ~~from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or~~
 174.5 ~~refund of personal or real property or costs or losses incurred when these payments are~~
 174.6 ~~made by: a public agency; a court; solicitations through public appeal; a federal, state, or~~
 174.7 ~~local unit of government; or a disaster assistance organization; (C) provided as an in-kind~~
 174.8 ~~benefit; or (D) earmarked and used for the purpose for which it was intended, subject to~~
 174.9 ~~verification requirements under section 256P.04;~~

174.10 ~~(x)~~ (ix) retirement benefits;

174.11 ~~(xi)~~ (x) cash assistance benefits, as defined by each program in chapters 119B, 256D,
 174.12 256I, and 256J;

174.13 ~~(xii)~~ (xi) Tribal per capita payments unless excluded by federal and state law;

174.14 ~~(xiii)~~ (xii) income from members of the United States armed forces unless excluded
 174.15 from income taxes according to federal or state law;

174.16 ~~(xiv)~~ (xiii) for the purposes of programs under chapters 119B, 256D, and 256I, all child
 174.17 support payments for programs under chapters 119B, 256D, and 256I;

174.18 ~~(xv)~~ (xiv) for the purposes of programs under chapter 256J, the amount of child support
 174.19 received that exceeds \$100 for assistance units with one child and \$200 for assistance units
 174.20 with two or more children for programs under chapter 256J;

174.21 ~~(xvi)~~ (xv) spousal support; ~~and~~

174.22 ~~(xvii)~~ (xvi) workers' compensation; and

174.23 (xvii) for the purposes of programs under chapters 119B and 256J, the amount of
 174.24 retirement, survivors, and disability insurance payments that exceeds the applicable monthly
 174.25 federal maximum Supplemental Security Income payments.

174.26 **EFFECTIVE DATE.** This section is effective September 1, 2024, except the removal
 174.27 of item (ix) related to nonrecurring income is effective July 1, 2024.

174.28 Sec. 69. Minnesota Statutes 2022, section 256P.07, subdivision 1, is amended to read:

174.29 Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security
 174.30 Income and qualify for Minnesota supplemental aid under chapter 256D and or for housing

175.1 support under chapter 256I ~~on the basis of eligibility for Supplemental Security Income~~ are
175.2 exempt from ~~this section~~ reporting income under this chapter.

175.3 **EFFECTIVE DATE.** This section is effective March 1, 2025.

175.4 Sec. 70. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
175.5 to read:

175.6 Subd. 1a. **Child care assistance programs.** Participants who qualify for child care
175.7 assistance programs under chapter 119B are exempt from this section except the reporting
175.8 requirements in subdivision 6.

175.9 **EFFECTIVE DATE.** This section is effective March 1, 2025.

175.10 Sec. 71. Minnesota Statutes 2022, section 256P.07, subdivision 2, is amended to read:

175.11 Subd. 2. **Reporting requirements.** An applicant or participant must provide information
175.12 on an application and any subsequent reporting forms about the assistance unit's
175.13 circumstances that affect eligibility or benefits. An applicant or assistance unit must report
175.14 changes that affect eligibility or benefits as identified in subdivision subdivisions 3, 4, 5,
175.15 7, 8, and 9 during the application period or by the tenth of the month following the month
175.16 the assistance unit's circumstances changed. When information is not accurately reported,
175.17 both an overpayment and a referral for a fraud investigation may result. When information
175.18 or documentation is not provided, the receipt of any benefit may be delayed or denied,
175.19 depending on the type of information required and its effect on eligibility.

175.20 **EFFECTIVE DATE.** This section is effective March 1, 2025.

175.21 Sec. 72. Minnesota Statutes 2022, section 256P.07, subdivision 3, is amended to read:

175.22 Subd. 3. **Changes that must be reported.** ~~An assistance unit must report the changes~~
175.23 ~~or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur,~~
175.24 ~~at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or~~
175.25 ~~within eight calendar days of a reporting period, whichever occurs first. An assistance unit~~
175.26 ~~must report other changes at the time of recertification of eligibility under section 256P.04,~~
175.27 ~~subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency~~
175.28 ~~could have reduced or terminated assistance for one or more payment months if a delay in~~
175.29 ~~reporting a change specified under clauses (1) to (12) had not occurred, the agency must~~
175.30 ~~determine whether a timely notice could have been issued on the day that the change~~
175.31 ~~occurred. When a timely notice could have been issued, each month's overpayment~~
175.32 ~~subsequent to that notice must be considered a client error overpayment under section~~

- 176.1 ~~119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must be reported within~~
176.2 ~~ten days must also be reported for the reporting period in which those changes occurred.~~
176.3 ~~Within ten days, an assistance unit must report:~~
- 176.4 ~~(1) a change in earned income of \$100 per month or greater with the exception of a~~
176.5 ~~program under chapter 119B;~~
- 176.6 ~~(2) a change in unearned income of \$50 per month or greater with the exception of a~~
176.7 ~~program under chapter 119B;~~
- 176.8 ~~(3) a change in employment status and hours with the exception of a program under~~
176.9 ~~chapter 119B;~~
- 176.10 ~~(4) a change in address or residence;~~
- 176.11 ~~(5) a change in household composition with the exception of programs under chapter~~
176.12 ~~256I;~~
- 176.13 ~~(6) a receipt of a lump-sum payment with the exception of a program under chapter~~
176.14 ~~119B;~~
- 176.15 ~~(7) an increase in assets if over \$9,000 with the exception of programs under chapter~~
176.16 ~~119B;~~
- 176.17 ~~(8) a change in citizenship or immigration status;~~
- 176.18 ~~(9) a change in family status with the exception of programs under chapter 256I;~~
- 176.19 ~~(10) a change in disability status of a unit member, with the exception of programs under~~
176.20 ~~chapter 119B;~~
- 176.21 ~~(11) a new rent subsidy or a change in rent subsidy with the exception of a program~~
176.22 ~~under chapter 119B; and~~
- 176.23 ~~(12) a sale, purchase, or transfer of real property with the exception of a program under~~
176.24 ~~chapter 119B.~~
- 176.25 (a) An assistance unit must report changes or anticipated changes as described in this
176.26 section.
- 176.27 (b) An assistance unit must report:
- 176.28 (1) a change in eligibility for Supplemental Security Income, Retirement Survivors
176.29 Disability Insurance, or another federal income support;
- 176.30 (2) a change in address or residence;

177.1 (3) a change in household composition with the exception of programs under chapter
 177.2 256I;

177.3 (4) cash prizes and winnings according to guidance provided for the Supplemental
 177.4 Nutrition Assistance Program;

177.5 (5) a change in citizenship or immigration status;

177.6 (6) a change in family status with the exception of programs under chapter 256I; and

177.7 (7) a change that makes the value of the unit's assets at or above the asset limit.

177.8 (c) When an agency could have reduced or terminated assistance for one or more payment
 177.9 months if a delay in reporting a change specified under paragraph (b) had not occurred, the
 177.10 agency must determine whether the agency could have issued a timely notice on the day
 177.11 that the change occurred. When a timely notice could have been issued, each month's
 177.12 overpayment subsequent to the notice must be considered a client error overpayment under
 177.13 section 256P.08.

177.14 **EFFECTIVE DATE.** This section is effective March 1, 2025, except that the amendment
 177.15 deleting clause (6) is effective July 1, 2024.

177.16 Sec. 73. Minnesota Statutes 2022, section 256P.07, subdivision 4, is amended to read:

177.17 Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under
 177.18 chapter 256J, ~~within ten days of the change,~~ must report:

177.19 (1) a pregnancy not resulting in birth when there are no other minor children; ~~and~~

177.20 (2) a change in school attendance of a parent under 20 years of age ~~or of an employed~~
 177.21 ~~child;~~ and

177.22 (3) an individual in the household who is 18 or 19 years of age attending high school
 177.23 who graduates or drops out of school.

177.24 **EFFECTIVE DATE.** This section is effective March 1, 2025.

177.25 Sec. 74. Minnesota Statutes 2022, section 256P.07, subdivision 6, is amended to read:

177.26 Subd. 6. **Child care assistance programs-specific reporting.** (a) ~~In addition to~~
 177.27 ~~subdivision 3,~~ An assistance unit under chapter 119B, within ten days of the change, must
 177.28 report:

177.29 (1) a change in a parentally responsible individual's custody schedule for any child
 177.30 receiving child care assistance program benefits;

178.1 (2) a permanent end in a parentally responsible individual's authorized activity; ~~and~~

178.2 (3) if the unit's family's annual included income exceeds 85 percent of the state median
178.3 income, adjusted for family size;

178.4 (4) a change in address or residence;

178.5 (5) a change in household composition;

178.6 (6) a change in citizenship or immigration status; and

178.7 (7) a change in family status.

178.8 (b) An assistance unit subject to section 119B.095, subdivision 1, paragraph (b), must
178.9 report a change in the unit's authorized activity status.

178.10 (c) An assistance unit must notify the county when the unit wants to reduce the number
178.11 of authorized hours for children in the unit.

178.12 **EFFECTIVE DATE.** This section is effective March 1, 2025.

178.13 Sec. 75. Minnesota Statutes 2022, section 256P.07, subdivision 7, is amended to read:

178.14 Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision
178.15 3, an assistance unit participating in the Minnesota supplemental aid program under ~~section~~
178.16 ~~256D.44, subdivision 5, paragraph (g), within ten days of the change, chapter 256D and not~~
178.17 receiving Supplemental Security Income must report ~~shelter expenses.:~~

178.18 (1) a change in unearned income of \$50 per month or greater; and

178.19 (2) a change in earned income of \$100 per month or greater.

178.20 (b) An assistance unit receiving housing assistance under section 256D.44, subdivision
178.21 5, paragraph (g), including assistance units that also receive Supplemental Security Income,
178.22 must report:

178.23 (1) a change in shelter expenses; and

178.24 (2) a new rent subsidy or a change in rent subsidy.

178.25 **EFFECTIVE DATE.** This section is effective March 1, 2025.

179.1 Sec. 76. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
179.2 to read:

179.3 **Subd. 8. Housing support-specific reporting.** (a) In addition to subdivision 3, an
179.4 assistance unit participating in the housing support program under chapter 256I and not
179.5 receiving Supplemental Security Income must report:

179.6 (1) a change in unearned income of \$50 per month or greater; and

179.7 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
179.8 is already subject to six-month reporting requirements in section 256P.10.

179.9 (b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving
179.10 housing support under chapter 256I, including an assistance unit that receives Supplemental
179.11 Security Income, must report:

179.12 (1) a new rent subsidy or a change in rent subsidy;

179.13 (2) a change in the disability status of a unit member; and

179.14 (3) a change in household composition if the assistance unit is a participant in housing
179.15 support under section 256I.04, subdivision 3, paragraph (a), clause (3).

179.16 **EFFECTIVE DATE.** This section is effective March 1, 2025.

179.17 Sec. 77. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
179.18 to read:

179.19 **Subd. 9. General assistance-specific reporting.** In addition to subdivision 3, an
179.20 assistance unit participating in the general assistance program under chapter 256D must
179.21 report:

179.22 (1) a change in unearned income of \$50 per month or greater;

179.23 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
179.24 is already subject to six-month reporting requirements in section 256P.10; and

179.25 (3) changes in any condition that would result in the loss of basis for eligibility in section
179.26 256D.05, subdivision 1, paragraph (a).

179.27 **EFFECTIVE DATE.** This section is effective March 1, 2025.

179.28 Sec. 78. **[256P.09] PROSPECTIVE BUDGETING OF BENEFITS.**

179.29 **Subdivision 1. Exempted programs.** Assistance units that qualify for child care
179.30 assistance programs under chapter 119B and assistance units that receive housing support

180.1 under chapter 256I are not subject to reporting under section 256P.10, and assistance units
180.2 that qualify for Minnesota supplemental aid under chapter 256D are exempt from this
180.3 section.

180.4 Subd. 2. **Prospective budgeting of benefits.** An agency subject to this chapter must use
180.5 prospective budgeting to calculate the assistance payment amount.

180.6 Subd. 3. **Initial income.** For the purpose of determining an assistance unit's level of
180.7 benefits, an agency must take into account the income already received by the assistance
180.8 unit during or anticipated to be received during the application period. Income anticipated
180.9 to be received only in the initial month of eligibility must only be counted in the initial
180.10 month.

180.11 Subd. 4. **Income determination.** An agency must use prospective budgeting to determine
180.12 the amount of the assistance unit's benefit for the eligibility period based on the best
180.13 information available at the time of approval. An agency shall only count anticipated income
180.14 when the participant and the agency are reasonably certain of the amount of the payment
180.15 and the month in which the payment will be received. If the exact amount of the income is
180.16 not known, the agency shall consider only the amounts that can be anticipated as income.

180.17 Subd. 5. **Income changes.** An increase in income shall not affect an assistance unit's
180.18 eligibility or benefit amount until the next review unless otherwise required to be reported
180.19 in section 256P.07. A decrease in income shall be effective on the date that the change
180.20 occurs if the change is reported by the tenth of the month following the month when the
180.21 change occurred. If the assistance unit does not report the change in income by the tenth of
180.22 the month following the month when the change occurred, the change in income shall be
180.23 effective on the date the change was reported.

180.24 **EFFECTIVE DATE.** This section is effective March 1, 2025.

180.25 Sec. 79. **[256P.10] SIX-MONTH REPORTING.**

180.26 Subdivision 1. **Exempted programs.** Assistance units that qualify for child care
180.27 assistance programs under chapter 119B, assistance units that qualify for Minnesota
180.28 supplemental aid under chapter 256D, and assistance units that qualify for housing support
180.29 under chapter 256I and also receive Supplemental Security Income are exempt from this
180.30 section.

180.31 Subd. 2. **Reporting.** (a) Every six months, an assistance unit that qualifies for the
180.32 Minnesota family investment program under chapter 256J, an assistance unit that qualifies
180.33 for general assistance under chapter 256D with an earned income of \$100 per month or

181.1 greater, or an assistance unit that qualifies for housing support under chapter 256I with an
181.2 earned income of \$100 per month or greater is subject to six-month reviews. The initial
181.3 reporting period may be shorter than six months in order to align with other programs'
181.4 reporting periods.

181.5 (b) An assistance unit that qualifies for the Minnesota family investment program or an
181.6 assistance unit that qualifies for general assistance with an earned income of \$100 per month
181.7 or greater must complete household report forms as required by the commissioner for
181.8 redetermination of benefits.

181.9 (c) An assistance unit that qualifies for housing support with an earned income of \$100
181.10 per month or greater must complete household report forms as prescribed by the
181.11 commissioner to provide information about earned income.

181.12 (d) An assistance unit that qualifies for housing support and also receives assistance
181.13 through the Minnesota family investment program shall be subject to requirements of this
181.14 section for purposes of the Minnesota family investment program but not for housing support.

181.15 (e) An assistance unit covered by this section must submit a household report form in
181.16 compliance with the provisions in section 256P.04, subdivision 11.

181.17 (f) An assistance unit covered by this section may choose to report changes under this
181.18 section at any time.

181.19 Subd. 3. **When to terminate assistance.** (a) An agency must terminate benefits when
181.20 the assistance unit fails to submit the household report form before the end of the six-month
181.21 review period. If the assistance unit submits the household report form within 30 days of
181.22 the termination of benefits and remains eligible, benefits must be reinstated and made
181.23 available retroactively for the full benefit month.

181.24 (b) When an assistance unit is determined to be ineligible for assistance according to
181.25 this section and chapter 256D, 256I, or 256J, the agency must terminate assistance.

181.26 **EFFECTIVE DATE.** This section is effective March 1, 2025.

181.27 Sec. 80. Minnesota Statutes 2022, section 261.063, is amended to read:

181.28 **261.063 TAX LEVY FOR SOCIAL SERVICES; BOARD DUTY; PENALTY.**

181.29 (a) The board of county commissioners of each county shall annually levy taxes and fix
181.30 a rate sufficient to produce the full amount required for poor relief, general assistance,
181.31 Minnesota family investment program, ~~diversionary work program~~, county share of county
181.32 and state supplemental aid to Supplemental Security Income applicants or recipients, and

182.1 any other Social Security measures wherein there is now or may hereafter be county
182.2 participation, sufficient to produce the full amount necessary for each such item, including
182.3 administrative expenses, for the ensuing year, within the time fixed by law in addition to
182.4 all other tax levies and tax rates, however fixed or determined, and any commissioner who
182.5 shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately
182.6 removed from office by the governor. For the purposes of this paragraph, "poor relief"
182.7 means county services provided under sections 261.035 and 261.21 to 261.231.

182.8 (b) Nothing within the provisions of this section shall be construed as requiring a county
182.9 agency to provide income support or cash assistance to needy persons when they are no
182.10 longer eligible for assistance under general assistance, chapter 256J, or Minnesota
182.11 supplemental aid.

182.12 **EFFECTIVE DATE.** This section is effective March 1, 2024.

182.13 Sec. 81. Minnesota Statutes 2022, section 514.972, subdivision 5, is amended to read:

182.14 Subd. 5. **Access to certain items.** (a) Any occupant may remove from the self-storage
182.15 facility personal papers and health aids upon demand made to any of the persons listed in
182.16 section 514.976, subdivision 1.

182.17 (b) An occupant who provides documentation from a government or nonprofit agency
182.18 or legal aid office that the occupant is a recipient of relief based on need, is eligible for legal
182.19 aid services, or is a survivor of domestic violence or sexual assault may remove, in addition
182.20 to the items provided in paragraph (a), personal clothing of the occupant and the occupant's
182.21 dependents and tools of the trade that are necessary for the livelihood of the occupant that
182.22 has a market value not to exceed \$125 per item.

