

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 3770

(SENATE AUTHORS: WIKLUND)

DATE
02/15/2024

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Introduction and first reading
Referred to Health and Human Services

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to children, youth, and families; creating the statutory infrastructure for

1.3 the new Department of Children, Youth, and Families; moving and copying statutes;

1.4 amending Minnesota Statutes 2022, sections 13.46, subdivisions 1, 3; 116L.665,

1.5 subdivision 2; 116L.86, subdivisions 1, 3; 119A.5411; 119B.03, subdivision 8;

1.6 119B.09, subdivision 12; 119B.24; 124D.13, subdivisions 2, 3, 4; 124D.135,

1.7 subdivisions 1, 3; 124D.142, subdivision 1; 124D.15, subdivision 3a; 124D.16,

1.8 by adding a subdivision; 124D.165, subdivision 1; 125A.02, subdivision 1a;

1.9 125A.28; 125A.35, subdivision 1; 125A.45; 125A.48; 144.225, subdivision 2b;

1.10 245A.02, subdivisions 6e, 12; 245A.03, subdivisions 1, 4; 245A.035, subdivision

1.11 4; 245A.04, subdivision 9; 245A.08, subdivision 2a; 245A.09, subdivision 7;

1.12 245A.10, subdivisions 1, 2; 245A.14, subdivisions 1, 14; 245A.1443, subdivision

1.13 2; 245A.1444; 245A.146, subdivisions 1, 2, 5, 6; 245A.147, subdivision 1;

1.14 245A.156, subdivisions 1, 2; 245A.16, subdivisions 3, 5; 245A.18, subdivision 1;

1.15 245A.25, subdivisions 1, 6, 8; 245A.66, subdivision 1; 245C.03, by adding a

1.16 subdivision; 245C.08, subdivision 3; 245C.22, by adding a subdivision; 245C.25;

1.17 256.01, subdivisions 1, 2, 4, 5, 12, 16, 18, 18a, 34; 256.012, subdivision 2; 256.016;

1.18 256.017, subdivisions 1, 2, 3, 5, 7; 256.018; 256.019, subdivisions 1, 2; 256.0281;

1.19 256.029; 256.045, subdivisions 3b, 4, 6, 10; 256.0451, subdivisions 1, 2; 256.046,

1.20 subdivision 2; 256.741, subdivisions 1, 2, 12a; 256.82; 256.87, subdivisions 1, 1a,

1.21 5; 256.981; 256.982; 256.983, as amended; 256.9831, subdivision 1; 256.986;

1.22 256.9861; 256.987, subdivision 1; 256.998, subdivision 7; 256D.64, subdivisions

1.23 1, 3; 256E.21, subdivision 1; 256E.22, subdivision 7; 256E.24; 256E.25,

1.24 subdivisions 5, 6, 7; 256E.26; 256E.27; 256J.01, subdivision 2; 256J.021; 256J.08,

1.25 subdivision 32; 256J.09, by adding a subdivision; 256J.351; 256J.395, subdivision

1.26 1; 256J.425, subdivision 8; 256J.645, subdivision 1; 256P.04, subdivision 13;

1.27 260.92, subdivision 1; 260C.178, subdivision 1; 260C.201, subdivision 1; 260C.215,

1.28 subdivision 5; 260C.301, subdivision 1; 260D.02, subdivisions 5, 9; 260E.02,

1.29 subdivision 2; 260E.03, subdivision 23; 260E.14, subdivision 1; 260E.20,

1.30 subdivisions 3, 5; 260E.24, subdivision 5; 260E.28, subdivisions 1, 3; 260E.29,

1.31 subdivision 2; 260E.30, subdivisions 3, 6; 260E.32, subdivision 3; 260E.33,

1.32 subdivisions 2, 3, 5; 260E.34; 260E.35, subdivision 3; 260E.36, subdivision 4;

1.33 299A.72; 393.07, subdivisions 1, 2, 3, 4, 5, 7, 8, 10; 393.11, subdivision 2; 518A.26,

1.34 by adding a subdivision; 518A.60; 631.40, subdivision 3; Minnesota Statutes 2023

1.35 Supplement, sections 13.46, subdivisions 2, 4; 119B.125, subdivisions 1a, 2, 3;

1.36 121A.19; 124D.142, subdivision 2; 125A.02, subdivision 1; 142A.02, subdivision

1.37 1; 142A.03, subdivision 2, by adding subdivisions; 144.225, subdivision 2;

1.38 245A.02, subdivision 5a; 245A.03, subdivision 2; 245A.04, subdivision 7;

245A.041, subdivision 6; 245A.05; 245A.07, subdivisions 1, 3; 245A.10, subdivisions 3, 4; 245A.13, subdivision 7; 245A.1435; 245A.16, subdivision 1; 245C.02, subdivision 22; 245C.03, subdivision 1; 245H.05; 256.045, subdivision 3; 256.046, subdivision 1; 256.0471, subdivision 1; 256.98, subdivision 8; 256D.65, subdivision 1; 256J.35; 256J.37, subdivision 3a; 256J.40; 260C.317, subdivision 3; 260E.02, subdivision 1; 609A.015, subdivisions 1, 2, 3; 609A.06, subdivisions 7, 12; Laws 2017, First Special Session chapter 5, article 8, section 9, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 142A; proposing coding for new law as Minnesota Statutes, chapters 142B; 142C; 142E; repealing Minnesota Statutes 2022, sections 245A.04, subdivision 17; 245A.09, subdivision 10; 245H.12; 256.01, subdivision 30; 256.741, subdivision 3; 256.9831, subdivisions 2, 3; 256J.01, subdivision 5; 256J.78, subdivision 3; Minnesota Statutes 2023 Supplement, section 245A.18, subdivision 2.