182.23 (c) The occupant shall present a list of the items and may remove the items during the
182.24 facility's ordinary business hours prior to the sale authorized by section 514.973. If the
182.25 owner unjustifiably denies the occupant access for the purpose of removing the items
182.26 specified in this subdivision, the occupant is entitled to request relief from the court for an
182.27 order allowing access to the storage space for removal of the specified items. The self-service
182.28 storage facility is liable to the occupant for the costs, disbursements, and attorney fees
182.29 expended by the occupant to obtain this order.

182.30 (d) For the purposes of this subdivision, "relief based on need" includes but is not limited
182.31 to receipt of a benefit from the Minnesota family investment program ~~and diversionary~~
182.32 ~~work program~~, medical assistance, general assistance, emergency general assistance,
182.33 Minnesota supplemental aid, Minnesota supplemental aid housing assistance, MinnesotaCare,

183.1 Supplemental Security Income, energy assistance, emergency assistance, Supplemental
183.2 Nutrition Assistance Program benefits, earned income tax credit, or Minnesota working
183.3 family tax credit. Relief based on need can also be proven by providing documentation from
183.4 a legal aid organization that the individual is receiving legal aid assistance, or by providing
183.5 documentation from a government agency, nonprofit, or housing assistance program that
183.6 the individual is receiving assistance due to domestic violence or sexual assault.

183.7 **EFFECTIVE DATE.** This section is effective March 1, 2024.

183.8 Sec. 82. **SUPPLEMENTAL NUTRITION ASSISTANCE OUTREACH PROGRAM.**

183.9 Subdivision 1. **SNAP outreach program.** The commissioner of human services shall
183.10 implement a Supplemental Nutrition Assistance Program (SNAP) outreach program to
183.11 inform low-income households about the availability, eligibility requirements, application
183.12 procedures, and benefits of SNAP that meets the requirements of the United States
183.13 Department of Agriculture.

183.14 Subd. 2. **Duties of commissioner.** In addition to any other duties imposed by federal
183.15 law, the commissioner shall:

183.16 (1) supervise the administration of the SNAP outreach program according to guidance
183.17 provided by the United States Department of Agriculture;

183.18 (2) submit the SNAP outreach plan and budget to the United States Department of
183.19 Agriculture;

183.20 (3) accept any funds provided by the federal government or other sources for SNAP
183.21 outreach;

183.22 (4) administer the request-for-proposals process and establish contracts with grantees
183.23 to ensure SNAP outreach services are available to inform low-income households statewide;

183.24 (5) approve budgets from grantees to ensure that activities are eligible for federal
183.25 reimbursement;

183.26 (6) monitor grantees, review invoices, and reimburse grantees for allowable costs that
183.27 are eligible for federal reimbursement;

183.28 (7) provide technical assistance to grantees to ensure that projects support SNAP outreach
183.29 goals and project costs are eligible for federal reimbursement;

183.30 (8) work in partnership with counties, Tribal Nations, and community organizations to
183.31 enhance the reach and services of a statewide SNAP outreach program; and

184.1 (9) identify and leverage eligible nonfederal funds to earn federal reimbursement for
184.2 SNAP outreach.

184.3 Subd. 3. **Program funding.** (a) Grantees must submit allowable costs for approved
184.4 SNAP outreach activities to the commissioner in order to receive federal reimbursement.

184.5 (b) The commissioner shall disburse federal reimbursement funds for allowable costs
184.6 for approved SNAP outreach activities to the state agency or grantee that incurred the costs
184.7 being reimbursed.

184.8 **Sec. 83. REVISOR INSTRUCTION.**

184.9 The revisor of statutes shall remove from Minnesota Statutes, sections 550.143,
184.10 subdivision 3c; 550.37, subdivision 14; 551.05, subdivision 1d; 571.72, subdivision 10;
184.11 571.912, subdivision 3; and 571.925, the terms "MFIP Diversionary Work Program" and
184.12 "MFIP diversionary work program." The revisor shall also make any necessary grammatical
184.13 changes related to the removal of terms.

184.14 **EFFECTIVE DATE.** This section is effective March 1, 2024.

184.15 **Sec. 84. REPEALER.**

184.16 (a) Minnesota Statutes 2022, sections 256.9864; 256J.08, subdivisions 10, 53, 61, 62,
184.17 81, and 83; 256J.30, subdivisions 5, 7, and 8; 256J.33, subdivisions 3, 4, and 5; 256J.34,
184.18 subdivisions 1, 2, 3, and 4; and 256J.37, subdivision 10, are repealed.

184.19 (b) Minnesota Statutes 2022, section 256J.425, subdivision 6, is repealed.

184.20 (c) Minnesota Statutes 2022, sections 119B.011, subdivision 10a; 256J.08, subdivision
184.21 24b; 256J.95, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19;
184.22 and 256P.07, subdivision 5, are repealed.

184.23 (d) Minnesota Statutes 2022, section 256D.63, subdivision 1, is repealed.

184.24 (e) Minnesota Statutes 2022, section 256.8799, is repealed.

184.25 **EFFECTIVE DATE.** Paragraph (a) is effective March 1, 2025, except the repeal of
184.26 Minnesota Statutes, sections 256J.08, subdivisions 53 and 62, and 256J.37, subdivision 10,
184.27 is effective July 1, 2024. Paragraph (b) is effective May 1, 2026. Paragraph (c) is effective
184.28 March 1, 2024. Paragraph (d) is effective the day following final enactment. Paragraph (e)
184.29 is effective August 1, 2023.

185.1

ARTICLE 6

185.2

HOMELESSNESS

185.3 Section 1. Minnesota Statutes 2022, section 145.4716, subdivision 3, is amended to read:

185.4 Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger shall be eligible
185.5 for all services, support, and programs provided under this section and section 145.4717,
185.6 and all shelter, housing beds, and services provided by the commissioner of human services
185.7 to sexually exploited youth and youth at risk of sexual exploitation under section 256K.47.

185.8 Sec. 2. Minnesota Statutes 2022, section 256K.45, subdivision 3, is amended to read:

185.9 Subd. 3. **Street and community outreach and drop-in program.** Youth drop-in centers
185.10 must provide walk-in access to crisis intervention and ongoing supportive services including
185.11 one-to-one case management services on a self-referral basis. Street and community outreach
185.12 programs must locate, contact, and provide information, referrals, and services to homeless
185.13 youth, youth at risk of homelessness, and runaways. Information, referrals, and services
185.14 provided may include, but are not limited to:

185.15 (1) family reunification services;

185.16 (2) conflict resolution or mediation counseling;

185.17 (3) assistance in obtaining temporary emergency shelter;

185.18 (4) assistance in obtaining food, clothing, medical care, or mental health counseling;

185.19 (5) counseling regarding violence, sexual exploitation, substance abuse, sexually
185.20 transmitted diseases, and pregnancy;

185.21 (6) referrals to other agencies that provide support services to homeless youth, youth at
185.22 risk of homelessness, and runaways;

185.23 (7) assistance with education, employment, and independent living skills;

185.24 (8) aftercare services;

185.25 (9) specialized services for highly vulnerable runaways and homeless youth, including
185.26 ~~teen~~ but not limited to youth at risk of discrimination based on sexual orientation or gender
185.27 identity, young parents, emotionally disturbed and mentally ill youth, and sexually exploited
185.28 youth; and

185.29 (10) homelessness prevention.

186.1 Sec. 3. Minnesota Statutes 2022, section 256K.45, subdivision 7, is amended to read:

186.2 Subd. 7. **Provider repair or improvement grants.** (a) Providers that serve homeless
186.3 youth ~~under this section~~ may apply for a grant of up to ~~\$200,000~~ \$500,000 under this
186.4 subdivision to make minor or mechanical repairs or improvements to a facility providing
186.5 services to homeless youth or youth at risk of homelessness.

186.6 (b) Grant applications under this subdivision must include a description of the repairs
186.7 or improvements and the estimated cost of the repairs or improvements.

186.8 ~~(c) Grantees under this subdivision cannot receive grant funds under this subdivision~~
186.9 ~~for two consecutive years.~~

186.10 Sec. 4. Minnesota Statutes 2022, section 256K.45, is amended by adding a subdivision to
186.11 read:

186.12 Subd. 8. **Awarding of grants.** For grants awarded pursuant to a two-year grant contract,
186.13 the commissioner shall permit grant recipients to carry over any unexpended amount from
186.14 the first contract year to the second contract year.

186.15 Sec. 5. **[256K.47] SAFE HARBOR SHELTER AND HOUSING GRANT PROGRAM.**

186.16 Subdivision 1. **Grant program established.** The commissioner of human services shall
186.17 establish the safe harbor shelter and housing grant program and award grants to providers
186.18 who are committed to serving sexually exploited youth and youth at risk of sexual
186.19 exploitation. The grant program is to provide street and community outreach programs,
186.20 emergency shelter programs, and supportive housing programs, consistent with the program
186.21 descriptions in this section in order to address the specialized outreach, shelter, and housing
186.22 needs of sexually exploited youth and youth at risk of sexual exploitation.

186.23 Subd. 2. **Youth eligible for services.** Youth 24 years of age or younger shall be eligible
186.24 for all shelter, housing beds, and services provided under this section and all services,
186.25 support, and programs provided by the commissioner of health to sexually exploited youth
186.26 and youth at risk of sexual exploitation under sections 145.4716 and 145.4717.

186.27 Subd. 3. **Street and community outreach.** Street and community outreach programs
186.28 receiving grants under this section must locate, contact, and provide information, referrals,
186.29 and services to eligible youth. Information, referrals, and services provided by street and
186.30 community outreach programs may include but are not limited to:

186.31 (1) family reunification services;

- 187.1 (2) conflict resolution or mediation counseling;
- 187.2 (3) assistance in obtaining temporary emergency shelter;
- 187.3 (4) assistance in obtaining food, clothing, medical care, or mental health counseling;
- 187.4 (5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
187.5 infections, and pregnancy;
- 187.6 (6) referrals to other agencies that provide support services to sexually exploited youth
187.7 and youth at risk of sexual exploitation;
- 187.8 (7) assistance with education, employment, and independent living skills;
- 187.9 (8) aftercare services;
- 187.10 (9) specialized services for sexually exploited youth and youth at risk of sexual
187.11 exploitation, including youth experiencing homelessness and youth with mental health
187.12 needs; and
- 187.13 (10) services to address the prevention of sexual exploitation and homelessness.
- 187.14 Subd. 4. **Emergency shelter program.** (a) Emergency shelter programs must provide
187.15 eligible youth with referral and walk-in access to emergency, short-term residential care.
187.16 The program shall provide eligible youth with safe, dignified shelter, including private
187.17 shower facilities, beds, and meals each day; and shall assist eligible youth with reunification
187.18 with the family or legal guardian when required or appropriate.
- 187.19 (b) The services provided at emergency shelters may include but are not limited to:
- 187.20 (1) specialized services to address the trauma of sexual exploitation;
- 187.21 (2) family reunification services;
- 187.22 (3) individual, family, and group counseling;
- 187.23 (4) assistance obtaining clothing;
- 187.24 (5) access to medical and dental care and mental health counseling;
- 187.25 (6) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
187.26 infections, and pregnancy;
- 187.27 (7) education and employment services;
- 187.28 (8) recreational activities;
- 187.29 (9) advocacy and referral services;

188.1 (10) independent living skills training;

188.2 (11) aftercare and follow-up services;

188.3 (12) transportation; and

188.4 (13) services to address the prevention of sexual exploitation and homelessness.

188.5 Subd. 5. **Supportive housing programs.** Supportive housing programs must help eligible
188.6 youth find and maintain safe, dignified housing and provide related supportive services and
188.7 referrals. The program may also provide rental assistance. Services provided in supportive
188.8 housing programs may include but are not limited to:

188.9 (1) specialized services to address the trauma of sexual exploitation;

188.10 (2) education and employment services;

188.11 (3) budgeting and money management;

188.12 (4) assistance in securing housing appropriate to needs and income;

188.13 (5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
188.14 infections, and pregnancy;

188.15 (6) referral for medical services or chemical dependency treatment;

188.16 (7) parenting skills;

188.17 (8) self-sufficiency support services and independent living skills training;

188.18 (9) aftercare and follow-up services; and

188.19 (10) services to address the prevention of sexual exploitation and homelessness
188.20 prevention.

188.21 Subd. 6. **Funding.** Money appropriated for this section may be expended on programs
188.22 described under subdivisions 3 to 5, technical assistance, and capacity building to meet the
188.23 greatest need on a statewide basis.

188.24 Sec. 6. **HOMELESS YOUTH CASH STIPEND PILOT PROJECT.**

188.25 Subdivision 1. **Pilot project established.** The commissioner of human services shall
188.26 establish a homeless youth cash stipend pilot project to provide a direct cash stipend to
188.27 homeless youth in St. Louis County. The pilot project must be designed to meet the needs
188.28 of underserved communities.

188.29 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
188.30 meanings given.

189.1 (b) "Commissioner" means the commissioner of human services.

189.2 (c) "Homeless youth" means a person 18 to 24 years of age who lacks a fixed, regular,
189.3 and adequate nighttime residence. The following are not fixed, regular, or adequate nighttime
189.4 residences:

189.5 (1) a supervised publicly or privately operated shelter designed to provide temporary
189.6 living accommodations;

189.7 (2) an institution or a publicly or privately operated shelter designed to provide temporary
189.8 living accommodations;

189.9 (3) transitional housing;

189.10 (4) a temporary placement with a peer, friend, or family member that has not offered
189.11 permanent residence, a residential lease, or temporary lodging for more than 30 days; or

189.12 (5) a public or private place not designed for, nor ordinarily used as, a regular sleeping
189.13 accommodation for human beings.

189.14 Subd. 3. **Administration.** The commissioner, as authorized by Minnesota Statutes,
189.15 section 256.01, subdivision 2, paragraph (a), clause (6), shall contract with Youthprise to:

189.16 (1) identify eligible homeless youth under this section;

189.17 (2) provide technical assistance to cash stipend recipients;

189.18 (3) engage with cash stipend recipients to develop youth-designed optional services;

189.19 (4) evaluate the efficacy and cost-effectiveness of the pilot program;

189.20 (5) collaborate with youth leaders of each county to identify and contract with the
189.21 appropriate service providers to offer financial coaching, housing navigation, employment,
189.22 education services, and trauma-informed mentoring and support; and

189.23 (6) submit annual updates and a final report to the commissioner.

189.24 Subd. 4. **Eligibility.** Homeless youth who are 18 to 24 years of age and who live in St.
189.25 Louis County at the time of initial enrollment are eligible to participate in the pilot project.

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

189.29 Subd. 6. **Stipends not to be considered income.** (a) Notwithstanding any law to the
189.30 contrary, cash stipends under this section must not be considered income, assets, or personal
189.31 property for purposes of determining eligibility or recertifying eligibility for:

- 190.1 (1) child care assistance programs under Minnesota Statutes, chapter 119B;
190.2 (2) general assistance, Minnesota supplemental aid, and food support under Minnesota
190.3 Statutes, chapter 256D;
190.4 (3) housing support under Minnesota Statutes, chapter 256I;
190.5 (4) the Minnesota family investment program and diversionary work program under
190.6 Minnesota Statutes, chapter 256J; and
190.7 (5) economic assistance programs under Minnesota Statutes, chapter 256P.

190.8 (b) The commissioner must not consider cash stipends under this section as income or
190.9 assets for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a,
190.10 paragraph (a); 3; or 3c.

190.11 (c) Postsecondary institutions as defined in Minnesota Statutes, section 136A.103, shall
190.12 minimize any negative impact on student financial aid resulting from the receipt of cash
190.13 stipends under this section.

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

190.19 Subd. 8. **Expiration.** This section expires June 30, 2027.

190.20 **Sec. 7. EMERGENCY SHELTER FACILITIES.**

190.21 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
190.22 the meanings given.

190.23 (b) "Commissioner" means the commissioner of human services.

190.24 (c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal
190.25 government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue
190.26 Code, or housing and redevelopment authority established under Minnesota Statutes, section
190.27 469.003.

190.28 (d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary,
190.29 accessible, and suitable emergency shelter for individuals and families experiencing
190.30 homelessness, regardless of whether the facility provides emergency shelter during the day,
190.31 overnight, or both.

191.1 Subd. 2. Project criteria. (a) The commissioner shall prioritize grants under this section
191.2 for projects that improve or expand emergency shelter facility options by:

191.3 (1) adding additional emergency shelter facilities by renovating existing facilities not
191.4 currently operating as emergency shelter facilities;

191.5 (2) adding additional emergency shelter facility beds by renovating existing emergency
191.6 shelter facilities, including major projects that address an accumulation of deferred
191.7 maintenance or repair or replacement of mechanical, electrical, and safety systems and
191.8 components in danger of failure;

191.9 (3) adding additional emergency shelter facility beds through acquisition and construction
191.10 of new emergency shelter facilities;

191.11 (4) improving the safety, sanitation, accessibility, and habitability of existing emergency
191.12 shelter facilities, including major projects that address an accumulation of deferred
191.13 maintenance or repair or replacement of mechanical, electrical, and safety systems and
191.14 components in danger of failure; and

191.15 (5) improving access to emergency shelter facilities that provide culturally appropriate
191.16 shelter and gender-inclusive shelter.

191.17 (b) A grant under this section may be used to pay for 100 percent of total project capital
191.18 expenditures or a specified project phase, up to \$10,000,000 per project. For eligible
191.19 applicants seeking funding under this section for the acquisition and construction of new
191.20 emergency shelter facilities under paragraph (a), clause (3), the commissioner must give
191.21 priority to projects in which the eligible applicant will provide at least ten percent of total
191.22 project funding.

191.23 (c) All projects funded with a grant under this section must meet all applicable state and
191.24 local building codes at the time of project completion.

191.25 (d) The commissioner must use a competitive request for proposal process to identify
191.26 potential projects and eligible applicants on a statewide basis. At least 40 percent of the
191.27 appropriation under this section must be awarded to projects located in greater Minnesota.
191.28 If the commissioner does not receive sufficient eligible funding requests from greater
191.29 Minnesota to award at least 40 percent of the appropriation under this section to projects in
191.30 greater Minnesota, the commissioner may award the remaining funds to other eligible
191.31 projects.

191.32 (e) Notwithstanding Minnesota Statutes, sections 16B.98, subdivision 5, paragraph (a),
191.33 clauses (1) and (2), and 16C.05, subdivision 2, paragraph (a), clause (3), final grant recipients

192.1 from a competitive grant process may incur eligible expenses based on an agreed-upon
 192.2 predesign and design work plan and budget commencing July 1, 2023, prior to an
 192.3 encumbrance being established in the accounting system and grant execution.

192.4 **ARTICLE 7**

192.5 **MISCELLANEOUS**

192.6 Section 1. Minnesota Statutes 2022, section 4.045, is amended to read:

192.7 **4.045 CHILDREN'S CABINET.**

192.8 The Children's Cabinet shall consist of the commissioners of education; human services;
 192.9 employment and economic development; public safety; corrections; management and
 192.10 budget; health; administration; Housing Finance Agency, ~~and~~; transportation; and ~~the~~
 192.11 ~~director of the Office of Strategic and Long-Range Planning~~ children, youth, and families.

192.12 The governor shall designate one member to serve as cabinet chair. The chair is responsible
 192.13 for ensuring that the duties of the Children's Cabinet are performed.

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

192.15 Sec. 2. Minnesota Statutes 2022, section 10.65, subdivision 2, is amended to read:

192.16 Subd. 2. **Definitions.** (a) As used in this section, the following terms have the meanings
 192.17 given:

192.18 (1) "agency" means the Department of Administration; Department of Agriculture;
 192.19 Department of Children, Youth, and Families; Department of Commerce; Department of
 192.20 Corrections; Department of Education; Department of Employment and Economic
 192.21 Development; Department of Health; Office of Higher Education; Housing Finance
 192.22 Agency; Department of Human Rights; Department of Human Services; Department of
 192.23 Information Technology Services; Department of Iron Range Resources and Rehabilitation;
 192.24 Department of Labor and Industry; Minnesota Management and Budget; Bureau of
 192.25 Mediation Services; Department of Military Affairs; Metropolitan Council; Department
 192.26 of Natural Resources; Pollution Control Agency; Department of Public Safety; Department
 192.27 of Revenue; Department of Transportation; Department of Veterans Affairs; Gambling
 192.28 Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board;
 192.29 and the Board of Water and Soil Resources;

192.30 (2) "consultation" means the direct and interactive involvement of the Minnesota Tribal
 192.31 governments in the development of policy on matters that have Tribal implications.
 192.32 Consultation is the proactive, affirmative process of identifying and seeking input from

193.1 appropriate Tribal governments and considering their interest as a necessary and integral
193.2 part of the decision-making process. This definition adds to statutorily mandated notification
193.3 procedures. During a consultation, the burden is on the agency to show that it has made a
193.4 good faith effort to elicit feedback. Consultation is a formal engagement between agency
193.5 officials and the governing body or bodies of an individual Minnesota Tribal government
193.6 that the agency or an individual Tribal government may initiate. Formal meetings or
193.7 communication between top agency officials and the governing body of a Minnesota Tribal
193.8 government is a necessary element of consultation;

193.9 (3) "matters that have Tribal implications" means rules, legislative proposals, policy
193.10 statements, or other actions that have substantial direct effects on one or more Minnesota
193.11 Tribal governments, or on the distribution of power and responsibilities between the state
193.12 and Minnesota Tribal governments;

193.13 (4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located
193.14 in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech
193.15 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
193.16 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
193.17 and Upper Sioux Community; and

193.18 (5) "timely and meaningful" means done or occurring at a favorable or useful time that
193.19 allows the result of consultation to be included in the agency's decision-making process for
193.20 a matter that has Tribal implications.

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

193.22 Sec. 3. Minnesota Statutes 2022, section 15.01, is amended to read:

193.23 **15.01 DEPARTMENTS OF THE STATE.**

193.24 The following agencies are designated as the departments of the state government: the
193.25 Department of Administration; the Department of Agriculture; the Department of Children,
193.26 Youth, and Families; the Department of Commerce; the Department of Corrections; the
193.27 Department of Education; the Department of Employment and Economic Development;
193.28 the Department of Health; the Department of Human Rights; the Department of Information
193.29 Technology Services; the Department of Iron Range Resources and Rehabilitation; the
193.30 Department of Labor and Industry; the Department of Management and Budget; the
193.31 Department of Military Affairs; the Department of Natural Resources; the Department of
193.32 Public Safety; the Department of Human Services; the Department of Revenue; the

194.1 Department of Transportation; the Department of Veterans Affairs; and their successor
194.2 departments.

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

194.4 Sec. 4. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

194.5 Subdivision 1. **Applicability.** This section applies to the following departments or
194.6 agencies: the Departments of Administration; Agriculture; Children, Youth, and Families;
194.7 Commerce; Corrections; Education; Employment and Economic Development; Health;
194.8 Human Rights; Labor and Industry; Management and Budget; Natural Resources; Public
194.9 Safety; Human Services; Revenue; Transportation; and Veterans Affairs; the Housing
194.10 Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range
194.11 Resources and Rehabilitation; the Department of Information Technology Services; the
194.12 Bureau of Mediation Services; and their successor departments and agencies. The heads of
194.13 the foregoing departments or agencies are "commissioners."

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

194.15 Sec. 5. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

194.16 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision shall
194.17 not exceed 133 percent of the salary of the governor. This limit must be adjusted annually
194.18 on January 1. The new limit must equal the limit for the prior year increased by the percentage
194.19 increase, if any, in the Consumer Price Index for all urban consumers from October of the
194.20 second prior year to October of the immediately prior year. The commissioner of management
194.21 and budget must publish the limit on the department's website. This subdivision applies to
194.22 the following positions:

194.23 Commissioner of administration;

194.24 Commissioner of agriculture;

194.25 Commissioner of education;

194.26 Commissioner of children, youth, and families;

194.27 Commissioner of commerce;

194.28 Commissioner of corrections;

194.29 Commissioner of health;

194.30 Commissioner, Minnesota Office of Higher Education;

- 195.1 Commissioner, Housing Finance Agency;
- 195.2 Commissioner of human rights;
- 195.3 Commissioner of human services;
- 195.4 Commissioner of labor and industry;
- 195.5 Commissioner of management and budget;
- 195.6 Commissioner of natural resources;
- 195.7 Commissioner, Pollution Control Agency;
- 195.8 Commissioner of public safety;
- 195.9 Commissioner of revenue;
- 195.10 Commissioner of employment and economic development;
- 195.11 Commissioner of transportation; and
- 195.12 Commissioner of veterans affairs.
- 195.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

195.14 Sec. 6. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

195.15 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
195.16 agencies may designate additional unclassified positions according to this subdivision: the
195.17 Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;
195.18 Corrections; Education; Employment and Economic Development; Explore Minnesota
195.19 Tourism; Management and Budget; Health; Human Rights; Labor and Industry; Natural
195.20 Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs;
195.21 the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of
195.22 Investment; the Office of Administrative Hearings; the Department of Information
195.23 Technology Services; the Offices of the Attorney General, Secretary of State, and State
195.24 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
195.25 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

195.26 A position designated by an appointing authority according to this subdivision must
195.27 meet the following standards and criteria:

195.28 (1) the designation of the position would not be contrary to other law relating specifically
195.29 to that agency;

196.1 (2) the person occupying the position would report directly to the agency head or deputy
196.2 agency head and would be designated as part of the agency head's management team;

196.3 (3) the duties of the position would involve significant discretion and substantial
196.4 involvement in the development, interpretation, and implementation of agency policy;

196.5 (4) the duties of the position would not require primarily personnel, accounting, or other
196.6 technical expertise where continuity in the position would be important;

196.7 (5) there would be a need for the person occupying the position to be accountable to,
196.8 loyal to, and compatible with, the governor and the agency head, the employing statutory
196.9 board or commission, or the employing constitutional officer;

196.10 (6) the position would be at the level of division or bureau director or assistant to the
196.11 agency head; and

196.12 (7) the commissioner has approved the designation as being consistent with the standards
196.13 and criteria in this subdivision.

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

196.15 Sec. 7. **[119C.01] GREAT START SCHOLARSHIPS PROGRAM.**

196.16 **Subdivision 1. Establishment; purpose.** The commissioner of children, youth, and
196.17 families, in collaboration with the commissioner of education and the commissioner of
196.18 human services, shall establish and develop the great start scholarships program to ensure
196.19 affordable access to high-quality early care and learning for children from birth to
196.20 kindergarten entry.

196.21 **Subd. 2. Development.** In developing the program under this section, the commissioner
196.22 shall:

196.23 (1) identify ways to integrate the functions, administrative structures, and funding
196.24 mechanisms of early care and learning programs administered by the state with the great
196.25 start scholarships program;

196.26 (2) consider the recommendations made by the Great Start for All Minnesota Children
196.27 Task Force under Laws 2021, First Special Session chapter 7, article 14, section 18,
196.28 subdivision 2;

196.29 (3) make a plan to seamlessly transition the following families to the great start
196.30 scholarships program by July 1, 2026:

197.1 (i) families with at least one child receiving an early learning scholarship under section
197.2 124D.165; and

197.3 (ii) families with at least one child who is not yet in kindergarten and is receiving child
197.4 care assistance under section 119B.03 or 119B.05 for care received from a provider licensed
197.5 under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed, or a Head Start program
197.6 that has a rating under section 124D.142;

197.7 (4) create mechanisms for members of local communities, including families and members
197.8 of the early care and learning workforce, to have input in decisions regarding needs and
197.9 preferences for early care and learning options;

197.10 (5) develop a method for funding early care and learning slots in response to local need
197.11 through contracts with eligible providers that may be used to deliver services that meet
197.12 quality and compensation standards with the intent to build early care and learning capacity
197.13 statewide for children from birth to kindergarten entry; and

197.14 (6) maximize available federal resources while minimizing the extent to which state
197.15 policy is limited by federal regulations. The executive director, in consultation with an
197.16 appropriate state agency, may seek federal technical assistance or outside consultation as
197.17 necessary to provide minimally burdensome program access to all participating families.

197.18 Subd. 3. **Program requirements.** The great start scholarships program must include at
197.19 a minimum:

197.20 (1) family-directed scholarships that provide financial assistance to families voluntarily
197.21 participating in the program;

197.22 (2) family eligibility for any family that has at least one child who is not yet in
197.23 kindergarten;

197.24 (3) provider eligibility for:

197.25 (i) any program licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally
197.26 licensed, that participates in the quality rating and improvement system under section
197.27 124D.142; and

197.28 (ii) any school-based program and Head Start program that has a rating under section
197.29 124D.142;

197.30 (4) a unified, integrated, and simple online application process that utilizes administrative
197.31 data to ease qualification and benefit determination and facilitate required reporting to the
197.32 federal government;

198.1 (5) an integrated electronic attendance tracking system and payments system to safeguard
198.2 program integrity and streamline billing and payment processes for providers; and

198.3 (6) a schedule for scholarship amounts that ensures that no participating family pays
198.4 more than seven percent of annual income for early care and learning services for children
198.5 from birth to kindergarten entry. Scholarship amounts may vary by family income, program
198.6 quality, geography, and need for compensatory services, and may take into consideration
198.7 the results of the market rate survey under section 119B.02, subdivision 7; information from
198.8 cost estimation models for providing early care and learning in the state; and cost information
198.9 gathered through contracts under subdivision 2, clause (5).

198.10 Subd. 4. **Administration.** By May 1, 2026, the commissioner, in consultation with the
198.11 commissioners of education and human services, shall have in place the administrative
198.12 structures and systems needed for the great start scholarships program to meet the operational
198.13 needs of participating families and eligible providers.

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

198.15 Sec. 8. Minnesota Statutes 2022, section 124D.142, subdivision 2, is amended to read:

198.16 Subd. 2. **System components.** (a) The standards-based voluntary quality rating and
198.17 improvement system includes:

198.18 (1) at least a one-star rating for all programs licensed under Minnesota Rules, chapter
198.19 9502 or 9503, that do not opt out of the system under paragraph (b) and that are not:

198.20 (i) the subject of a finding of fraud;

198.21 (ii) prohibited from receiving public funds under section 245.095;

198.22 (iii) under revocation, suspension, temporary immediate suspension, or decertification,
198.23 regardless of whether the action is under appeal; or

198.24 (iv) operating under a conditional license, regardless of whether the license holder has
198.25 requested reconsideration;

198.26 ~~(1)~~ (2) quality opportunities in order to improve the educational outcomes of children
198.27 so that they are ready for school;

198.28 ~~(2)~~ (3) a framework based on the Minnesota quality rating system rating tool and a
198.29 common set of child outcome and program standards informed by evaluation results;

198.30 ~~(3)~~ (4) a tool to increase the number of publicly funded and regulated early learning and
198.31 care services in both public and private market programs that are high quality;

199.1 ~~(4)~~ (5) voluntary participation ensuring that if a program or provider chooses to
199.2 participate, the program or provider will be rated and may receive public funding associated
199.3 with the rating; and

199.4 ~~(5)~~ (6) tracking progress toward statewide access to high-quality early learning and care
199.5 programs, progress toward the number of low-income children whose parents can access
199.6 quality programs, and progress toward increasing the number of children who are fully
199.7 prepared to enter kindergarten.

199.8 (b) The commissioner of human services shall establish a process by which a program
199.9 may opt out of the rating under paragraph (a), clause (1).

199.10 **Sec. 9. [143.01] DEFINITIONS.**

199.11 Subdivision 1. **Application.** The definitions in this section apply to this chapter.

199.12 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of children, youth,
199.13 and families.

199.14 Subd. 3. **Department.** "Department" means the Department of Children, Youth, and
199.15 Families.

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

199.17 **Sec. 10. [143.02] CREATION OF THE DEPARTMENT OF CHILDREN, YOUTH,**
199.18 **AND FAMILIES.**

199.19 Subdivision 1. **Department.** The Department of Children, Youth, and Families is
199.20 established.

199.21 Subd. 2. **Transfer and restructuring provisions.** The restructuring of agencies under
199.22 this act must be conducted in accordance with sections 15.039 and 43A.045.

199.23 Subd. 3. **Successor and employee protection clause.** (a) Personnel relating to the
199.24 functions assigned to the commissioner in section 143.03 are transferred to the department
199.25 effective 30 days after approval by the commissioner.

199.26 (b) Before the commissioner's appointment, personnel relating to the functions in this
199.27 section may be transferred beginning July 1, 2024, with 30 days' notice from the
199.28 commissioner of management and budget.

199.29 (c) The following protections shall apply to employees who are transferred to the
199.30 department from state agencies:

- 200.1 (1) no transferred employee shall have their employment status and job classification
200.2 altered as a result of the transfer;
- 200.3 (2) transferred employees who were represented by an exclusive representative prior to
200.4 the transfer shall continue to be represented by the same exclusive representative after the
200.5 transfer;
- 200.6 (3) any applicable collective bargaining agreements with exclusive representatives shall
200.7 continue in full force and effect for transferred employees after the transfer;
- 200.8 (4) when an employee in a temporary unclassified position is transferred to the
200.9 department, the total length of time that the employee has served in the appointment shall
200.10 include all time served in the appointment at the transferring agency and the time served in
200.11 the appointment at the department. An employee in a temporary unclassified position who
200.12 was hired by a transferring agency through an open competitive selection process in
200.13 accordance with a policy enacted by the commissioner of management and budget shall be
200.14 considered to have been hired through such process after the transfer;
- 200.15 (5) the state shall have the obligation to meet and negotiate with the exclusive
200.16 representatives of the transferred employees about any proposed changes affecting or relating
200.17 to the transferred employees' terms and conditions of employment to the extent that the
200.18 proposed changes are not addressed in the applicable collective bargaining agreement; and
- 200.19 (6) in the event that the state transfers ownership or control of any facilities, services,
200.20 or operations of the department to another private or public entity by subcontracting, sale,
200.21 assignment, lease, or other transfer, the state shall require as a written condition of the
200.22 transfer of ownership or control the following:
- 200.23 (i) employees who perform work in the facilities, services, or operations must be offered
200.24 employment with the entity acquiring ownership or control before the entity offers
200.25 employment to any individual who was not employed by the transferring agency at the time
200.26 of the transfer; and
- 200.27 (ii) the wage and benefit standards of the transferred employees must not be reduced by
200.28 the entity acquiring ownership or control through the expiration of the collective bargaining
200.29 agreement in effect at the time of the transfer or for a period of two years after the transfer,
200.30 whichever is longer.
- 200.31 There is no liability on the part of, and no cause of action arises against, the state of
200.32 Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership
200.33 or control of any facilities, services, or operations of the department.

201.1 (d) To the extent that departmental changes affect the operations of any school district
201.2 or charter school, employers have the obligation to bargain about any changes affecting or
201.3 relating to employees' terms and conditions of employment if the changes are necessary
201.4 during or after the term of an existing collective bargaining agreement.

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

201.6 **Sec. 11. [143.03] COMMISSIONER.**

201.7 Subdivision 1. **General.** The department is under the administrative control of the
201.8 commissioner. The commissioner is appointed by the governor with the advice and consent
201.9 of the senate. The commissioner has the general powers provided in section 15.06,
201.10 subdivision 6. The commissioner's salary must be established according to the procedure
201.11 in section 15A.0815, subdivision 5, in the same range as specified for the commissioner of
201.12 management and budget.