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

ARTICLE 1

CHAPTER 142A; DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

Section 1. Minnesota Statutes 2023 Supplement, section 142A.02, subdivision 1, is amended to read:

Subdivision 1. **Department.** The Department of Children, Youth, and Families is established. The commissioner of children, youth, and families is hereby constituted the "state agency" for the purposes of Title IV of the Social Security Act of the United States and the laws of this state.

Sec. 2. Minnesota Statutes 2023 Supplement, section 142A.03, subdivision 2, is amended to read:

Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the commissioner. Any money received under this paragraph is appropriated and dedicated for the purpose for which the money is granted. The commissioner must biennially report to the chairs and ranking minority members of relevant legislative committees and divisions by January 15 of each even-numbered year a list of all grants and gifts received under this subdivision.

(b) Pursuant to law, the commissioner may apply for and receive money made available from federal sources for the purpose of carrying out the duties and responsibilities of the commissioner.

(c) The commissioner may make contracts with and grants to Tribal Nations, public and private agencies, for-profit and nonprofit organizations, and individuals using appropriated money.

(d) The commissioner must develop program objectives and performance measures for evaluating progress toward achieving the objectives. The commissioner must identify the objectives, performance measures, and current status of achieving the measures in a biennial report to the chairs and ranking minority members of relevant legislative committees and divisions. The report is due no later than January 15 each even-numbered year. The report must include, when possible, the following objectives:

(1) centering and including the lived experiences of children and youth, including those with disabilities and mental illness and their families, in all aspects of the department's work;

(2) increasing the effectiveness of the department's programs in addressing the needs of children and youth facing racial, economic, or geographic inequities;

(3) increasing coordination and reducing inefficiencies among the department's programs and the funding sources that support the programs;

(4) increasing the alignment and coordination of family access to child care and early learning programs and improving systems of support for early childhood and learning providers and services;

(5) improving the connection between the department's programs and the kindergarten through grade 12 and higher education systems; and

(6) minimizing and streamlining the effort required of youth and families to receive services to which the youth and families are entitled.

(e) The commissioner shall administer and supervise the forms of public assistance and other activities or services that are vested in the commissioner. Administration and supervision of activities or services includes but is not limited to assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising activities vested by law in the department, the commissioner has the authority to:

(1) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing the programs and activities administered by the commissioner;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of activities and programs; enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services; and promote excellence of administration and program operation;

4.1 (3) develop a quality control program or other monitoring program to review county
4.2 performance and accuracy of benefit determinations;

4.3 (4) require county agencies to make an adjustment to the public assistance benefits issued
4.4 to any individual consistent with federal law and regulation and state law and rule and to
4.5 issue or recover benefits as appropriate;

4.6 (5) delay or deny payment of all or part of the state and federal share of benefits and
4.7 administrative reimbursement according to the procedures set forth in section 142A.10;

4.8 (6) make contracts with and grants to public and private agencies and organizations,
4.9 both for-profit and nonprofit, and individuals, using appropriated funds; and

4.10 (7) enter into contractual agreements with federally recognized Indian Tribes with a
4.11 reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved
4.12 family assistance program or any other program under the supervision of the commissioner.
4.13 The commissioner shall consult with the affected county or counties in the contractual
4.14 agreement negotiations, if the county or counties wish to be included, in order to avoid the
4.15 duplication of county and Tribal assistance program services. The commissioner may
4.16 establish necessary accounts for the purposes of receiving and disbursing funds as necessary
4.17 for the operation of the programs.

4.18 The commissioner shall work in conjunction with the commissioner of human services to
4.19 carry out the duties of this paragraph when necessary and feasible.

4.20 (f) The commissioner shall inform county agencies, on a timely basis, of changes in
4.21 statute, rule, federal law, regulation, and policy necessary to county agency administration
4.22 of the programs and activities administered by the commissioner.

4.23 (g) The commissioner shall administer and supervise child welfare activities, including
4.24 promoting the enforcement of laws preventing child maltreatment and protecting children
4.25 with a disability and children who are in need of protection or services, licensing and
4.26 supervising child care and child-placing agencies, and supervising the care of children in
4.27 foster care. The commissioner shall coordinate with the commissioner of human services
4.28 on activities impacting children overseen by the Department of Human Services, such as
4.29 disability services, behavioral health, and substance use disorder treatment.

4.30 (h) The commissioner shall assist and cooperate with local, state, and federal departments,
4.31 agencies, and institutions.

5.1 (i) The commissioner shall establish and maintain any administrative units reasonably
5.2 necessary for the performance of administrative functions common to all divisions of the
5.3 department.

5.4 (j) The commissioner shall act as designated guardian of children pursuant to chapter
5.5 260C. For children under the guardianship of the commissioner or a Tribe in Minnesota
5.6 recognized by the Secretary of the Interior whose interests would be best served by adoptive
5.7 placement, the commissioner may contract with a licensed child-placing agency or a
5.8 Minnesota Tribal social services agency to provide adoption services. A contract with a
5.9 licensed child-placing agency must be designed to supplement existing county efforts and
5.10 may not replace existing county programs or Tribal social services, unless the replacement
5.11 is agreed to by the county board and the appropriate exclusive bargaining representative,
5.12 Tribal governing body, or the commissioner has evidence that child placements of the county
5.13 continue to be substantially below that of other counties. Funds encumbered and obligated
5.14 under an agreement for a specific child shall remain available until the terms of the agreement
5.15 are fulfilled or the agreement is terminated.