201.13 Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept
201.14 on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying
201.15 out the duties and responsibilities of the commissioner. Any money received under this
201.16 paragraph is appropriated and dedicated for the purpose for which the money is granted.
201.17 The commissioner must biennially report to the chairs and ranking minority members of
201.18 relevant legislative committees and divisions by January 15 of each even-numbered year a
201.19 list of all grants and gifts received under this subdivision.

201.20 (b) Pursuant to law, the commissioner may apply for and receive money made available
201.21 from federal sources for the purpose of carrying out the duties and responsibilities of the
201.22 commissioner.

201.23 (c) The commissioner may make contracts with and grants to Tribal Nations, public and
201.24 private agencies and organizations, both for-profit and nonprofit, and individuals using
201.25 appropriated money.

201.26 (d) The commissioner must develop program objectives and performance measures for
201.27 evaluating progress toward achieving the objectives. The commissioner must identify the
201.28 objectives, performance measures, and current status of achieving the measures in a biennial
201.29 report to the chairs and ranking minority members of relevant legislative committees and
201.30 divisions. The report is due no later than January 15 each even-numbered year. The report
201.31 must include, when possible, the following objectives:

201.32 (1) considering the experiences of children, youth, and families in all aspects of the
201.33 department's work;

202.1 (2) increasing the effectiveness of the department's programs in addressing the needs of
202.2 children and youth facing racial, economic, or geographic inequities;

202.3 (3) increasing coordination and reducing inefficiencies among the department's programs
202.4 and the funding sources that support the programs;

202.5 (4) increasing the alignment and coordination of family access to child care and early
202.6 learning programs and improving systems of support for early childhood and learning
202.7 providers and services;

202.8 (5) improving the connection between the department's programs and the kindergarten
202.9 through grade 12 system and the higher education system; and

202.10 (6) minimizing and streamlining the effort required of youth and families to receive
202.11 services to which the youth and families are entitled.

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

202.13 **Sec. 12. [143.04] STATE AND COUNTY SYSTEMS.**

202.14 **Subdivision 1. Establishment of systems.** (a) The commissioner shall establish and
202.15 enhance computer systems necessary for the efficient operation of the programs the
202.16 commissioner supervises, including:

202.17 (1) management and administration of the Supplemental Nutrition Assistance Program
202.18 (SNAP) and income maintenance program, including the electronic distribution of benefits;
202.19 and

202.20 (2) management and administration of the child support enforcement program.

202.21 (b) The commissioner's development costs incurred by computer systems for statewide
202.22 programs administered with that computer system and mandated by state or federal law
202.23 must not be assessed against county agencies. The commissioner may charge a county for
202.24 development and operating costs incurred by computer systems for functions requested by
202.25 the county and not mandated by state or federal law for programs administered by the
202.26 computer system incurring the cost.

202.27 (c) The commissioner shall distribute the nonfederal share of the costs of operating and
202.28 maintaining the systems to the commissioner and to the counties participating in the system
202.29 in a manner that reflects actual system usage, except that the nonfederal share of the costs
202.30 of the MAXIS computer system and child support enforcement systems for statewide
202.31 programs administered by those systems and mandated by state or federal law shall be borne
202.32 entirely by the commissioner.

203.1 (d) The commissioner may enter into contractual agreements with federally recognized
203.2 Indian Tribes with a reservation in Minnesota to participate in state-operated computer
203.3 systems related to the management and administration of the SNAP, income maintenance,
203.4 and child support enforcement programs to the extent necessary for the Tribe to operate a
203.5 federally approved family assistance program or any other program under the supervision
203.6 of the commissioner.

203.7 Subd. 2. **State systems account created.** A state systems account for the Department
203.8 of Children, Youth, and Families is created in the state treasury. Money collected by the
203.9 commissioner for the programs in subdivision 1 must be deposited in the account. Money
203.10 in the state systems account and federal matching money are appropriated to the
203.11 commissioner for purposes of this section.

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

203.13 Sec. 13. **[143.05] RULEMAKING.**

203.14 (a) The commissioner may use the procedure in section 14.386, paragraph (a), to adopt
203.15 rules necessary to implement the responsibilities transferred under this act or through section
203.16 16B.37. Section 14.386, paragraph (b), does not apply to these rules.

203.17 (b) The commissioner must amend Minnesota Rules to make conforming changes related
203.18 to the transfer of responsibilities under this act or through section 16B.37. The commissioner
203.19 must obtain the approval of the commissioners of human services, education, health, and
203.20 public safety for any amendments to or repeal of rules in existence on the effective date of
203.21 this section and administered under the authority of those agencies.

203.22 (c) The time limit in section 14.125 is extended to 36 months for rulemaking under
203.23 paragraphs (a) and (b). The commissioner must publish a notice of intent to adopt rules or
203.24 a notice of hearing within 36 months of the effective date reported under section 143.05,
203.25 subdivision 1, paragraph (c).

203.26 (d) The commissioner may adopt rules for the administration of activities related to the
203.27 department. Rules adopted under this paragraph are subject to the rulemaking requirements
203.28 of chapter 14.

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

204.1 Sec. 14. Minnesota Statutes 2022, section 256.014, subdivision 1, is amended to read:

204.2 Subdivision 1. **Establishment of systems.** (a) The commissioner of human services
204.3 shall establish and enhance computer systems necessary for the efficient operation of ~~the~~
204.4 medical assistance and other programs the commissioner supervises, ~~including:~~

204.5 ~~(1) management and administration of the Supplemental Nutrition Assistance Program~~
204.6 ~~(SNAP) and income maintenance program, including the electronic distribution of benefits;~~

204.7 ~~(2) management and administration of the child support enforcement program; and~~

204.8 ~~(3) administration of medical assistance.~~

204.9 (b) The commissioner's development costs incurred by computer systems for statewide
204.10 programs administered by that computer system and mandated by state or federal law must
204.11 not be assessed against county agencies. The commissioner may charge a county for
204.12 development and operating costs incurred by computer systems for functions requested by
204.13 the county and not mandated by state or federal law for programs administered by the
204.14 computer system incurring the cost.

204.15 (c) The commissioner shall distribute the nonfederal share of the costs of operating and
204.16 maintaining the systems to the commissioner and to the counties participating in the system
204.17 in a manner that reflects actual system usage, except that the nonfederal share of the costs
204.18 of the MAXIS computer system ~~and child support enforcement systems~~ for statewide
204.19 programs administered by ~~those systems~~ that system and mandated by state or federal law
204.20 shall be borne entirely by the commissioner.

204.21 The commissioner may enter into contractual agreements with federally recognized
204.22 Indian tribes with a reservation in Minnesota to participate in state-operated computer
204.23 systems related to the management and administration of the ~~SNAP, income maintenance,~~
204.24 ~~child support enforcement, and~~ medical assistance programs program to the extent necessary
204.25 for the tribe to operate a ~~federally approved family~~ the medical assistance program or any
204.26 other program under the supervision of the commissioner.

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

204.28 Sec. 15. Minnesota Statutes 2022, section 256.014, subdivision 2, is amended to read:

204.29 Subd. 2. **State systems account created.** A state systems account for the Department
204.30 of Human Services is created in the state treasury. Money collected by the commissioner
204.31 of human services for the programs in subdivision 1 must be deposited in the account.

205.1 Money in the state systems account and federal matching money is appropriated to the
205.2 commissioner of human services for purposes of this section.

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

205.4 Sec. 16. **APPOINTMENT OF COMMISSIONER OF CHILDREN, YOUTH, AND**
205.5 **FAMILIES.**

205.6 The governor shall appoint a commissioner-designee of the Department of Children,
205.7 Youth, and Families. The person appointed becomes the governor's appointee as the
205.8 commissioner of children, youth, and families on July 1, 2024.

205.9 Sec. 17. **TRANSFERS FROM OTHER AGENCIES.**

205.10 Subdivision 1. **General.** (a) Between July 1, 2024, and July 1, 2025, the Departments
205.11 of Human Services, Education, and Public Safety must transition all of the responsibilities
205.12 held by these departments and described in this section to the Department of Children,
205.13 Youth, and Families.

205.14 (b) Notwithstanding paragraph (a), any programs identified in paragraph (a) that require
205.15 federal approval to move to the Department of Children, Youth, and Families must be
205.16 transferred on or after July 1, 2024, and upon the federal government granting transfer
205.17 authority to the commissioner of children, youth, and families.

205.18 (c) The commissioner of children, youth, and families must report an effective date of
205.19 the transfer of each responsibility identified in this section to the commissioners of
205.20 administration, management and budget, and other relevant departments along with the
205.21 secretary of the senate, the chief clerk of the house of representatives, and the chairs and
205.22 ranking minority members of relevant legislative committees and divisions. The reported
205.23 date is the effective date of transfer of responsibilities under Minnesota Statutes, section
205.24 15.039.

205.25 (d) The requirement in Minnesota Statutes, section 16B.37, subdivision 1, that a state
205.26 agency must have been in existence for at least one year before being eligible for receiving
205.27 a transfer of personnel, powers, or duties does not apply to the Department of Children,
205.28 Youth, and Families.

205.29 (e) Notwithstanding Minnesota Statutes, section 15.039, subdivision 6, for the transfer
205.30 of responsibilities conducted under this chapter, the unexpended balance of any appropriation
205.31 to an agency for the purposes of any responsibilities that are transferred to the Department
205.32 of Children, Youth, and Families, along with the operational functions to support the

206.1 responsibilities transferred, including administrative, legal, information technology, and
206.2 personnel support, and a proportional share of base funding, are reappropriated under the
206.3 same conditions as the original appropriation to the Department of Children, Youth, and
206.4 Families effective on the date of the transfer of responsibilities and related elements. The
206.5 commissioner of management and budget shall identify and allocate any unexpended
206.6 appropriations and base funding.

206.7 (f) The commissioner of children, youth, and families or management and budget may
206.8 request an extension to transfer any responsibility listed in this section. The commissioner
206.9 of children, youth, and families or management and budget may request that the transfer of
206.10 any responsibility listed in this section be canceled if an effective date has not been reported
206.11 under paragraph (c). Any request under this paragraph must be made in writing to the
206.12 governor. Upon approval from the governor, the transfer may be delayed or canceled. Within
206.13 ten days after receiving the approval of the governor, the commissioner who requested the
206.14 transfer shall submit to the chairs and ranking minority members of relevant legislative
206.15 committees and divisions a notice of any extensions or cancellations granted under this
206.16 paragraph.

206.17 (g) The commissioner of children, youth, and families must provide four successive
206.18 quarterly reports to relevant legislative committees on the status of transferring programs;
206.19 responsibilities; not public data as defined in section 13.02, subdivision 8a; and personnel
206.20 under this section. The first report must cover the quarter starting July 1, 2024, and each
206.21 report must be submitted by the 15th of the month following the quarter end.

206.22 Subd. 2. **Department of Human Services.** The powers and duties of the Department
206.23 of Human Services with respect to the following responsibilities and related elements are
206.24 transferred to the Department of Children, Youth, and Families according to Minnesota
206.25 Statutes, section 15.039:

206.26 (1) family services and community-based collaboratives under Minnesota Statutes,
206.27 section 124D.23;

206.28 (2) child care programs under Minnesota Statutes, chapter 119B;

206.29 (3) Parent Aware quality rating and improvement system under Minnesota Statutes,
206.30 section 124D.142;

206.31 (4) migrant child care services under Minnesota Statutes, section 256M.50;

206.32 (5) early childhood and school-age professional development training under Laws 2007,
206.33 chapter 147, article 2, section 56;

- 207.1 (6) licensure of family child care and child care centers, child foster care, and private
207.2 child placing agencies under Minnesota Statutes, chapter 245A;
- 207.3 (7) certification of license-exempt child care centers under Minnesota Statutes, chapter
207.4 245H;
- 207.5 (8) program integrity and fraud related to the Child Care Assistance Program (CCAP),
207.6 the Minnesota Family Investment Program (MFIP), and the Supplemental Nutrition
207.7 Assistance Program (SNAP) under Minnesota Statutes, chapters 119B and 245E;
- 207.8 (9) SNAP under Minnesota Statutes, sections 256D.61 to 256D.63;
- 207.9 (10) electronic benefit transactions under Minnesota Statutes, sections 256.9862,
207.10 256.9863, 256.9865, 256.987, 256.9871, 256.9872, and 256J.77;
- 207.11 (11) Minnesota food assistance program under Minnesota Statutes, section 256D.64;
- 207.12 (12) Minnesota food shelf program under Minnesota Statutes, section 256E.34;
- 207.13 (13) MFIP and Temporary Assistance for Needy Families (TANF) under Minnesota
207.14 Statutes, sections 256.9864 and 256.9865 and chapters 256J and 256P;
- 207.15 (14) Diversionary Work Program (DWP) under Minnesota Statutes, section 256J.95;
- 207.16 (15) resettlement programs under Minnesota Statutes, section 256B.06, subdivision 6;
- 207.17 (16) child abuse under Minnesota Statutes, chapter 256E;
- 207.18 (17) reporting of the maltreatment of minors under Minnesota Statutes, chapter 260E;
- 207.19 (18) children in voluntary foster care for treatment under Minnesota Statutes, chapter
207.20 260D;
- 207.21 (19) juvenile safety and placement under Minnesota Statutes, chapter 260C;
- 207.22 (20) the Minnesota Indian Family Preservation Act under Minnesota Statutes, sections
207.23 260.751 to 260.835;
- 207.24 (21) the Interstate Compact for Juveniles under Minnesota Statutes, section 260.515,
207.25 and the Interstate Compact on the Placement of Children under Minnesota Statutes, sections
207.26 260.851 to 260.93;
- 207.27 (22) adoption under Minnesota Statutes, sections 259.20 to 259.89;
- 207.28 (23) Northstar Care for Children under Minnesota Statutes, chapter 256N;
- 207.29 (24) child support under Minnesota Statutes, chapters 13, 13B, 214, 256, 256J, 257, 259,
207.30 518, 518A, 518C, 551, 552, 571, and 588, and Minnesota Statutes, section 609.375;

208.1 (25) community action programs under Minnesota Statutes, sections 256E.30 to 256E.32;
208.2 and

208.3 (26) Family Assets for Independence in Minnesota under Minnesota Statutes, section
208.4 256E.35.

208.5 Subd. 3. **Department of Education.** The powers and duties of the Department of
208.6 Education with respect to the following responsibilities and related elements are transferred
208.7 to the Department of Children, Youth, and Families according to Minnesota Statutes, section
208.8 15.039:

208.9 (1) Head Start Program and Early Head Start under Minnesota Statutes, sections 119A.50
208.10 to 119A.545;

208.11 (2) the early childhood screening program under Minnesota Statutes, sections 121A.16
208.12 to 121A.19;

208.13 (3) early learning scholarships under Minnesota Statutes, section 124D.165;

208.14 (4) the interagency early childhood intervention system under Minnesota Statutes,
208.15 sections 125A.259 to 125A.48;

208.16 (5) voluntary prekindergarten programs and school readiness plus programs under
208.17 Minnesota Statutes, section 124D.151;

208.18 (6) early childhood family education programs under Minnesota Statutes, sections
208.19 124D.13 to 124D.135;

208.20 (7) school readiness under Minnesota Statutes, sections 124D.15 to 124D.16; and

208.21 (8) after-school community learning programs under Minnesota Statutes, section
208.22 124D.2211.

208.23 Subd. 4. **Department of Public Safety.** The powers and duties of the Department of
208.24 Public Safety with respect to the following responsibilities and related elements are
208.25 transferred to the Department of Children, Youth, and Families according to Minnesota
208.26 Statutes, section 15.039:

208.27 (1) the juvenile justice program under Minnesota Statutes, section 299A.72; and

208.28 (2) grants-in-aid to youth intervention programs under Minnesota Statutes, section
208.29 299A.73.

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

209.1 Sec. 18. TRANSITION REPORT TO THE LEGISLATURE.

209.2 By March 1, 2024, the commissioner of management and budget must report to the
209.3 legislature on the status of work related to establishing and setting up the Department of
209.4 Children, Youth, and Families. The report must address, at a minimum:

209.5 (1) the completed, ongoing, and anticipated work related to the transfer of programs,
209.6 responsibilities, and personnel to the department;

209.7 (2) the development of interagency agreements for services that will be shared by
209.8 agencies, including any agreements related to access or sharing of not public data;

209.9 (3) efforts to secure needed federal approvals for the transfer of programs and
209.10 responsibilities;

209.11 (4) regular engagement with leaders and staff of state agencies, county and Tribal
209.12 governments, and school districts about the creation of the department and the transfer of
209.13 programs; responsibilities; not public data as defined in section 13.02, subdivision 8a; and
209.14 personnel to the department;

209.15 (5) input from individuals impacted by the programs that are to be transferred to the
209.16 department and input from local services providers and other stakeholders about how to
209.17 improve services through the creation of the department; and

209.18 (6) plans and timelines related to the items referenced in clauses (1) to (5).

209.19 (b) The report must include recommendations for how to coordinate and partner with
209.20 county and Tribal governments, including through the use of a governing authority, such
209.21 as an intergovernmental advisory committee. The recommendations must be developed in
209.22 coordination with county and Tribal governments.

209.23 (c) The report must include input from stakeholders and recommendations for improving
209.24 service coordination and delivery for families with children who have disabilities, including
209.25 recommendations for coordinating services between state agencies in the areas of child
209.26 protection, early education, children's mental health, disability services, and other areas
209.27 relevant to families with children who have disabilities.

209.28 Sec. 19. DATA PRACTICES.

209.29 (a) To the extent not prohibited by state or federal law, and notwithstanding the data's
209.30 classification under Minnesota Statutes, chapter 13:

210.1 (1) the commissioner of children, youth, and families may access data maintained by
210.2 the commissioners of education, human services, and public safety related to the
210.3 responsibilities transferred under section 17; and

210.4 (2) the commissioners of education, human services, and public safety may access data
210.5 maintained by the commissioner of children, youth, and families related to each department's
210.6 respective responsibilities transferred under section 17.