5.16 (k) The commissioner has the authority to conduct and administer experimental projects
5.17 to test methods and procedures of administering assistance and services to recipients or
5.18 potential recipients of public benefits. To carry out the experimental projects, the
5.19 commissioner may waive the enforcement of existing specific statutory program
5.20 requirements, rules, and standards in one or more counties. The order establishing the waiver
5.21 must provide alternative methods and procedures of administration and must not conflict
5.22 with the basic purposes, coverage, or benefits provided by law. No project under this
5.23 paragraph shall exceed four years. No order establishing an experimental project as authorized
5.24 by this paragraph is effective until the following conditions have been met:

5.25 (1) the United States Secretary of Health and Human Services has agreed, for the same
5.26 project, to waive state plan requirements relative to statewide uniformity; and

5.27 (2) a comprehensive plan, including estimated project costs, has been approved by the
5.28 Legislative Advisory Commission and filed with the commissioner of administration.

5.29 (l) The commissioner shall, according to federal requirements and in coordination with
5.30 the commissioner of human services, establish procedures to be followed by local welfare
5.31 boards in creating citizen advisory committees, including procedures for selection of
5.32 committee members.

5.33 (m) The commissioner shall allocate federal fiscal disallowances or sanctions that are
5.34 based on quality control error rates for the aid to families with dependent children (AFDC)

program formerly codified in sections 256.72 to 256.87 or the Supplemental Nutrition Assistance Program (SNAP) in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For AFDC, disallowances shall be shared by each county board in the same proportion as that county's expenditures to the total of all counties' expenditures for AFDC. For SNAP, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for SNAP benefits are to the total of all SNAP administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of SNAP benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due under this paragraph, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance that resulted from the noncompliance and may distribute the balance of the disallowance according to clause (1).

(n) The commissioner shall develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(o) The commissioner has the authority to establish and enforce the following county reporting requirements:

(1) the commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for programs administered by the commissioner. When establishing financial and statistical reporting requirements, the

commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced;

(2) the county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner;

(3) if the required reports are not received by the deadlines established in clause (2), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received;

(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

(5) the final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period;

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(p) The commissioner shall allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample in direct proportion to each county's claim for that period.

(q) The commissioner is responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the programs administered by the department. The commissioner shall cooperate with the commissioner of education to enforce the requirements for program integrity and fraud prevention for investigation for child care assistance under chapter 142E.

(r) The commissioner shall require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the programs administered by the department.

(s) The commissioner shall develop recommended standards for child foster care homes that address the components of specialized therapeutic services to be provided by child foster care homes with those services.

(t) The commissioner shall authorize the method of payment to or from the department as part of the programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the programs administered by the department.

(u) In coordination with the commissioner of human services, the commissioner shall create and provide county and Tribal agencies with blank applications, affidavits, and other forms as necessary for public assistance programs.

(v) The commissioner shall cooperate with the federal government and its public welfare agencies in any reasonable manner as may be necessary to qualify for federal aid for temporary assistance for needy families and in conformity with Title I of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and successor amendments, including making reports that contain information required by the federal Social Security Advisory Board and complying with any provisions the board may find necessary to assure the correctness and verification of the reports.

(w) On or before January 15 in each even-numbered year, the commissioner shall make a biennial report to the governor concerning the activities of the agency.

9.1 (x) The commissioner shall enter into agreements with other departments of the state as
9.2 necessary to meet all requirements of the federal government.

9.3 (y) The commissioner may cooperate with other state agencies in establishing reciprocal
9.4 agreements in instances where a child receiving Minnesota family investment program
9.5 (MFIP) assistance or its out-of-state equivalent moves or contemplates moving into or out
9.6 of the state, in order that the child may continue to receive MFIP or equivalent aid from the
9.7 state moved from until the child has resided for one year in the state moved to.

9.8 (z) The commissioner shall provide appropriate technical assistance to county agencies
9.9 to develop methods to have county financial workers remind and encourage recipients of
9.10 aid to families with dependent children, the Minnesota family investment program, the
9.11 Minnesota family investment plan, family general assistance, or SNAP benefits whose
9.12 assistance unit includes at least one child under the age of five to have each young child
9.13 immunized against childhood diseases. The commissioner must examine the feasibility of
9.14 utilizing the capacity of a statewide computer system to assist county agency financial
9.15 workers in performing this function at appropriate intervals.

9.16 (aa) The commissioner shall have the power and authority to accept on behalf of the
9.17 state contributions and gifts for the use and benefit of children under the guardianship or
9.18 custody of the commissioner. The commissioner may also receive and accept on behalf of
9.19 such children money due and payable to them as old age and survivors insurance benefits,
9.20 veterans benefits, pensions, or other such monetary benefits. Gifts, contributions, pensions,
9.21 and benefits under this paragraph must be deposited in and disbursed from the social welfare
9.22 fund provided for in sections 256.88 to 256.92.

9.23 (bb) The specific enumeration of powers and duties in this section must not be construed
9.24 to be a limitation upon the general powers granted to the commissioner.

9.25 Sec. 3. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
9.26 subdivision to read:

9.27 Subd. 3. **Subpoena power.** (a) The commissioner may administer oaths and affirmations,
9.28 take depositions, certify to official acts, and issue subpoenas to compel the attendance of
9.29 individuals and the production of documents and other personal property necessary in
9.30 connection with the administration of programs administered by the Department of Children,
9.31 Youth, and Families.

(b) The fees for service of a subpoena in paragraph (a) must be paid in the same manner as prescribed by law for a service of process issued by a district court. Witnesses must receive the same fees and mileage as in civil actions.

(c) The subpoena in paragraph (a) shall be enforceable through the district court in the district where the subpoena is issued.