210.7 (b) Data sharing authorized by this subdivision includes only the data necessary to
210.8 coordinate department activities and services transferred under section 17.

210.9 (c) Any data shared under this section retain the data's classification from the agency
210.10 holding the data.

210.11 (d) Existing limitations and legal requirements under Minnesota Statutes, chapter 13,
210.12 including but not limited to any applicable data subject to consent requirements, apply to
210.13 any data accessed, transferred, disseminated, or shared under this section.

210.14 (e) This section expires July 1, 2027.

210.15 **Sec. 20. MODERNIZING INFORMATION TECHNOLOGY FOR PROGRAMS**
210.16 **IMPACTING CHILDREN AND FAMILIES.**

210.17 (a) To the extent there is funding available in the children and families information
210.18 technology account in the special revenue fund, the commissioner of information technology
210.19 services shall develop and implement a plan to transform and modernize the information
210.20 technology systems that support the programs impacting children and families, including
210.21 youth programs and child care and early learning programs, currently administered by the
210.22 Departments of Education and Human Services and other departments with programs
210.23 impacting children and families as identified by the Children's Cabinet. The commissioner
210.24 may contract for the services contained in this section.

210.25 (b) The plan must support the goal of creating new or modernizing existing information
210.26 technology systems for child- and family-focused programs that collect, analyze, share, and
210.27 report data on program participation and service coordination and school readiness, early
210.28 screening, and other childhood indicators. The plan must include strategies to:

210.29 (1) minimize the time and effort needed for families to apply for, enroll in, and maintain
210.30 enrollment in programs;

210.31 (2) minimize the time and effort needed for providers to administer programs;

210.32 (3) improve coordination among programs for families;

211.1 (4) assess the impact of childhood programs on children's outcomes, including school
211.2 readiness and educational outcomes; and

211.3 (5) monitor and collect nonbiometric attendance data at child care centers licensed under
211.4 Minnesota Rules, chapter 9503, through a combination of state-provided technology and
211.5 integration with private child care management systems.

211.6 (c) In developing and implementing the plan required under this section, the contractor
211.7 must consult with the commissioners of education and human services and other departments
211.8 with programs impacting children and families as identified by the Children's Cabinet and
211.9 other stakeholders.

211.10 (d) By February 1 of each year, the commissioner must provide a report to the legislative
211.11 committees with jurisdiction over impacted programs on the status of the use of money,
211.12 plan development, and strategy implementation.

211.13 **Sec. 21. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD**
211.14 **CARE AND EARLY EDUCATION PROFESSIONAL WAGE SCALE.**

211.15 (a) The commissioner of human services shall develop, in consultation with the
211.16 commissioners of employment and economic development and education, the Children's
211.17 Cabinet, and relevant stakeholders, a process for recognizing comparable competencies for
211.18 use in a wage scale and a child care and early education professional wage scale that:

211.19 (1) implements the wage scale recommendations made by the Great Start for All
211.20 Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article
211.21 14, section 18;

211.22 (2) provides recommended wages that are equivalent to elementary school educators
211.23 with similar credentials and experience;

211.24 (3) provides recommended levels of compensation and benefits, such as professional
211.25 development stipends, health care benefits, and retirement benefits, that vary based on child
211.26 care and early education professional roles and qualifications and other criteria established
211.27 by the commissioner;

211.28 (4) incorporates, to the extent feasible, qualifications inclusive of competencies attained
211.29 through experience, training, and educational attainment; and

211.30 (5) is applicable to the following types of child care and early education programs:

211.31 (i) licensed family and group family child care under Minnesota Rules, chapter 9502;

211.32 (ii) licensed child care centers under Minnesota Rules, chapter 9503;

- 212.1 (iii) certified, license-exempt child care centers under Minnesota Statutes, chapter 245H;
212.2 (iv) voluntary prekindergarten and school readiness plus programs;
212.3 (v) school readiness programs;
212.4 (vi) early childhood family education programs;
212.5 (vii) programs for children who are eligible for Part B or Part C of the Individuals with
212.6 Disabilities Education Act, Public Law 108-446; and
212.7 (viii) Head Start programs.

- 212.8 (b) By January 30, 2025, the commissioner shall report to the legislative committees
212.9 with jurisdiction over early childhood programs on the development of the wage scale, make
212.10 recommendations for implementing a process for recognizing comparable competencies,
212.11 and make recommendations about how the wage scale could be used to inform payment
212.12 rates for child care assistance under Minnesota Statutes, chapter 119B, and great start
212.13 scholarships under Minnesota Statutes, section 119C.01.

212.14 **Sec. 22. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; COST**
212.15 **ESTIMATION MODEL FOR EARLY CARE AND LEARNING PROGRAMS.**

- 212.16 (a) The commissioner of human services shall develop a cost estimation model for
212.17 providing early care and learning in the state. In developing the model, the commissioner
212.18 shall consult with relevant entities and stakeholders, including but not limited to the State
212.19 Advisory Council on Early Childhood Education and Care under Minnesota Statutes, section
212.20 124D.141; county administrators; child care resource and referral organizations under
212.21 Minnesota Statutes, section 119B.19, subdivision 1; and organizations representing
212.22 caregivers, teachers, and directors.

- 212.23 (b) The commissioner shall contract with an organization with experience and expertise
212.24 in early care and learning cost estimation modeling to conduct the work outlined in this
212.25 section. If practicable, the commissioner shall contract with First Children's Finance.

- 212.26 (c) The commissioner shall ensure that the model can estimate variation in the cost of
212.27 early care and learning by:

- 212.28 (1) the quality of care;
212.29 (2) the geographic area;
212.30 (3) the type of child care provider and associated licensing standards;
212.31 (4) the age of the child;

213.1 (5) whether the early care and learning is inclusive by caring for children with disabilities
 213.2 alongside children without disabilities;

213.3 (6) child care provider and staff compensation, including benefits such as professional
 213.4 development stipends, health care benefits, and retirement benefits;

213.5 (7) a child care provider's fixed costs, including rent and mortgage payments, property
 213.6 taxes, and business-related insurance payments;

213.7 (8) a child care provider's operating expenses, including expenses for training and
 213.8 substitutes; and

213.9 (9) a child care provider's hours of operation.

213.10 (d) By January 30, 2025, the commissioner shall report to the legislative committees
 213.11 with jurisdiction over early childhood programs on the development of the cost estimation
 213.12 model. The report must include:

213.13 (1) recommendations on how the model could be used in conjunction with a child care
 213.14 and early education professional wage scale to set child care provider payment rates for
 213.15 child care assistance under Minnesota Statutes, chapter 119B, and great start scholarships
 213.16 under Minnesota Statutes, section 119C.01; and

213.17 (2) a plan to seek federal approval to use the model for child care provider payment rates
 213.18 for child care assistance.

213.19 Sec. 23. **REVISOR INSTRUCTION.**

213.20 The revisor of statutes must identify, in consultation with the commissioners of
 213.21 management and budget; human services; education; health; and public safety and with
 213.22 nonpartisan legislative offices, any changes to Minnesota Statutes and Minnesota Rules
 213.23 necessary to facilitate the transfer of responsibilities under this act, the authority to fulfill
 213.24 the responsibilities under this act, and the related operational functions needed to implement
 213.25 the necessary legal changes and responsibilities under this act. By February 1, 2024, the
 213.26 revisor of statutes must submit to the chairs and ranking minority members of relevant
 213.27 legislative committees draft legislation with the statutory changes necessary to implement
 213.28 this act.

213.29

ARTICLE 8

213.30

HEALTH AND HUMAN SERVICES APPROPRIATIONS

213.31 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

- 215.1 only nonfederal money expended for allowable
215.2 activities listed in the following clauses:
- 215.3 (1) MFIP cash, diversionary work program,
215.4 and food assistance benefits under Minnesota
215.5 Statutes, chapter 256J;
- 215.6 (2) the child care assistance programs under
215.7 Minnesota Statutes, sections 119B.03 and
215.8 119B.05, and county child care administrative
215.9 costs under Minnesota Statutes, section
215.10 119B.15;
- 215.11 (3) state and county MFIP administrative costs
215.12 under Minnesota Statutes, chapters 256J and
215.13 256K;
- 215.14 (4) state, county, and Tribal MFIP
215.15 employment services under Minnesota
215.16 Statutes, chapters 256J and 256K;
- 215.17 (5) expenditures made on behalf of legal
215.18 noncitizen MFIP recipients who qualify for
215.19 the MinnesotaCare program under Minnesota
215.20 Statutes, chapter 256L;
- 215.21 (6) qualifying working family credit
215.22 expenditures under Minnesota Statutes, section
215.23 290.0671;
- 215.24 (7) qualifying Minnesota education credit
215.25 expenditures under Minnesota Statutes, section
215.26 290.0674; and
- 215.27 (8) qualifying Head Start expenditures under
215.28 Minnesota Statutes, section 119A.50.
- 215.29 **(b) Nonfederal Expenditures; Reporting.**
215.30 For the activities listed in paragraph (a),
215.31 clauses (2) to (8), the commissioner may
215.32 report only expenditures that are excluded
215.33 from the definition of assistance under Code

216.1 of Federal Regulations, title 45, section
216.2 260.31.

216.3 **(c) Limitations; Exceptions.** The
216.4 commissioner must not claim an amount of
216.5 TANF maintenance of effort in excess of the
216.6 75 percent standard in Code of Federal
216.7 Regulations, title 45, section 263.1(a)(2),
216.8 except:

216.9 (1) to the extent necessary to meet the 80
216.10 percent standard under Code of Federal
216.11 Regulations, title 45, section 263.1(a)(1), if it
216.12 is determined by the commissioner that the
216.13 state will not meet the TANF work
216.14 participation target rate for the current year;

216.15 (2) to provide any additional amounts under
216.16 Code of Federal Regulations, title 45, section
216.17 264.5, that relate to replacement of TANF
216.18 money due to the operation of TANF
216.19 penalties; and

216.20 (3) to provide any additional amounts that may
216.21 contribute to avoiding or reducing TANF work
216.22 participation penalties through the operation
216.23 of the excess maintenance of effort provisions
216.24 of Code of Federal Regulations, title 45,
216.25 section 261.43(a)(2).

216.26 **(d) Supplemental Expenditures.** For the
216.27 purposes of paragraph (c), the commissioner
216.28 may supplement the maintenance of effort
216.29 claim with working family credit expenditures
216.30 or other qualified expenditures to the extent
216.31 such expenditures are otherwise available after
216.32 considering the expenditures allowed in this
216.33 subdivision.

- 217.1 **(e) Reduction of Appropriations; Exception.**
- 217.2 The requirement in Minnesota Statutes, section
- 217.3 256.011, subdivision 3, that federal grants or
- 217.4 aids secured or obtained under that subdivision
- 217.5 be used to reduce any direct appropriations
- 217.6 provided by law does not apply if the grants
- 217.7 or aids are federal TANF money.
- 217.8 **(f) IT Appropriations Generally. This**
- 217.9 appropriation includes money for information
- 217.10 technology projects, services, and support.
- 217.11 Notwithstanding Minnesota Statutes, section
- 217.12 16E.0466, funding for information technology
- 217.13 project costs must be incorporated into the
- 217.14 service level agreement and paid to the
- 217.15 Minnesota IT Services by the Department of
- 217.16 Human Services under the rates and
- 217.17 mechanism specified in that agreement.
- 217.18 **(g) Receipts for Systems Project.**
- 217.19 Appropriations and federal receipts for
- 217.20 information technology systems projects for
- 217.21 MAXIS, PRISM, MMIS, ISDS, METS, and
- 217.22 SSIS must be deposited in the state systems
- 217.23 account authorized in Minnesota Statutes,
- 217.24 section 256.014. Money appropriated for
- 217.25 information technology projects approved by
- 217.26 the commissioner of the Minnesota IT
- 217.27 Services funded by the legislature and
- 217.28 approved by the commissioner of management
- 217.29 and budget may be transferred from one
- 217.30 project to another and from development to
- 217.31 operations as the commissioner of human
- 217.32 services considers necessary. Any unexpended
- 217.33 balance in the appropriation for these projects
- 217.34 does not cancel and is available for ongoing
- 217.35 development and operations.

218.1 **(h) Federal SNAP Education and Training**
 218.2 **Grants.** Federal funds available during fiscal
 218.3 years 2024 and 2025 for Supplemental
 218.4 Nutrition Assistance Program Education and
 218.5 Training and SNAP Quality Control
 218.6 Performance Bonus grants are appropriated
 218.7 to the commissioner of human services for the
 218.8 purposes allowable under the terms of the
 218.9 federal award. This paragraph is effective the
 218.10 day following final enactment.

218.11 **Subd. 3. Central Office; Operations**

218.12	<u>Appropriations by Fund</u>	
218.13	<u>General</u>	<u>23,996,000</u> <u>18,309,000</u>

218.14 **Base Level Adjustment.** The general fund
 218.15 base for this appropriation is \$20,488,000 for
 218.16 fiscal year 2026 and \$18,468,000 for fiscal
 218.17 year 2027.

218.18 **Subd. 4. Central Office; Children and Families**

218.19	<u>Appropriations by Fund</u>	
218.20	<u>General</u>	<u>27,364,000</u> <u>25,244,000</u>

218.21 **(a) Review of Child Support Guidelines.**
 218.22 \$64,000 in fiscal year 2024 and \$32,000 in
 218.23 fiscal year 2025 are for transfer to the special
 218.24 revenue fund for a quadrennial review of child
 218.25 support guidelines.

218.26 **(b) Base Level Adjustment.** The general fund
 218.27 base for this appropriation is \$20,753,000 in
 218.28 fiscal year 2026 and \$19,582,000 in fiscal year
 218.29 2027.

218.30 **Subd. 5. Central Office; Community Supports**

218.31	<u>Appropriations by Fund</u>	
218.32	<u>General</u>	<u>265,000</u> <u>306,000</u>

219.1	<u>Base Level Adjustment.</u> The general fund		
219.2	base for this appropriation is \$306,000 in fiscal		
219.3	year 2026 and \$306,000 in fiscal year 2027.		
219.4	<u>Subd. 6. Forecasted Programs; MFIP/DWP</u>		
219.5	<u>Appropriations by Fund</u>		
219.6	<u>General</u>	<u>82,713,000</u>	<u>92,492,000</u>
219.7	<u>Federal TANF</u>	<u>105,579,000</u>	<u>110,717,000</u>
219.8	<u>Subd. 7. Forecasted Programs; MFIP Child Care</u>		
219.9	<u>Assistance</u>	<u>38,912,000</u>	<u>147,601,000</u>
219.10	<u>Subd. 8. Forecasted Programs; General</u>		
219.11	<u>Assistance</u>	<u>-0-</u>	<u>321,000</u>
219.12	<u>Subd. 9. Forecasted Programs; Minnesota</u>		
219.13	<u>Supplemental Assistance</u>	<u>1,000</u>	<u>1,000</u>
219.14	<u>Subd. 10. Forecasted Programs; Housing</u>		
219.15	<u>Supports</u>	<u>6,000</u>	<u>6,000</u>
219.16	<u>Subd. 11. Forecasted Programs; Northstar Care</u>		
219.17	<u>for Children</u>	<u>113,912,000</u>	<u>124,546,000</u>
219.18	<u>Subd. 12. Grant Programs; Support Services</u>		
219.19	<u>Grants</u>		
219.20	<u>Appropriations by Fund</u>		
219.21	<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
219.22	<u>Federal TANF</u>	<u>96,311,000</u>	<u>96,311,000</u>
219.23	<u>Subd. 13. Grant Programs; BSF Child Care</u>		
219.24	<u>Grants</u>	<u>69,203,000</u>	<u>118,974,000</u>
219.25	The general fund base is \$149,560,000 in		
219.26	fiscal year 2026 and \$147,007,000 in fiscal		
219.27	year 2027.		
219.28	<u>Subd. 14. Grant Programs; Child Care</u>		
219.29	<u>Development Grants</u>	<u>121,456,000</u>	<u>121,731,000</u>
219.30	<u>(a) Great Start Compensation Support</u>		
219.31	<u>Payments.</u> \$119,719,000 in fiscal year 2024		
219.32	and \$117,494,000 in fiscal year 2025 are for		
219.33	the great start compensation support payments		
219.34	under Minnesota Statutes, section 119B.27,		
219.35	and the transition grant program for child care		

220.1 providers that intend to participate in the child
 220.2 care retention program. The general fund base
 220.3 for this appropriation is \$77,178,000 in fiscal
 220.4 year 2026 and \$78,198,000 in fiscal year 2027.
 220.5 Money appropriated for this purpose in each
 220.6 fiscal year is available until expended.

220.7 **(b) Cost Estimation Model and Wage Scale.**
 220.8 \$500,000 in fiscal year 2024 is for developing
 220.9 a cost estimation model for providing early
 220.10 care and learning and a child care and early
 220.11 education professional wage scale. The
 220.12 commissioner may transfer funds to other state
 220.13 agencies for work related to developing a wage
 220.14 scale. This is a onetime appropriation and is
 220.15 available until June 30, 2025.

220.16 **(c) Additional Support for Parent Aware.**
 220.17 \$500,000 in fiscal year 2025 is for increasing
 220.18 supports for programs participating in Parent
 220.19 Aware under Minnesota Statutes, section
 220.20 124D.142. This is a onetime appropriation.

220.21 **(d) Family, Friend, and Neighbor Grant**
 220.22 **Program.** \$2,000,000 in fiscal year 2025 is
 220.23 for a family, friend, and neighbor grant
 220.24 program to promote children's healthy
 220.25 development and to foster community
 220.26 partnerships that will help children thrive. This
 220.27 is a onetime appropriation.

220.28 **(e) Base Level Adjustment.** The general fund
 220.29 base is \$79,992,000 in fiscal year 2026 and
 220.30 \$81,012,000 in fiscal year 2027.