(d) A subpoena issued under this subdivision must state that the person to whom the subpoena is directed may not disclose the fact that the subpoena was issued or the fact that the requested records have been given to law enforcement personnel or agents of the commissioner except:

(1) insofar as the disclosure is necessary and agreed upon by the commissioner, to find and disclose the records; or

(2) pursuant to court order.

Sec. 4. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a subdivision to read:

Subd. 4. **Advisory task forces.** The commissioner may appoint advisory task forces to provide consultation on any of the programs under the commissioner's administration and supervision. A task force shall expire and the compensation, terms of office and removal of members shall be as provided in section 15.059. Notwithstanding section 15.059, the commissioner may pay a per diem of \$35 to consumers and family members whose participation is needed in legislatively authorized state-level task forces, and whose participation on the task force is not as a paid representative of any agency, organization, or association.

Sec. 5. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a subdivision to read:

Subd. 5. **Centralized disbursement system.** The commissioner may establish a system for the centralized disbursement of benefits administered by the commissioner as well as any related documents. Benefits must be issued by the state or county subject to section 142A.10.

11.1 Sec. 6. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
11.2 subdivision to read:

11.3 Subd. 6. **Contracting with financial institutions.** The state agency may contract with
11.4 banks or other financial institutions to provide services associated with the processing of
11.5 public assistance checks and may pay a service fee for these services, provided the fee
11.6 charged does not exceed the fee charged to other customers of the institution for similar
11.7 services.

11.8 Sec. 7. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
11.9 subdivision to read:

11.10 Subd. 9. **American Indian child welfare projects.** (a) The commissioner of human
11.11 services may authorize projects to initiate Tribal delivery of child welfare services to
11.12 American Indian children and their parents and custodians living on the reservation. The
11.13 commissioner has authority to solicit and determine which Tribes may participate in a
11.14 project. Grants may be issued to Minnesota Indian Tribes to support the projects. The
11.15 commissioner may waive existing state rules as needed to accomplish the projects. The
11.16 commissioner may authorize projects to use alternative methods of (1) screening,
11.17 investigating, and assessing reports of child maltreatment, and (2) administrative
11.18 reconsideration, administrative appeal, and judicial appeal of maltreatment determinations,
11.19 provided the alternative methods used by the projects comply with the provisions of sections
11.20 142A.20 and 256.045 and chapter 260E that deal with the rights of individuals who are the
11.21 subjects of reports or investigations, including notice and appeal rights and data practices
11.22 requirements. The commissioner shall only authorize alternative methods that comply with
11.23 the public policy under section 260E.01. The commissioner may seek any federal approval
11.24 necessary to carry out the projects as well as seek and use any funds available to the
11.25 commissioner, including use of federal funds, foundation funds, existing grant funds, and
11.26 other funds. The commissioner is authorized to advance state funds as necessary to operate
11.27 the projects. Federal reimbursement applicable to the projects is appropriated to the
11.28 commissioner for the purposes of the projects. The projects must be required to address
11.29 responsibility for safety, permanency, and well-being of children.

11.30 (b) For the purposes of this section, "American Indian child" means a person under 21
11.31 years old and who is a Tribal member or eligible for membership in one of the Tribes chosen
11.32 for a project under this subdivision and who is residing on the reservation of that Tribe.

11.33 (c) In order to qualify for an American Indian child welfare project, a Tribe must:

11.34 (1) be one of the existing Tribes with reservation land in Minnesota;

- 12.1 (2) have a Tribal court with jurisdiction over child custody proceedings;
- 12.2 (3) have a substantial number of children for whom determinations of maltreatment have
- 12.3 occurred;
- 12.4 (4)(i) have capacity to respond to reports of abuse and neglect under chapter 260E; or
- 12.5 (ii) have codified the Tribe's screening, investigation, and assessment of reports of child
- 12.6 maltreatment procedures, if authorized to use an alternative method by the commissioner
- 12.7 under paragraph (a);
- 12.8 (5) provide a wide range of services to families in need of child welfare services;
- 12.9 (6) have a Tribal-state title IV-E agreement in effect; and
- 12.10 (7) enter into host Tribal contracts pursuant to section 142A.07, subdivision 6.
- 12.11 (d) Grants awarded under this section may be used for the nonfederal costs of providing
- 12.12 child welfare services to American Indian children on the Tribe's reservation, including
- 12.13 costs associated with:
- 12.14 (1) assessment and prevention of child abuse and neglect;
- 12.15 (2) family preservation;
- 12.16 (3) facilitative, supportive, and reunification services;
- 12.17 (4) out-of-home placement for children removed from the home for child protective
- 12.18 purposes; and
- 12.19 (5) other activities and services approved by the commissioner that further the goals of
- 12.20 providing safety, permanency, and well-being of American Indian children.
- 12.21 (e) When a Tribe has initiated a project and has been approved by the commissioner to
- 12.22 assume child welfare responsibilities for American Indian children of that Tribe under this
- 12.23 section, the affected county social service agency is relieved of responsibility for responding
- 12.24 to reports of abuse and neglect under chapter 260E for those children during the time within
- 12.25 which the Tribal project is in effect and funded. The commissioner shall work with Tribes
- 12.26 and affected counties to develop procedures for data collection, evaluation, and clarification
- 12.27 of ongoing role and financial responsibilities of the county and Tribe for child welfare
- 12.28 services prior to initiation of the project. Children who have not been identified by the Tribe
- 12.29 as participating in the project shall remain the responsibility of the county. Nothing in this
- 12.30 section shall alter responsibilities of the county for law enforcement or court services.

13.1 (f) Participating Tribes may conduct children's mental health screenings under section
13.2 245.4874, subdivision 1, paragraph (a), clause (12), for children who are eligible for the
13.3 initiative and living on the reservation and who meet one of the following criteria:

13.4 (1) the child must be receiving child protective services;

13.5 (2) the child must be in foster care; or

13.6 (3) the child's parents must have had parental rights suspended or terminated.