220.31 **Subd. 15. Grant Programs; Child Support**
 220.32 **Enforcement Grants**

50,000

50,000

220.33 **Subd. 16. Grant Programs; Children's Services**
 220.34 **Grants**

221.1	<u>Appropriations by Fund</u>		
221.2	<u>General</u>	<u>82,563,000</u>	<u>95,957,000</u>
221.3	<u>Federal TANF</u>	<u>140,000</u>	<u>140,000</u>

221.4 **(a) Title IV-E Adoption Assistance.** The
 221.5 commissioner shall allocate funds from the
 221.6 state's savings from the Fostering Connections
 221.7 to Success and Increasing Adoptions Act's
 221.8 expanded eligibility for Title IV-E adoption
 221.9 assistance as required in Minnesota Statutes,
 221.10 section 256N.261, and as allowable under
 221.11 federal law. Additional savings to the state as
 221.12 a result of the Fostering Connections to
 221.13 Success and Increasing Adoptions Act's
 221.14 expanded eligibility for Title IV-E adoption
 221.15 assistance is for postadoption, foster care,
 221.16 adoption, and kinship services, including a
 221.17 parent-to-parent support network and as
 221.18 allowable under federal law.

221.19 **(b) Mille Lacs Band of Ojibwe American**
 221.20 **Indian Child Welfare Initiative.** \$3,337,000
 221.21 in fiscal year 2024 and \$5,294,000 in fiscal
 221.22 year 2025 are to support activities necessary
 221.23 for the Mille Lacs Band of Ojibwe to join the
 221.24 American Indian child welfare initiative. The
 221.25 general fund base for this appropriation is
 221.26 \$7,893,000 in fiscal year 2026 and \$7,893,000
 221.27 in fiscal year 2027.

221.28 **(c) Leech Lake Band of Ojibwe American**
 221.29 **Indian Child Welfare Initiative.** \$1,848,000
 221.30 in fiscal year 2024 and \$1,848,000 in fiscal
 221.31 year 2025 are for the Leech Lake Band of
 221.32 Ojibwe to participate in the American Indian
 221.33 child welfare initiative.

221.34 **(d) Red Lake Band of Chippewa American**
 221.35 **Indian Child Welfare Initiative.** \$3,000,000

- 222.1 in fiscal year 2024 and \$3,000,000 in fiscal
222.2 year 2025 are for the Red Lake Band of
222.3 Chippewa to participate in the American
222.4 Indian child welfare initiative.
- 222.5 **(e) White Earth Nation American Indian**
222.6 **Child Welfare Initiative. \$833,000 in fiscal**
222.7 **year 2024 and \$833,000 in fiscal year 2025**
222.8 **are from the general fund for the White Earth**
222.9 **Nation to participate in the American Indian**
222.10 **child welfare initiative.**
- 222.11 **(f) Staffing Increase for Tribal Nations.**
222.12 **\$800,000 in fiscal year 2024 and \$800,000 in**
222.13 **fiscal year 2025 are for Tribal Nations to**
222.14 **expand staff capacity to provide child welfare**
222.15 **services.**
- 222.16 **(g) Indian Child Welfare Grants. \$4,405,000**
222.17 **in fiscal year 2024 and \$4,405,000 in fiscal**
222.18 **year 2025 are for Indian child welfare grants.**
222.19 **The general fund base for this appropriation**
222.20 **is \$4,640,000 in fiscal year 2026 and**
222.21 **\$4,640,000 in fiscal year 2027.**
- 222.22 **(h) Child Welfare Staff Allocation for**
222.23 **Tribes. \$480,000 in fiscal year 2024 and**
222.24 **\$480,000 in fiscal year 2025 are for staffing**
222.25 **needs for Tribes that have not joined the**
222.26 **American Indian Child welfare initiative under**
222.27 **Minnesota Statutes, section 256.01,**
222.28 **subdivision 14b.**
- 222.29 **(i) Kinship Navigator Services. \$514,000 in**
222.30 **fiscal year 2024 and \$514,000 in fiscal year**
222.31 **2025 are for kinship navigator services. The**
222.32 **general fund base for this appropriation is**
222.33 **\$500,000 in fiscal year 2026 and \$500,000 in**
222.34 **fiscal year 2027.**

- 223.1 **(j) Kinship Navigator Services for Tribes.**
223.2 \$250,000 in fiscal year 2024 and \$250,000 in
223.3 fiscal year 2025 are for grants to Tribal
223.4 Nations for kinship navigator services.
- 223.5 **(k) Family First Prevention and Early**
223.6 **Intervention Allocation Program.**
223.7 \$6,100,000 in fiscal year 2024 and \$9,800,000
223.8 in fiscal year 2025 are for Family First
223.9 Prevention and Early Intervention Allocation
223.10 Program pursuant to Minnesota Statutes,
223.11 section 260.014.
- 223.12 **(l) Grants for Prevention and Early**
223.13 **Intervention Services.** \$3,000,000 in fiscal
223.14 year 2024 and \$5,000,000 in fiscal year 2025
223.15 are for grants to support prevention and early
223.16 intervention services to implement and build
223.17 upon Minnesota's Family First Prevention
223.18 Services Act Title IV-E Prevention Services
223.19 plan under Minnesota Statutes, section
223.20 256.4793. Funds will be transferred into the
223.21 special revenue fund.
- 223.22 **(m) Assessment of Out-of-Home Placement.**
223.23 \$450,000 in fiscal year 2024 and \$450,000 in
223.24 fiscal year 2025 are for grants to one or more
223.25 grantees to establish and manage a pool of
223.26 state-funded qualified individuals to assess
223.27 potential out-of-home placement of a child in
223.28 a qualified residential treatment program.
- 223.29 **(n) STAY in the Community Grants.**
223.30 \$1,958,000 in fiscal year 2024 and \$2,095,000
223.31 in fiscal year 2025 are for the STAY in the
223.32 community program under Minnesota Statutes,
223.33 section 260C.452. These are onetime
223.34 appropriations and are available until June 30,
223.35 2027.

- 224.1 **(o) Support Beyond 21 Program. \$600,000**
224.2 in fiscal year 2024 and \$1,200,000 in fiscal
224.3 year 2025 are for the support beyond 21
224.4 program under Minnesota Statutes, section
224.5 256.4792. The fiscal year 2024 appropriation
224.6 is available until June 30, 2025. The general
224.7 fund base for this appropriation is \$1,200,000
224.8 in fiscal year 2026 and \$1,200,000 in fiscal
224.9 year 2027.
- 224.10 **(p) Grants for Caseload Reduction.**
224.11 \$2,000,000 in fiscal year 2024 and \$2,000,000
224.12 in fiscal year 2025 are for grants to counties
224.13 and American Indian child welfare initiative
224.14 Tribes for reducing extended foster care
224.15 caseload sizes. This is a onetime appropriation
224.16 and is available until June 30, 2027.
- 224.17 **(q) Grants for Community Resource**
224.18 **Centers. \$5,000,000 in fiscal year 2025 is for**
224.19 community resource centers. This is a onetime
224.20 appropriation.
- 224.21 **(r) Kinship Care Support Grants.**
224.22 \$1,000,000 in fiscal year 2024 and \$1,000,000
224.23 in fiscal year 2025 are for kinship care support
224.24 grants. This is a onetime appropriation.
- 224.25 **(s) Family Assets for Independence in**
224.26 **Minnesota. \$1,250,000 in fiscal year 2024**
224.27 **and \$2,500,000 in fiscal year 2025 are for the**
224.28 family assets for independence in Minnesota
224.29 program, under Minnesota Statutes, section
224.30 256E.35. The general fund base for this
224.31 appropriation is \$5,000,000 in fiscal year 2026
224.32 and \$5,000,000 in fiscal year 2027.

225.1 (t) **Base Level Adjustment.** The general fund
 225.2 base is \$88,682,000 in fiscal year 2026 and
 225.3 \$88,682,000 in fiscal year 2027.

225.4	<u>Subd. 17. Grant Programs; Children and</u>		
225.5	<u>Community Service Grants</u>	<u>60,856,000</u>	<u>60,856,000</u>

225.6	<u>Subd. 18. Grant Programs; Children and</u>		
225.7	<u>Economic Support Grants</u>	<u>247,240,000</u>	<u>86,490,000</u>

225.8 (a) **Fraud Prevention Program Grants.**
 225.9 \$400,000 in fiscal year 2024 is for start-up
 225.10 grants to the Red Lake Nation, White Earth
 225.11 Nation, and Mille Lacs Band of Ojibwe to
 225.12 develop a fraud prevention program. This is
 225.13 a onetime appropriation and is available until
 225.14 June 30, 2025.

225.15 (b) **Emergency Services Program Grants.**
 225.16 \$20,000,000 in fiscal year 2024 and
 225.17 \$20,000,000 in fiscal year 2025 are for
 225.18 emergency services grants under Minnesota
 225.19 Statutes, section 256E.36. Grant allocation
 225.20 balances in the first year do not cancel but are
 225.21 available in the second year of the biennium.
 225.22 The general fund base for this appropriation
 225.23 is \$35,000,000 in fiscal year 2026 and
 225.24 \$35,000,000 in fiscal year 2027.

225.25 (c) **Homeless Youth Act Grants.** \$14,500,000
 225.26 in fiscal year 2024 and \$12,500,000 in fiscal
 225.27 year 2025 are for grants under Minnesota
 225.28 Statutes, section 256K.45, subdivision 1. The
 225.29 fiscal year 2024 appropriation is available until
 225.30 June 30, 2027. The general fund base for this
 225.31 appropriation is \$20,000,000 in fiscal year
 225.32 2026 and \$20,000,000 in fiscal year 2027.

225.33 (d) **Transitional Housing Programs.**
 225.34 \$3,000,000 in fiscal year 2024 and \$3,000,000
 225.35 in fiscal year 2025 are for transitional housing

- 226.1 programs under Minnesota Statutes, section
226.2 256E.33.
- 226.3 **(e) Safe Harbor Shelter and Housing**
226.4 **Grants.** \$3,250,000 in fiscal year 2024 and
226.5 \$3,250,000 in fiscal year 2025 are for grants
226.6 under Minnesota Statutes, section 256K.47.
- 226.7 **(f) Emergency Shelter Facilities.**
226.8 \$150,000,000 in fiscal year 2024 is for grants
226.9 to eligible applicants for the acquisition of
226.10 property; site preparation, including
226.11 demolition; predesign; design; construction;
226.12 renovation; furnishing; and equipping of
226.13 emergency shelter facilities. This is a onetime
226.14 appropriation and is available until June 30,
226.15 2028.
- 226.16 **(g) Homeless Youth Pilot Project.**
226.17 \$1,000,000 in fiscal year 2024 and \$1,000,000
226.18 in fiscal year 2025 are for a grant to
226.19 Youthprise for a pilot project to provide cash
226.20 stipends to homeless youth, youth-designed
226.21 optional services, and cash incentives for
226.22 participation in periodic surveys and to
226.23 complete a legislative report.
- 226.24 **(h) Quality Parenting Initiative.** \$100,000
226.25 in fiscal year 2024 and \$100,000 in fiscal year
226.26 2025 are for a grant to Quality Parenting
226.27 Initiative Minnesota to implement quality
226.28 parenting initiative principles and practices
226.29 and support children and families experiencing
226.30 foster care placements.
- 226.31 **(i) American Indian Food Sovereignty**
226.32 **Funding.** \$3,000,000 in fiscal year 2024 and
226.33 \$3,000,000 in fiscal year 2025 are to support
226.34 food security among Tribal Nations and

227.1 American Indian communities under
 227.2 Minnesota Statutes, section 256E.341. The
 227.3 fiscal year 2024 appropriation is available until
 227.4 June 30, 2025. The general fund base for this
 227.5 appropriation is \$2,000,000 in fiscal year 2026
 227.6 and \$2,000,000 in fiscal year 2027.

227.7 **(j) Food Shelf Program.** \$6,000,000 in fiscal
 227.8 year 2024 and \$6,000,000 in fiscal year 2025
 227.9 are for the Minnesota food shelf program
 227.10 under Minnesota Statutes, section 256E.34.
 227.11 The fiscal year 2024 appropriation is available
 227.12 until June 30, 2025.

227.13 **(k) Capital for Emergency Food**
 227.14 **Distribution Facilities.** \$10,000,000 in fiscal
 227.15 year 2024 is for improving and expanding the
 227.16 infrastructure of food shelf facilities across
 227.17 the state. Grant money shall be made available
 227.18 to nonprofit organizations, federally
 227.19 recognized Tribes, and local units of
 227.20 government. This is a onetime appropriation
 227.21 and is available until June 30, 2027.

227.22 **(l) Community Action Grants.** \$1,000,000
 227.23 in fiscal year 2024 and \$1,000,000 in fiscal
 227.24 year 2025 are for community action grants.

227.25 **(m) Diaper Distribution Grant.** \$500,000 in
 227.26 fiscal year 2024 and \$500,000 in fiscal year
 227.27 2025 are for a grant to the Diaper Bank of
 227.28 Minnesota to distribute diapers and wipes to
 227.29 underresourced families statewide.

227.30 **(n) Base Level Adjustment.** The general fund
 227.31 base is \$108,490,000 in fiscal year 2026 and
 227.32 \$108,490,000 in fiscal year 2027.

227.33 Sec. 3. **COMMISSIONER OF HEALTH** \$ 2,000,000 \$ 2,000,000

228.1 Health Improvement. \$2,000,000 in fiscal
 228.2 year 2024 and \$2,000,000 in fiscal year 2025
 228.3 are for regional navigators in the Safe Harbor
 228.4 program. This is a onetime appropriation.

228.5 Sec. 4. COMMISSIONER OF MANAGEMENT
 228.6 AND BUDGET \$ 11,931,000 \$ 2,066,000

228.7 Support for New Department. \$11,931,000
 228.8 in fiscal year 2024 and \$2,066,000 in fiscal
 228.9 year 2025 are for supporting the creation of
 228.10 the Department of Children, Youth, and
 228.11 Families. This is a onetime appropriation.

228.12 Sec. 5. COMMISSIONER OF INFORMATION
 228.13 TECHNOLOGY \$ 25,000,000 \$ -0-

228.14 IT Systems Improvement. \$25,000,000 in
 228.15 fiscal year 2024 is for transfer to the children
 228.16 and families account in the special revenue
 228.17 fund to develop and implement a plan to
 228.18 modernize the IT systems that support
 228.19 programs for children and families. This is a
 228.20 onetime appropriation and does not cancel.

228.21 Sec. 6. COMMISSIONER OF CHILDREN,
 228.22 YOUTH, AND FAMILIES. \$ 823,000 \$ 3,531,000

228.23 Operations. \$823,000 in fiscal year 2024 and
 228.24 \$3,521,000 in fiscal year 2025 are for the
 228.25 Department of Children, Youth, and Families.

228.26 Sec. 7. OMBUDSPERSON FOR AMERICAN
 228.27 INDIAN FAMILIES \$ 336,000 \$ 340,000

228.28 Sec. 8. OMBUDSPERSON FOR FAMILIES \$ 759,000 \$ 776,000

228.29 Sec. 9. OMBUDSPERSON FOR FOSTER
 228.30 YOUTH \$ 842,000 \$ 759,000

228.31 Sec. 10. CHILDREN AND FAMILIES INFORMATION TECHNOLOGY
 228.32 ACCOUNT.

228.33 The children and families information technology account is created in the special
 228.34 revenue fund. Money in the account is appropriated to the commissioner of information

229.1 technology services for developing and implementing a plan in support of transforming and
229.2 modernizing the information technology systems that support programs impacting children
229.3 and families, including programs for youth, child care and early learning programs, and
229.4 programs serving young children.

229.5 Sec. 11. **CANCELLATIONS; FISCAL YEAR 2023.**

229.6 \$100,000 of the fiscal year 2023 general fund appropriation under Laws 2022, chapter
229.7 63, section 6, is canceled to the general fund on June 30, 2023.

229.8 Sec. 12. **APPROPRIATIONS GIVEN EFFECT ONCE.**

229.9 If an appropriation or transfer in this article is enacted more than once during the 2023
229.10 regular session, the appropriation or transfer must be given effect once.

229.11 Sec. 13. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS**
229.12 **REQUIRED.**

229.13 Subdivision 1. Financial review required. (a) Before awarding a competitive,
229.14 legislatively named, single-source, or sole-source grant to a nonprofit organization under
229.15 this act, the grantor must require the applicant to submit financial information sufficient for
229.16 the grantor to document and assess the applicant's current financial standing and management.
229.17 Items of significant concern must be addressed with the applicant and resolved to the
229.18 satisfaction of the grantor before a grant is awarded. The grantor must document the material
229.19 requested and reviewed; whether the applicant had a significant operating deficit, a deficit
229.20 in unrestricted net assets, or insufficient internal controls; whether and how the applicant
229.21 resolved the grantor's concerns; and the grantor's final decision. This documentation must
229.22 be maintained in the grantor's files.

229.23 (b) At a minimum, the grantor must require each applicant to provide the following
229.24 information:

229.25 (1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the
229.26 Internal Revenue Service. If the applicant has not been in existence long enough or is not
229.27 required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate
229.28 to the grantor that the applicant is exempt and must instead submit documentation of internal
229.29 controls and the applicant's most recent financial statement prepared in accordance with
229.30 generally accepted accounting principles and approved by the applicant's board of directors
229.31 or trustees or, if there is no such board, by the applicant's managing group;

230.1 (2) evidence of registration and good standing with the secretary of state under Minnesota
230.2 Statutes, chapter 317A, or other applicable law;

230.3 (3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration
230.4 and good standing with the attorney general under Minnesota Statutes, chapter 309; and

230.5 (4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's
230.6 most recent audited financial statement prepared in accordance with generally accepted
230.7 accounting principles.