13.7 Tribes may access reimbursement from available state funds for conducting the screenings.
13.8 Nothing in this section shall alter responsibilities of the county for providing services under
13.9 section 245.487.

13.10 (g) Participating Tribes may establish a local child mortality review panel. In establishing
13.11 a local child mortality review panel, the Tribe agrees to conduct local child mortality reviews
13.12 for child deaths or near-fatalities occurring on the reservation under subdivision 7. Tribes
13.13 with established child mortality review panels shall have access to nonpublic data and shall
13.14 protect nonpublic data under subdivision 7, paragraphs (c) to (e). The Tribe shall provide
13.15 written notice to the commissioner and affected counties when a local child mortality review
13.16 panel has been established and shall provide data upon request of the commissioner for
13.17 purposes of sharing nonpublic data with members of the state child mortality review panel
13.18 in connection to an individual case.

13.19 (h) The commissioner shall collect information on outcomes relating to child safety,
13.20 permanency, and well-being of American Indian children who are served in the projects.
13.21 Participating Tribes must provide information to the state in a format and completeness
13.22 deemed acceptable by the state to meet state and federal reporting requirements.

13.23 (i) In consultation with the White Earth Band, the commissioner shall develop and submit
13.24 to the chairs and ranking minority members of the legislative committees with jurisdiction
13.25 over health and human services a plan to transfer legal responsibility for providing child
13.26 protective services to White Earth Band member children residing in Hennepin County to
13.27 the White Earth Band. The plan shall include a financing proposal, definitions of key terms,
13.28 statutory amendments required, and other provisions required to implement the plan.

13.29 Sec. 8. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
13.30 subdivision to read:

13.31 Subd. 11. **Information for persons with limited English-language proficiency.** The
13.32 commissioner shall implement a procedure for public assistance applicants and recipients

14.1 to identify a language preference other than English in order to receive information pertaining
14.2 to the public assistance programs in that preferred language.

14.3 Sec. 9. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
14.4 subdivision to read:

14.5 Subd. 12. **Appropriation transfers to be reported.** When the commissioner transfers
14.6 operational money between programs under section 16A.285, in addition to the requirements
14.7 of that section the commissioner must provide the chairs of the legislative committees that
14.8 have jurisdiction over the agency's budget with sufficient detail to identify the account to
14.9 which the money was originally appropriated, and the account to which the money is being
14.10 transferred.

14.11 Sec. 10. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
14.12 subdivision to read:

14.13 Subd. 13. **Immigration status verifications.** (a) Notwithstanding any waiver of this
14.14 requirement by the secretary of the United States Department of Health and Human Services,
14.15 the commissioner shall utilize the Systematic Alien Verification for Entitlements (SAVE)
14.16 program to conduct immigration status verifications:

14.17 (1) as required under United States Code, title 8, section 1642; and

14.18 (2) for all applicants for food assistance benefits, whether under the federal SNAP, the
14.19 MFIP or work first program, or the Minnesota food assistance program.

14.20 (b) The commissioner shall comply with the reporting requirements under United States
14.21 Code, title 42, section 611a, and any federal regulation or guidance adopted under that law.

14.22 Sec. 11. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
14.23 subdivision to read:

14.24 Subd. 14. **Public Assistance Reporting Information System.** (a) The commissioner
14.25 shall comply with the federal requirements in Public Law 110-379 in implementing the
14.26 Public Assistance Reporting Information System (PARIS) to determine eligibility for all
14.27 individuals applying for public benefits under chapter 142E and the Supplemental Nutrition
14.28 Assistance Program.

14.29 (b) The commissioner shall determine eligibility under paragraph (a) by performing data
14.30 matches, including matching with medical assistance, cash, child care, and supplemental
14.31 assistance programs operated by other states.

15.1 Sec. 12. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
15.2 subdivision to read:

15.3 Subd. 15. **Drug convictions.** (a) The state court administrator shall provide a report
15.4 every six months by electronic means to the commissioner of children, youth, and families,
15.5 including the name, address, date of birth, and, if available, driver's license or state
15.6 identification card number, date of the sentence, effective date of the sentence, and county
15.7 in which the conviction occurred, of each person convicted of a felony under chapter 152,
15.8 except for convictions under section 152.0263 or 152.0264, during the previous six months.

15.9 (b) The commissioner shall determine whether the individuals who are the subject of
15.10 the data reported under paragraph (a) are receiving public assistance under chapter 142F or
15.11 142G, and if an individual is receiving assistance under chapter 142F or 142G, the
15.12 commissioner shall instruct the county to proceed under section 142G.18 or 256D.024,
15.13 whichever is applicable, for this individual.

15.14 (c) The commissioner shall not retain any data received under paragraph (a) that does
15.15 not relate to an individual receiving publicly funded assistance under chapter 142G or 256D.

15.16 Sec. 13. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
15.17 subdivision to read:

15.18 Subd. 16. **Data sharing with Department of Children, Youth, and Families; multiple**
15.19 **identification cards.** (a) The commissioner of public safety shall, on a monthly basis,
15.20 provide the commissioner of children, youth, and families with the first, middle, and last
15.21 name, the address, date of birth, driver's license or state identification card number, and all
15.22 photographs or electronically produced images of all applicants and holders whose drivers'
15.23 licenses and state identification cards have been canceled under section 171.14, paragraph
15.24 (a), clause (2) or (3), by the commissioner of public safety. After the initial data report has
15.25 been provided by the commissioner of public safety to the commissioner of children, youth,
15.26 and families under this paragraph, subsequent reports shall only include cancellations that
15.27 occurred after the end date of the cancellations represented in the previous data report.