230.8 Subd. 2. **Authority to postpone or forgo.** Notwithstanding any contrary provision in
230.9 this act, a grantor that identifies an area of significant concern regarding the financial standing
230.10 or management of a legislatively named applicant may postpone or forgo awarding the
230.11 grant.

230.12 Subd. 3. **Authority to award subject to additional assistance and oversight.** A grantor
230.13 that identifies an area of significant concern regarding an applicant's financial standing or
230.14 management may award a grant to the applicant if the grantor provides or the grantee
230.15 otherwise obtains additional technical assistance as needed and the grantor imposes additional
230.16 requirements in the grant agreement. Additional requirements may include but are not
230.17 limited to enhanced monitoring, additional reporting, or other reasonable requirements
230.18 imposed by the grantor to protect the interests of the state.

230.19 Subd. 4. **Relation to other law and policy.** The requirements in this section are in
230.20 addition to any other requirements imposed by law, the commissioner of administration
230.21 under Minnesota Statutes, sections 16B.97 to 16B.98, or agency policy.

119B.011 DEFINITIONS.

Subd. 10a. **Diversionsary work program.** "Diversionsary work program" means the program established under section 256J.95.

119B.03 BASIC SLIDING FEE PROGRAM.

Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-MFIP families who do not have a high school diploma or commissioner of education-selected high school equivalency certification or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment and who need child care assistance to participate in the education program. This includes student parents as defined under section 119B.011, subdivision 19b. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to parents who have completed their MFIP or DWP transition year, or parents who are no longer receiving or eligible for diversionsary work program supports.

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

(d) Fourth priority must be given to families in which at least one parent is a veteran as defined under section 197.447.

(e) Families under paragraph (b) must be added to the basic sliding fee waiting list on the date they begin the transition year under section 119B.011, subdivision 20, and must be moved into the basic sliding fee program as soon as possible after they complete their transition year.

245C.11 BACKGROUND STUDY; COUNTY AGENCIES.

Subd. 3. **Criminal history data.** County agencies shall have access to the criminal history data in the same manner as county licensing agencies under this chapter for purposes of background studies completed before the implementation of NETStudy 2.0 by county agencies on legal nonlicensed child care providers to determine eligibility for child care funds under chapter 119B.

256.8799 SUPPLEMENTAL NUTRITION ASSISTANCE OUTREACH PROGRAM.

Subdivision 1. **Establishment.** The commissioner of human services shall establish, in consultation with the representatives from community action agencies, a statewide outreach program to better inform potential recipients of the existence and availability of Supplemental Nutrition Assistance Program (SNAP) benefits under SNAP. As part of the outreach program, the commissioner and community action agencies shall encourage recipients in the use of SNAP benefits at food cooperatives. The commissioner shall explore and pursue federal funding sources, and specifically, apply for funding from the United States Department of Agriculture for the SNAP outreach program.

Subd. 2. **Administration of the program.** A community association representing community action agencies under section 256E.31, in consultation with the commissioner shall administer the outreach program, issue the request for proposals, and review and approve the potential grantee's plan. Grantees shall comply with the monitoring and reporting requirements as developed by the commissioner in accordance with subdivision 4, and must also participate in the evaluation process as directed by the commissioner. Grantees must successfully complete one year of outreach and demonstrate compliance with all monitoring and reporting requirements in order to be eligible for additional funding.

Subd. 3. **Plan content.** In approving the plan, the association shall evaluate the plan and give highest priority to a plan that:

- (1) targets communities in which 50 percent or fewer of the residents with incomes below 125 percent of the poverty level receive SNAP benefits;
- (2) demonstrates that the grantee has the experience necessary to administer the program;
- (3) demonstrates a cooperative relationship with the local county social service agencies;

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(4) provides ways to improve the dissemination of information on SNAP as well as other assistance programs through a statewide hotline or other community agencies;

(5) provides direct advocacy consisting of face-to-face assistance with the potential applicants;

(6) improves access to SNAP by documenting barriers to participation and advocating for changes in the administrative structure of the program; and

(7) develops strategies for combatting community stereotypes about SNAP benefit recipients and SNAP, misinformation about the program, and the stigma associated with using SNAP benefits.

Subd. 4. Coordinated development. The commissioner shall consult with representatives from the United States Department of Agriculture, Minnesota Community Action Association, Food First Coalition, Minnesota Department of Human Services, Urban Coalition/University of Minnesota extension services, county social service agencies, local social service agencies, and organizations that have previously administered the state-funded SNAP outreach programs to:

(1) develop the reporting requirements for the program;

(2) develop and implement the monitoring of the program;

(3) develop, coordinate, and assist in the evaluation process; and

(4) provide an interim report to the legislature by January 1997, and a final report to the legislature by January 1998, which includes the results of the evaluation and recommendations.

256.9864 REPORTS BY RECIPIENT.

(a) An assistance unit with a recent work history or with earned income shall report monthly to the county agency on income received and other circumstances affecting eligibility or assistance amounts. All other assistance units shall report on income and other circumstances affecting eligibility and assistance amounts, as specified by the state agency.

(b) An assistance unit required to submit a report on the form designated by the commissioner and within ten days of the due date or the date of the significant change, whichever is later, or otherwise report significant changes which would affect eligibility or assistance amounts, is considered to have continued its application for assistance effective the date the required report is received by the county agency, if a complete report is received within a calendar month in which assistance was received.

256D.63 EXPIRATION OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS AND REPORTING REQUIREMENTS.

Subdivision 1. **Expiration of SNAP benefits.** Supplemental Nutrition Assistance Program (SNAP) benefits shall not be stored off line or expunged from a recipient's account unless the benefits have not been accessed for 12 months after the month they were issued.

256J.08 DEFINITIONS.

Subd. 10. **Budget month.** "Budget month" means the calendar month which the county agency uses to determine the income or circumstances of an assistance unit to calculate the amount of the assistance payment in the payment month.

Subd. 24b. **Diversionsary work program or DWP.** "Diversionsary work program" or "DWP" has the meaning given in section 256J.95.

Subd. 53. **Lump sum.** "Lump sum" means nonrecurring income as described in section 256P.06, subdivision 3, clause (2), item (ix).

Subd. 61. **Monthly income test.** "Monthly income test" means the test used to determine ongoing eligibility and the assistance payment amount according to section 256J.21.

Subd. 62. **Nonrecurring income.** "Nonrecurring income" means a form of income which is received:

(1) only one time or is not of a continuous nature; or

(2) in a prospective payment month but is no longer received in the corresponding retrospective payment month.

Subd. 81. **Retrospective budgeting.** "Retrospective budgeting" means a method of determining the amount of the assistance payment in which the payment month is the second month after the budget month.

Subd. 83. **Significant change.** "Significant change" means a decline in gross income of the amount of the disregard as defined in section 256P.03 or more from the income used to determine the grant for the current month.

256J.30 APPLICANT AND PARTICIPANT REQUIREMENTS AND RESPONSIBILITIES.

Subd. 5. **Monthly MFIP household reports.** Each assistance unit with a member who has earned income or a recent work history, and each assistance unit that has income deemed to it from a financially responsible person must complete a monthly MFIP household report form. "Recent work history" means the individual received earned income in the report month or any of the previous three calendar months even if the earnings are excluded. To be complete, the MFIP household report form must be signed and dated by the caregivers no earlier than the last day of the reporting period. All questions required to determine assistance payment eligibility must be answered, and documentation of earned income must be included.

Subd. 7. **Due date of MFIP household report form.** An MFIP household report form must be received by the county agency by the eighth calendar day of the month following the reporting period covered by the form. When the eighth calendar day of the month falls on a weekend or holiday, the MFIP household report form must be received by the county agency the first working day that follows the eighth calendar day.

Subd. 8. **Late MFIP household report forms.** (a) Paragraphs (b) to (e) apply to the reporting requirements in subdivision 7.

(b) When the county agency receives an incomplete MFIP household report form, the county agency must immediately contact the caregiver by phone or in writing to acquire the necessary information to complete the form.

(c) The automated eligibility system must send a notice of proposed termination of assistance to the assistance unit if a complete MFIP household report form is not received by a county agency. The automated notice must be mailed to the caregiver by approximately the 16th of the month. When a caregiver submits an incomplete form on or after the date a notice of proposed termination has been sent, the termination is valid unless the caregiver submits a complete form before the end of the month.

(d) An assistance unit required to submit an MFIP household report form is considered to have continued its application for assistance if a complete MFIP household report form is received within a calendar month after the month in which the form was due and assistance shall be paid for the period beginning with the first day of that calendar month.

(e) A county agency must allow good cause exemptions from the reporting requirements under subdivision 5 when any of the following factors cause a caregiver to fail to provide the county agency with a completed MFIP household report form before the end of the month in which the form is due:

- (1) an employer delays completion of employment verification;
- (2) a county agency does not help a caregiver complete the MFIP household report form when the caregiver asks for help;
- (3) a caregiver does not receive an MFIP household report form due to mistake on the part of the department or the county agency or due to a reported change in address;
- (4) a caregiver is ill, or physically or mentally incapacitated; or
- (5) some other circumstance occurs that a caregiver could not avoid with reasonable care which prevents the caregiver from providing a completed MFIP household report form before the end of the month in which the form is due.

256J.33 PROSPECTIVE AND RETROSPECTIVE MFIP ELIGIBILITY.

Subd. 3. **Retrospective eligibility.** After the first two months of MFIP eligibility, a county agency must continue to determine whether an assistance unit is prospectively eligible for the payment month by looking at all factors other than income and then determine whether the assistance unit is retrospectively income eligible by applying the monthly income test to the income from the

budget month. When the monthly income test is not satisfied, the assistance payment must be suspended when ineligibility exists for one month or ended when ineligibility exists for more than one month.

Subd. 4. **Monthly income test.** A county agency must apply the monthly income test retrospectively for each month of MFIP eligibility. An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit. The income applied against the monthly income test must include:

(1) gross earned income from employment as described in chapter 256P, prior to mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;

(2) gross earned income from self-employment less deductions for self-employment expenses in section 256J.37, subdivision 5, but prior to any reductions for personal or business state and federal income taxes, personal FICA, personal health and life insurance, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;

(3) unearned income as described in section 256P.06, subdivision 3, after deductions for allowable expenses in section 256J.37, subdivision 9, and allocations in section 256J.36;

(4) gross earned income from employment as determined under clause (1) which is received by a member of an assistance unit who is a minor child or minor caregiver and less than a half-time student;

(5) child support received by an assistance unit, excluded under section 256P.06, subdivision 3, clause (2), item (xvi);

(6) spousal support received by an assistance unit;

(7) the income of a parent when that parent is not included in the assistance unit;

(8) the income of an eligible relative and spouse who seek to be included in the assistance unit; and

(9) the unearned income of a minor child included in the assistance unit.

Subd. 5. **When to terminate assistance.** When an assistance unit is ineligible for MFIP assistance for two consecutive months, the county agency must terminate MFIP assistance.

256J.34 CALCULATING ASSISTANCE PAYMENTS.

Subdivision 1. **Prospective budgeting.** A county agency must use prospective budgeting to calculate the assistance payment amount for the first two months for an applicant who has not received assistance in this state for at least one payment month preceding the first month of payment under a current application. Notwithstanding subdivision 3, paragraph (a), clause (2), a county agency must use prospective budgeting for the first two months for a person who applies to be added to an assistance unit. Prospective budgeting is not subject to overpayments or underpayments unless fraud is determined under section 256.98.

(a) The county agency must apply the income received or anticipated in the first month of MFIP eligibility against the need of the first month. The county agency must apply the income received or anticipated in the second month against the need of the second month.

(b) When the assistance payment for any part of the first two months is based on anticipated income, the county agency must base the initial assistance payment amount on the information available at the time the initial assistance payment is made.

(c) The county agency must determine the assistance payment amount for the first two months of MFIP eligibility by budgeting both recurring and nonrecurring income for those two months.

Subd. 2. **Retrospective budgeting.** The county agency must use retrospective budgeting to calculate the monthly assistance payment amount after the payment for the first two months has been made under subdivision 1.

Subd. 3. **Additional uses of retrospective budgeting.** Notwithstanding subdivision 1, the county agency must use retrospective budgeting to calculate the monthly assistance payment amount for the first two months under paragraphs (a) and (b).

(a) The county agency must use retrospective budgeting to determine the amount of the assistance payment in the first two months of MFIP eligibility:

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(1) when an assistance unit applies for assistance for the same month for which assistance has been interrupted, the interruption in eligibility is less than one payment month, the assistance payment for the preceding month was issued in this state, and the assistance payment for the immediately preceding month was determined retrospectively; or

(2) when a person applies in order to be added to an assistance unit, that assistance unit has received assistance in this state for at least the two preceding months, and that person has been living with and has been financially responsible for one or more members of that assistance unit for at least the two preceding months.

(b) Except as provided in clauses (1) to (4), the county agency must use retrospective budgeting and apply income received in the budget month by an assistance unit and by a financially responsible household member who is not included in the assistance unit against the MFIP standard of need or family wage level to determine the assistance payment to be issued for the payment month.

(1) When a source of income ends prior to the third payment month, that income is not considered in calculating the assistance payment for that month. When a source of income ends prior to the fourth payment month, that income is not considered when determining the assistance payment for that month.

(2) When a member of an assistance unit or a financially responsible household member leaves the household of the assistance unit, the income of that departed household member is not budgeted retrospectively for any full payment month in which that household member does not live with that household and is not included in the assistance unit.

(3) When an individual is removed from an assistance unit because the individual is no longer a minor child, the income of that individual is not budgeted retrospectively for payment months in which that individual is not a member of the assistance unit, except that income of an ineligible child in the household must continue to be budgeted retrospectively against the child's needs when the parent or parents of that child request allocation of their income against any unmet needs of that ineligible child.

(4) When a person ceases to have financial responsibility for one or more members of an assistance unit, the income of that person is not budgeted retrospectively for the payment months which follow the month in which financial responsibility ends.

Subd. 4. Significant change in gross income. The county agency must recalculate the assistance payment when an assistance unit experiences a significant change, as defined in section 256J.08, resulting in a reduction in the gross income received in the payment month from the gross income received in the budget month. The county agency must issue a supplemental assistance payment based on the county agency's best estimate of the assistance unit's income and circumstances for the payment month. Supplemental assistance payments that result from significant changes are limited to two in a 12-month period regardless of the reason for the change. Notwithstanding any other statute or rule of law, supplementary assistance payments shall not be made when the significant change in income is the result of receipt of a lump sum, receipt of an extra paycheck, business fluctuation in self-employment income, or an assistance unit member's participation in a strike or other labor action.

256J.37 TREATMENT OF INCOME AND LUMP SUMS.

Subd. 10. Treatment of lump sums. (a) The agency must treat lump-sum payments as earned or unearned income. If the lump-sum payment is included in the category of income identified in subdivision 9, it must be treated as unearned income. A lump sum is counted as income in the month received and budgeted either prospectively or retrospectively depending on the budget cycle at the time of receipt. When an individual receives a lump-sum payment, that lump sum must be combined with all other earned and unearned income received in the same budget month, and it must be applied according to paragraphs (a) to (c). A lump sum may not be carried over into subsequent months. Any funds that remain in the third month after the month of receipt are counted in the asset limit.

(b) For a lump sum received by an applicant during the first two months, prospective budgeting is used to determine the payment and the lump sum must be combined with other earned or unearned income received and budgeted in that prospective month.

(c) For a lump sum received by a participant after the first two months of MFIP eligibility, the lump sum must be combined with other income received in that budget month, and the combined amount must be applied retrospectively against the applicable payment month.

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(d) When a lump sum, combined with other income under paragraphs (b) and (c), is less than the MFIP transitional standard for the appropriate payment month, the assistance payment must be reduced according to the amount of the countable income. When the countable income is greater than the MFIP standard or family wage level, the assistance payment must be suspended for the payment month.

256J.425 HARDSHIP EXTENSIONS.

Subd. 6. **Sanctions for extended cases.** (a) If one or both participants in an assistance unit receiving assistance under subdivision 3 or 4 are not in compliance with the employment and training service requirements in sections 256J.521 to 256J.57, the sanctions under this subdivision apply. For a first occurrence of noncompliance, an assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph (c), clause (1). For a second or third occurrence of noncompliance, the assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph (c), clause (2). For a fourth occurrence of noncompliance, the assistance unit is disqualified from MFIP. If a participant is determined to be out of compliance, the participant may claim a good cause exception under section 256J.57.

(b) If both participants in a two-parent assistance unit are out of compliance at the same time, it is considered one occurrence of noncompliance.

(c) When a parent in an extended two-parent assistance unit who has not used 60 months of assistance is out of compliance with the employment and training service requirements in sections 256J.521 to 256J.57, sanctions must be applied as specified in clauses (1) and (2).

(1) If the assistance unit is receiving assistance under subdivision 3 or 4, the assistance unit is subject to the sanction policy in this subdivision.

(2) If the assistance unit is receiving assistance under subdivision 2, the assistance unit is subject to the sanction policy in section 256J.46.

(d) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent who has not reached the 60-month time limit is out of compliance with the employment and training services requirements in sections 256J.521 to 256J.57 when the case is extended, the sanction in the 61st month is considered the first sanction for the purposes of applying the sanctions in this subdivision, except that the sanction amount shall be 30 percent.

256J.95 DIVERSIONARY WORK PROGRAM.

Subdivision 1. **Establishing a diversionary work program (DWP).** (a) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, establishes block grants to states for temporary assistance for needy families (TANF). TANF provisions allow states to use TANF dollars for nonrecurrent, short-term diversionary benefits. The diversionary work program established on July 1, 2003, is Minnesota's TANF program to provide short-term diversionary benefits to eligible recipients of the diversionary work program.

(b) The goal of the diversionary work program is to provide short-term, necessary services and supports to families which will lead to unsubsidized employment, increase economic stability, and reduce the risk of those families needing longer term assistance, under the Minnesota family investment program (MFIP).

(c) When a family unit meets the eligibility criteria in this section, the family must receive a diversionary work program grant and is not eligible for MFIP.

(d) A family unit is eligible for the diversionary work program for a maximum of four consecutive months. During the four consecutive months, family maintenance needs as defined in subdivision 2, shall be vendor paid, up to the cash portion of the MFIP standard of need for the same size household. To the extent there is a balance available between the amount paid for family maintenance needs and the cash portion of the transitional standard, a personal needs allowance of up to \$70 per DWP recipient in the family unit shall be issued. The personal needs allowance payment plus the family maintenance needs shall not exceed the cash portion of the MFIP standard of need. Counties may provide supportive and other allowable services funded by the MFIP consolidated fund under section 256J.626 to eligible participants during the four-month diversionary period.

Subd. 2. **Definitions.** The terms used in this section have the following meanings.

(a) "Diversionary Work Program (DWP)" means the program established under this section.

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(b) "Employment plan" means a plan developed by the job counselor and the participant which identifies the participant's most direct path to unsubsidized employment, lists the specific steps that the caregiver will take on that path, and includes a timetable for the completion of each step. For participants who request and qualify for a family violence waiver in section 256J.521, subdivision 3, an employment plan must be developed by the job counselor, the participant, and a person trained in domestic violence and follow the employment plan provisions in section 256J.521, subdivision 3. Employment plans under this section shall be written for a period of time not to exceed four months.

(c) "Employment services" means programs, activities, and services in this section that are designed to assist participants in obtaining and retaining employment.

(d) "Family maintenance needs" means current housing costs including rent; manufactured home lot rental costs, or monthly principal, interest, insurance premiums, and property taxes due for mortgages or contracts for deed; association fees required for homeownership; utility costs for current month expenses of gas and electric, garbage, water and sewer; and a flat rate of \$35 for telephone services.

(e) "Family unit" means a group of people applying for or receiving DWP benefits together. For the purposes of determining eligibility for this program, the composition of the family unit is determined according to section 256J.24, subdivisions 1 to 4.

(f) "Minnesota family investment program (MFIP)" means the assistance program as defined in section 256J.08, subdivision 57.

(g) "Personal needs allowance" means an allowance of up to \$70 per month per DWP unit member to pay for expenses such as household products and personal products.

(h) "Work activities" means allowable work activities as defined in section 256J.49, subdivision 13.

(i) "Caregiver" means the caregiver as defined in section 256J.08, subdivision 11.

Subd. 3. Eligibility for diversionary work program. (a) Except for the categories of family units listed in clauses (1) to (8), all family units who apply for cash benefits and who meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must participate in the diversionary work program. Family units or individuals that are not eligible for the diversionary work program include:

(1) child only cases;

(2) single-parent family units that include a child under 12 months of age. A parent is eligible for this exception once in a parent's lifetime;

(3) family units with a minor parent without a high school diploma or its equivalent;

(4) family units with an 18- or 19-year-old caregiver without a high school diploma or its equivalent who chooses to have an employment plan with an education option;

(5) family units with a caregiver who received DWP benefits within the 12 months prior to the month the family applied for DWP, except as provided in paragraph (c);

(6) family units with a caregiver who received MFIP within the 12 months prior to the month the family applied for DWP;

(7) family units with a caregiver who received 60 or more months of TANF assistance; and

(8) family units with a caregiver who is disqualified from the work participation cash benefit program, DWP, or MFIP due to fraud.

(b) A two-parent family must participate in DWP unless both caregivers meet the criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

(c) Once DWP eligibility is determined, the four months run consecutively. If a participant leaves the program for any reason and reapplies during the four-month period, the county must redetermine eligibility for DWP.

Subd. 4. Cooperation with program requirements. (a) To be eligible for DWP, an applicant must comply with the requirements of paragraphs (b) to (d).

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(b) Applicants and participants must cooperate with the requirements of the child support enforcement program but will not be charged a fee under section 518A.51.

(c) The applicant must provide each member of the family unit's Social Security number to the county agency. This requirement is satisfied when each member of the family unit cooperates with the procedures for verification of numbers, issuance of duplicate cards, and issuance of new numbers which have been established jointly between the Social Security Administration and the commissioner.

(d) Before DWP benefits can be issued to a family unit, the caregiver must, in conjunction with a job counselor, develop and sign an employment plan. In two-parent family units, both parents must develop and sign employment plans before benefits can be issued. Supplemental Nutrition Assistance Program (SNAP) and health care benefits are not contingent on the requirement for a signed employment plan.

Subd. 5. Submitting application form. The eligibility date for the diversionary work program begins on the date that the combined application form (CAF) is received by the county agency either as a signed written application; an application submitted by telephone; or an application submitted through Internet telepresence; or on the date that diversionary work program eligibility criteria are met, whichever is later. The county agency must inform an applicant that when the applicant submits the application by telephone or through Internet telepresence, the county agency must receive a signed written application within 30 days of the date that the applicant submitted the application by telephone or through Internet telepresence. The county agency must inform the applicant that any delay in submitting the application will reduce the benefits paid for the month of application. The county agency must inform a person that an application may be submitted before the person has an interview appointment. Upon receipt of a signed application, the county agency must stamp the date of receipt on the face of the application. The applicant may withdraw the application at any time prior to approval by giving written or oral notice to the county agency. The county agency must follow the notice requirements in section 256J.09, subdivision 3, when issuing a notice confirming the withdrawal.

Subd. 6. Initial screening of applications. Upon receipt of the application, the county agency must determine if the applicant may be eligible for other benefits as required in sections 256J.09, subdivision 3a, and 256J.28, subdivisions 1 and 5. The county must screen and the applicant must apply for other benefits as required under section 256J.30, subdivision 2. The county must also follow the provisions in section 256J.09, subdivision 3b, clause (2).

Subd. 7. Program and processing standards. (a) The interview to determine financial eligibility for the diversionary work program must be conducted within five working days of the receipt of the cash application form. During the intake interview, the financial worker must discuss:

(1) the goals, requirements, and services of the diversionary work program;

(2) the availability of child care assistance. If child care is needed, the worker must obtain a completed application for child care from the applicant before the interview is terminated. The same day the application for child care is received, the application must be forwarded to the appropriate child care worker. For purposes of eligibility for child care assistance under chapter 119B, DWP participants shall be eligible for the same benefits as MFIP recipients; and

(3) if the applicant has not requested SNAP benefits and health care assistance on the application, the county agency shall, during the interview process, talk with the applicant about the availability of these benefits.

(b) The county shall follow section 256J.74, subdivision 2, paragraph (b), clauses (1) and (2), when an applicant or a recipient of DWP has a person who is a member of more than one assistance unit in a given payment month.

(c) If within 30 days the county agency cannot determine eligibility for the diversionary work program, the county must deny the application and inform the applicant of the decision according to the notice provisions in section 256J.31. A family unit is eligible for a fair hearing under section 256J.40.

Subd. 8. Verification requirements. (a) A county agency must only require verification of information necessary to determine DWP eligibility and the amount of the payment. The applicant or participant must document the information required or authorize the county agency to verify the information. The applicant or participant has the burden of providing documentary evidence to verify eligibility. The county agency shall assist the applicant or participant in obtaining required documents when the applicant or participant is unable to do so.

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(b) A county agency must not request information about an applicant or participant that is not a matter of public record from a source other than county agencies, the Department of Human Services, or the United States Department of Health and Human Services without the person's prior written consent. An applicant's signature on an application form constitutes consent for contact with the sources specified on the application. A county agency may use a single consent form to contact a group of similar sources, but the sources to be contacted must be identified by the county agency prior to requesting an applicant's consent.

(c) Factors to be verified shall follow section 256P.04, subdivisions 4 and 5. Except for personal needs, family maintenance needs must be verified before the expense can be allowed in the calculation of the DWP grant.

Subd. 9. Property and income limitations. The asset limits and exclusions in section 256P.02 apply to applicants and participants of DWP. All payments, as described in section 256P.06, subdivision 3, must be counted as income to determine eligibility for the diversionary work program. The agency shall treat income as outlined in section 256J.37, except for subdivision 3a. The initial income test and the disregards in section 256J.21, subdivision 3, shall be followed for determining eligibility for the diversionary work program.

Subd. 10. Diversionary work program grant. (a) The amount of cash benefits that a family unit is eligible for under the diversionary work program is based on the number of persons in the family unit, the family maintenance needs, personal needs allowance, and countable income. The county agency shall evaluate the income of the family unit that is requesting payments under the diversionary work program. Countable income means gross earned and unearned income not excluded or disregarded under MFIP. The same disregards for earned income that are allowed under MFIP are allowed for the diversionary work program.

(b) The DWP grant is based on the family maintenance needs for which the DWP family unit is responsible plus a personal needs allowance. Housing and utilities, except for telephone service, shall be vendor paid. Unless otherwise stated in this section, actual housing and utility expenses shall be used when determining the amount of the DWP grant.

(c) The maximum monthly benefit amount available under the diversionary work program is the difference between the family unit's needs under paragraph (b) and the family unit's countable income not to exceed the cash portion of the MFIP transitional standard as defined in sections 256J.08, subdivision 85, and 256J.24, subdivision 5, for the family unit's size.

(d) Once the county has determined a grant amount, the DWP grant amount will not be decreased if the determination is based on the best information available at the time of approval and shall not be decreased because of any additional income to the family unit. The grant must be increased if a participant later verifies an increase in family maintenance needs or family unit size. The minimum cash benefit amount, if income and asset tests are met, is \$10. Benefits of \$10 shall not be vendor paid.

(e) When all criteria are met, including the development of an employment plan as described in subdivision 14 and eligibility exists for the month of application, the amount of benefits for the diversionary work program retroactive to the date of application is as specified in section 256J.35, paragraph (b).

(f) Any month during the four-month DWP period that a person receives a DWP benefit directly or through a vendor payment made on the person's behalf, that person is ineligible for MFIP or any other TANF cash assistance program except for benefits defined in section 256J.626, subdivision 2, clause (1).

If during the four-month period a family unit that receives DWP benefits moves to a county that has not established a diversionary work program, the family unit may be eligible for MFIP the month following the last month of the issuance of the DWP benefit.

Subd. 11. Universal participation required. (a) All DWP caregivers, except caregivers who meet the criteria in paragraph (d), are required to participate in DWP employment services. Except as specified in paragraphs (b) and (c), employment plans under DWP must, at a minimum, meet the requirements in section 256J.55, subdivision 1.

(b) A caregiver who is a member of a two-parent family that is required to participate in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed to develop an employment plan under section 256J.521, subdivision 2, that may contain alternate activities and reduced hours.

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(c) A participant who is a victim of family violence shall be allowed to develop an employment plan under section 256J.521, subdivision 3. A claim of family violence must be documented by the applicant or participant by providing a sworn statement which is supported by collateral documentation in section 256J.545, paragraph (b).

(d) One parent in a two-parent family unit that has a natural born child under 12 months of age is not required to have an employment plan until the child reaches 12 months of age unless the family unit has already used the exclusion under section 256J.561, subdivision 3, or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5).

(e) The provision in paragraph (d) ends the first full month after the child reaches 12 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent household, only one parent shall be allowed to use this category.

(f) The participant and job counselor must meet in the month after the month the child reaches 12 months of age to revise the participant's employment plan. The employment plan for a family unit that has a child under 12 months of age that has already used the exclusion in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

Subd. 12. Conversion or referral to MFIP. (a) If at any time during the DWP application process or during the four-month DWP eligibility period, it is determined that a participant is unlikely to benefit from the diversionary work program, the county shall convert or refer the participant to MFIP as specified in paragraph (d). Participants who are determined to be unlikely to benefit from the diversionary work program must develop and sign an employment plan.

(b) A participant who meets the eligibility requirements under section 256J.575, subdivision 3, must be considered to be unlikely to benefit from DWP, provided the necessary documentation is available to support the determination.

(c) In a two-parent family unit, if one parent is determined to be unlikely to benefit from the diversionary work program, the family unit must be converted or referred to MFIP.

(d) A participant who is determined to be unlikely to benefit from the diversionary work program shall be converted to MFIP and, if the determination was made within 30 days of the initial application for benefits, no additional application form is required. A participant who is determined to be unlikely to benefit from the diversionary work program shall be referred to MFIP and, if the determination is made more than 30 days after the initial application, the participant must submit a program change request form. The county agency shall process the program change request form by the first of the following month to ensure that no gap in benefits is due to delayed action by the county agency. In processing the program change request form, the county must follow section 256J.32, subdivision 1, except that the county agency shall not require additional verification of the information in the case file from the DWP application unless the information in the case file is inaccurate, questionable, or no longer current.

(e) The county shall not request a combined application form for a participant who has exhausted the four months of the diversionary work program, has continued need for cash and food assistance, and has completed, signed, and submitted a program change request form within 30 days of the fourth month of the diversionary work program. The county must process the program change request according to section 256J.32, subdivision 1, except that the county agency shall not require additional verification of information in the case file unless the information is inaccurate, questionable, or no longer current. When a participant does not request MFIP within 30 days of the diversionary work program benefits being exhausted, a new combined application form must be completed for any subsequent request for MFIP.

Subd. 13. Immediate referral to employment services. Within one working day of determination that the applicant is eligible for the diversionary work program, but before benefits are issued to or on behalf of the family unit, the county shall refer all caregivers to employment services. The referral to the DWP employment services must be in writing and must contain the following information:

(1) notification that, as part of the application process, applicants are required to develop an employment plan or the DWP application will be denied;

(2) the employment services provider name and phone number;

(3) the immediate availability of supportive services, including, but not limited to, child care, transportation, and other work-related aid; and

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(4) the rights, responsibilities, and obligations of participants in the program, including, but not limited to, the grounds for good cause, the consequences of refusing or failing to participate fully with program requirements, and the appeal process.

Subd. 14. **Employment plan; DWP benefits.** As soon as possible, but no later than ten working days of being notified that a participant is financially eligible for the diversionary work program, the employment services provider shall provide the participant with an opportunity to meet to develop an initial employment plan. Once the initial employment plan has been developed and signed by the participant and the job counselor, the employment services provider shall notify the county within one working day that the employment plan has been signed. The county shall issue DWP benefits within one working day after receiving notice that the employment plan has been signed.

Subd. 15. **Limitations on certain work activities.** (a) Except as specified in paragraphs (b) to (d), employment activities listed in section 256J.49, subdivision 13, are allowable under the diversionary work program.

(b) Work activities under section 256J.49, subdivision 13, clause (5), shall be allowable only when in combination with approved work activities under section 256J.49, subdivision 13, clauses (1) to (4), and shall be limited to no more than one-half of the hours required in the employment plan.

(c) In order for an English as a second language (ESL) class to be an approved work activity, a participant must:

(1) be below a spoken language proficiency level of SPL6 or its equivalent, as measured by a nationally recognized test; and

(2) not have been enrolled in ESL for more than 24 months while previously participating in MFIP or DWP. A participant who has been enrolled in ESL for 20 or more months may be approved for ESL until the participant has received 24 total months.

(d) Work activities under section 256J.49, subdivision 13, clause (6), shall be allowable only when the training or education program will be completed within the four-month DWP period. Training or education programs that will not be completed within the four-month DWP period shall not be approved.

Subd. 16. **Failure to comply with requirements.** A family unit that includes a participant who fails to comply with DWP employment service or child support enforcement requirements, without good cause as defined in sections 256.741 and 256J.57, shall be disqualified from the diversionary work program. The county shall provide written notice as specified in section 256J.31 to the participant prior to disqualifying the family unit due to noncompliance with employment service or child support. The disqualification does not apply to SNAP or health care benefits.

Subd. 17. **Good cause for not complying with requirements.** A participant who fails to comply with the requirements of the diversionary work program may claim good cause for reasons listed in sections 256.741 and 256J.57, subdivision 1, clauses (1) to (14). The county shall not impose a disqualification if good cause exists.

Subd. 18. **Reinstatement following disqualification.** A participant who has been disqualified from the diversionary work program due to noncompliance with employment services may regain eligibility for the diversionary work program by complying with program requirements. A participant who has been disqualified from the diversionary work program due to noncooperation with child support enforcement requirements may regain eligibility by complying with child support requirements under section 256.741. Once a participant has been reinstated, the county shall issue prorated benefits for the remaining portion of the month. A family unit that has been disqualified from the diversionary work program due to noncompliance shall not be eligible for MFIP or any other TANF cash program for the remainder of the four-month period. In a two-parent family, both parents must be in compliance before the family unit can regain eligibility for benefits.

Subd. 19. **DWP overpayments and underpayments.** DWP benefits are subject to overpayments and underpayments. Anytime an overpayment or an underpayment is determined for DWP, the correction shall be calculated using prospective budgeting. Corrections shall be determined based on the policy in section 256J.34, subdivision 1, paragraphs (a), (b), and (c). ATM errors must be recovered as specified in section 256P.08, subdivision 7. Cross program recoupment of overpayments cannot be assigned to or from DWP.

256P.07 REPORTING OF INCOME AND CHANGES.

Subd. 5. **DWP-specific reporting.** In addition to subdivisions 3 and 4, an assistance unit participating in the diversionary work program under section 256J.95 must report on an application:

- (1) shelter expenses; and
- (2) utility expenses.

518A.59 NOTICE OF INTEREST ON LATE CHILD SUPPORT.

Any judgment or decree of dissolution or legal separation containing a requirement of child support and any determination of parentage, order under chapter 518C, order under section 256.87, or order under section 260B.331 or 260C.331 must include a notice to the parties that section 548.091, subdivision 1a, provides for interest to begin accruing on a payment or installment of child support whenever the unpaid amount due is greater than the current support due.