15.28 (b) The commissioner of children, youth, and families shall compare the information
15.29 provided under paragraph (a) with the commissioner's data regarding recipients of all public
15.30 assistance programs managed by the Department of Children, Youth, and Families to
15.31 determine whether any individual with multiple identification cards issued by the Department
15.32 of Public Safety has illegally or improperly enrolled in any public assistance program
15.33 managed by the Department of Children, Youth, and Families.

(c) If the commissioner of children, youth, and families determines that an applicant or recipient has illegally or improperly enrolled in any public assistance program, the commissioner shall provide all due process protections to the individual before terminating the individual from the program according to applicable statute and notifying the county attorney.

Sec. 14. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a subdivision to read:

Subd. 17. Data sharing with Department of Children, Youth, and Families; legal presence date. (a) The commissioner of public safety shall, on a monthly basis, provide the commissioner of children, youth, and families with the first, middle, and last name, and address, date of birth, and driver's license or state identification card number of all applicants and holders of drivers' licenses and state identification cards whose temporary legal presence date has expired and as a result the driver's license or identification card has been accordingly canceled under section 171.14 by the commissioner of public safety.

(b) The commissioner of human services shall use the information provided under paragraph (a) to determine whether the eligibility of any recipients of public assistance programs managed by the Department of Children, Youth, and Families has changed as a result of the status change in the Department of Public Safety data.

(c) If the commissioner of children, youth, and families determines that a recipient has illegally or improperly received benefits from any public assistance program, the commissioner shall provide all due process protections to the individual before terminating the individual from the program according to applicable statute and notifying the county attorney.

Sec. 15. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a subdivision to read:

Subd. 18. Homeless services. The commissioner of children, youth, and families may contract directly with nonprofit organizations providing homeless services in two or more counties.

Sec. 16. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a subdivision to read:

Subd. 19. Nonstate funding for program costs. Notwithstanding sections 16A.013 to 16A.016, the commissioner may accept, on behalf of the state, additional funding from

17.1 sources other than state funds for the purpose of financing the cost of assistance program
17.2 grants or nongrant administration. All additional funding is appropriated to the commissioner
17.3 for use as designated by the grantor of funding.

17.4 Sec. 17. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
17.5 subdivision to read:

17.6 Subd. 20. **Systems continuity.** In the event of disruption of technical systems or computer
17.7 operations, the commissioner may use available grant appropriations to ensure continuity
17.8 of payments for maintaining the health, safety, and well-being of clients served by programs
17.9 administered by the Department of Children, Youth, and Families. Grant funds must be
17.10 used in a manner consistent with the original intent of the appropriation.

17.11 Sec. 18. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
17.12 subdivision to read:

17.13 Subd. 21. **Federal administrative reimbursement dedicated.** Federal administrative
17.14 reimbursement resulting from the following activities is appropriated to the commissioner
17.15 for reimbursement resulting from the federal child support grant expenditures authorized
17.16 under United States Code, title 42, section 1315.

17.17 Sec. 19. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
17.18 subdivision to read:

17.19 Subd. 23. **DCYF receipt center accounting.** The commissioner may transfer
17.20 appropriations to, and account for DCYF receipt center operations in, the special revenue
17.21 fund.

17.22 Sec. 20. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
17.23 subdivision to read:

17.24 Subd. 24. **Nonfederal share transfers.** The nonfederal share of activities for which
17.25 federal administrative reimbursement is appropriated to the commissioner may be transferred
17.26 to the special revenue fund.

18.1 Sec. 21. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
18.2 subdivision to read:

18.3 Subd. 25. **Interview expenses.** Job applicants for professional, administrative, or highly
18.4 technical positions recruited by the commissioner may be reimbursed for necessary travel
18.5 expenses to and from interviews arranged by the commissioner.

18.6 Sec. 22. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
18.7 subdivision to read:

18.8 Subd. 26. **Changes to grant programs.** Prior to implementing any substantial changes
18.9 to a grant funding formula disbursed through allocations administered by the commissioner,
18.10 the commissioner must provide a report on the nature of the changes, the effect the changes
18.11 will have, whether any funding will change, and other relevant information, to the chairs
18.12 and ranking minority members of the legislative committees with jurisdiction over children,
18.13 youth, and families. The report must be provided prior to the start of a regular session, and
18.14 the proposed changes cannot be implemented until after the adjournment of that regular
18.15 session.

18.16 Sec. 23. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
18.17 subdivision to read:

18.18 Subd. 27. **Federal grants for Minnesota Indians.** The commissioner of children, youth,
18.19 and families is authorized to enter into contracts with the United States Departments of
18.20 Health and Human Services, Education, and Interior, and the Bureau of Indian Affairs, for
18.21 the purpose of receiving federal grants for the support of Minnesota's Indian communities.

18.22 Sec. 24. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
18.23 subdivision to read:

18.24 Subd. 28. **Reimbursement of counties for certain Indian benefits costs.** (a) The
18.25 commissioner, to the extent that state and federal money is available, shall reimburse any
18.26 county for all benefits costs expended by the county to any Indian who is an enrolled member
18.27 of the Red Lake Band of Chippewa and resides upon the Red Lake Indian Reservation. The
18.28 commissioner may advance payments to a county on an estimated basis subject to audit and
18.29 adjustment at the end of each state fiscal year. Reimbursements shall be prorated if the state
18.30 appropriation for this purpose is insufficient to provide full reimbursement.

19.1 (b) The commissioner may promulgate rules for the carrying out of the provisions of
19.2 this subdivision and may negotiate for and accept grants from the United States government
19.3 for the purposes of this section.

19.4 Sec. 25. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
19.5 subdivision to read:

19.6 Subd. 29. **Rules on physical control of clients for facilities.** For any applicable facility
19.7 licensed or operated by the commissioner, the commissioner shall abide by and enforce the
19.8 nonrulemaking provisions of sections 245.825 and 245.8251 and any rules adopted by the
19.9 commissioner of human services pursuant to those sections. The commissioner shall
19.10 cooperate with the commissioner of human services in any data collection and reviews of
19.11 rules related to sections 245.825 and 245.8251.

19.12 Sec. 26. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
19.13 subdivision to read:

19.14 Subd. 30. **Court-awarded funds; disposition.** (a) The commissioner shall notify the
19.15 house of representatives Ways and Means and senate Finance Committees of the terms of
19.16 any contractual arrangement entered into by the commissioner and the attorney general,
19.17 pursuant to an order of any court of law that provides for the receipt of funds by the
19.18 commissioner.

19.19 (b) Any funds recovered or received by the commissioner pursuant to an order of any
19.20 court of law shall be placed in the general fund.

19.21 Sec. 27. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
19.22 subdivision to read:

19.23 Subd. 31. **Interagency data exchange.** The commissioner shall create and abide by
19.24 interagency agreements as set out in section 256.0281.

19.25 Sec. 28. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
19.26 subdivision to read:

19.27 Subd. 35. **Donated funds from private postsecondary institutions.** The commissioner
19.28 may accept, on behalf of the state, funds donated from private postsecondary institutions,
19.29 as the state's share in claiming federal Title IV-E reimbursement, to support the Child
19.30 Welfare State/University Partnership, consistent with Code of Federal Regulations, title 45,
19.31 chapter 235, section 235.66, Sources of State Funds, if the funds:

(1) are transferred to the state and under the state's administrative control;

(2) are donated with no restriction that the funds be used for the training of a particular individual or at a particular facility or institution; and

(3) do not revert to the donor's facility or use.

Sec. 29. **[142A.06] ADMINISTRATION OF FEDERAL GRANTS-IN-AID.**

Subdivision 1. Administration of grants-in-aid. If, when and during such time as grants-in-aid are provided by the federal government for relief of the poor and accepted by this state, such aid shall be administered pursuant to and in accordance with rules promulgated and adopted by the commissioner of children, youth, and families; and during such time any provision of Minnesota Statutes 1945, chapter 261, as amended by Laws 1947, chapter 546, of Minnesota Statutes 1945, chapter 262, and of Minnesota Statutes 1945, chapter 263, in conflict with such rules shall be and remain, to the extent of such conflict, inoperative and suspended.

Subd. 2. Treatment of grants-in-aid. Grants-in-aid received from the federal government for any welfare, assistance or relief program or for administration under the jurisdiction of the commissioner shall, in the first instance, be credited to a federal grant fund and shall be transferred therefrom to the credit of the commissioner in the appropriate account upon certification of the commissioner that the amounts so requested to be transferred have been earned or are required for the purposes and programs intended. Moneys received by the federal grant fund need not be budgeted as such, provided transfers from the fund are budgeted for allotment purposes in the appropriate appropriations.

Subd. 3. Securing grants-in-aid. The commissioner shall negotiate with the federal government, or any agency, bureau, or department thereof, for the purpose of securing or obtaining any grants or aids. Any grants or aids thus secured or received are appropriated to the commissioner and made available for the uses and purposes for which they were received but shall be used to reduce the direct appropriations provided by law unless federal law prohibits such action or unless the commissioner obtains approval of the governor who shall seek the advice of the Legislative Advisory Commission.

Sec. 30. **[142A.07] GRANTS AND PURCHASE OF SERVICE CONTRACTS.**

Subdivision 1. Authority. The local agency may purchase community social services by grant or purchase of service contract from agencies or individuals approved as vendors.

Subd. 2. Duties of local agency. The local agency must:

21.1 (1) use a written grant or purchase of service contract when purchasing community social
21.2 services. Every grant and purchase of service contract must be completed, signed, and
21.3 approved by all parties to the agreement, including the county board, unless the county
21.4 board has designated the local agency to sign on its behalf. No service shall be provided
21.5 before the effective date of the grant or purchase of service contract;

21.6 (2) determine a client's eligibility for purchased services, or delegate the responsibility
21.7 for making the preliminary determination to the approved vendor under the terms of the
21.8 grant or purchase of service contract;

21.9 (3) ensure the development of an individual social service plan based on the client's
21.10 needs;

21.11 (4) monitor purchased services and evaluate grants and contracts on the basis of client
21.12 outcomes; and

21.13 (5) purchase only from approved vendors.

21.14 Subd. 3. **Local agency criteria.** When the local agency chooses to purchase community
21.15 social services from a vendor that is not subject to state licensing laws or department rules,
21.16 the local agency must establish written criteria for vendor approval to ensure the health,
21.17 safety, and well being of clients.

21.18 Subd. 4. **Case records and reporting requirements.** Case records and data reporting
21.19 requirements for grants and purchased services are the same as case record and data reporting
21.20 requirements for direct services.

21.21 Subd. 5. **Files.** The local agency must keep an administrative file for each grant and
21.22 contract.

21.23 Subd. 6. **Contracting within and across county lines; lead county contracts; lead**
21.24 **Tribal contracts.** (a) Paragraphs (b) to (f) govern contracting within and across county
21.25 lines and lead county contracts. Paragraphs (b) to (f) govern contracting within and across
21.26 reservation boundaries and lead Tribal contracts for initiative Tribes under section 142A.03,
21.27 subdivision 9. For purposes of this subdivision, "local agency" includes a Tribe or a county
21.28 agency.

21.29 (b) Once a local agency and an approved vendor execute a contract that meets the
21.30 requirements of this subdivision, the contract governs all other purchases of service from
21.31 the vendor by all other local agencies for the term of the contract. The local agency that
21.32 negotiated and entered into the contract becomes the lead Tribe or county for the contract.

(c) When the local agency in the county or reservation where a vendor is located wants to purchase services from that vendor and the vendor has no contract with the local agency or any other Tribe or county, the local agency must negotiate and execute a contract with the vendor.

(d) When a local agency wants to purchase services from a vendor located in another county or reservation, it must notify the local agency in the county or reservation where the vendor is located. Within 30 days of being notified, the local agency in the vendor's county or reservation must:

(1) if it has a contract with the vendor, send a copy to the inquiring local agency;

(2) if there is a contract with the vendor for which another local agency is the lead Tribe or county, identify the lead Tribe or county to the inquiring agency; or

(3) if no local agency has a contract with the vendor, inform the inquiring agency whether it will negotiate a contract and become the lead Tribe or county. If the agency where the vendor is located will not negotiate a contract with the vendor because of concerns related to clients' health and safety, the agency must share those concerns with the inquiring local agency.

(e) If the local agency in the county where the vendor is located declines to negotiate a contract with the vendor or fails to respond within 30 days of receiving the notification under paragraph (d), the inquiring agency is authorized to negotiate a contract and must notify the local agency that declined or failed to respond.

(f) When the inquiring local agency under paragraph (e) becomes the lead Tribe or county for a contract and the contract expires and needs to be renegotiated, that Tribe or county must again follow the requirements under paragraph (d) and notify the local agency where the vendor is located. The local agency where the vendor is located has the option of becoming the lead Tribe or county for the new contract. If the local agency does not exercise the option, paragraph (e) applies.

Subd. 7. **Contracting for performance.** A local agency may negotiate a supplemental agreement to a contract executed between a lead agency and an approved vendor under subdivision 6 for the purposes of contracting for specific performance. The supplemental agreement may augment the lead contract requirements and rates for services authorized by that local agency only. The additional provisions must be negotiated with the vendor and designed to encourage successful, timely, and cost-effective outcomes for clients, and may establish incentive payments, penalties, performance-related reporting requirements, and similar conditions. The per diem rate allowed under this subdivision must not be less

23.1 than the rate established in the lead county contract. Nothing in the supplemental agreement
23.2 between a local agency and an approved vendor binds the lead agency or other local agencies
23.3 to the terms and conditions of the supplemental agreement.

23.4 Sec. 31. **[142A.08] PLAIN LANGUAGE IN WRITTEN MATERIALS.**

23.5 (a) To the extent reasonable and consistent with the goals of providing easily
23.6 understandable and readable materials and complying with federal and state laws governing
23.7 the programs, all written materials relating to services and determinations of eligibility for
23.8 or amounts of benefits that will be given to applicants for or recipients of assistance under
23.9 a program administered or supervised by the commissioner must be understandable to a
23.10 person who reads at the seventh-grade level, using the Flesch scale analysis readability
23.11 score as determined under section 72C.09.

23.12 (b) All written materials relating to determinations of eligibility for or amounts of benefits
23.13 that will be given to applicants for or recipients of assistance under programs administered
23.14 or supervised by the commissioner must be developed to satisfy the plain language
23.15 requirements of the Plain Language Contract Act under sections 325G.29 to 325G.36.
23.16 Materials may be submitted to the attorney general for review and certification.
23.17 Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted
23.18 materials to determine whether they comply with the requirements of section 325G.31. The
23.19 remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these
23.20 materials. Failure to comply with this section does not provide a basis for suspending the
23.21 implementation or operation of other laws governing programs administered by the
23.22 commissioner.

23.23 (c) The requirements of this section do not apply to materials that must be submitted to
23.24 a federal agency for approval, to the extent that application of the requirements prevents
23.25 federal approval.

23.26 (d) Nothing in this section may be construed to prohibit a lawsuit brought to require the
23.27 commissioner to comply with this section or to affect individual appeal rights granted
23.28 pursuant to section 256.045.

23.29 Sec. 32. **[142A.09] BACKGROUND STUDIES ON LICENSEES AND OTHER**
23.30 **PERSONNEL.**

23.31 Subdivision 1. **Background studies required.** The commissioner of children, youth,
23.32 and families shall contract with the commissioner of human services to conduct background
23.33 studies of individuals specified in section 245C.03, subdivision 1, affiliated with:

24.1 (1) a facility or program licensed or seeking a license under chapter 142B;

24.2 (2) a license-exempt child care center certified under chapter 142C; or

24.3 (3) a legal nonlicensed child care provider authorized under chapter 142E.

24.4 Subd. 2. **Responsibilities of commissioner of human services.** (a) The commissioner
24.5 of human services shall conduct the background studies required by subdivision 1 in
24.6 compliance with the provisions of chapter 245C. The commissioner of human services shall
24.7 provide necessary forms and instructions, shall conduct the necessary background studies
24.8 of individuals, and shall provide notification of the results of the studies to the facilities,
24.9 individuals, and the commissioner of children, youth, and families.

24.10 (b) If the commissioner of human services determines that an individual is disqualified
24.11 pursuant to chapter 245C, the commissioner of human services shall notify the license
24.12 holder; the commissioner of children, youth, and families; and the individual and shall
24.13 inform the individual of the right to request a reconsideration of the disqualification.

24.14 Subd. 3. **Reconsiderations.** (a) Notwithstanding any provision of chapter 245C, the
24.15 commissioner of children, youth, and families shall review and decide reconsideration
24.16 requests, including requests for variances, for all background studies of individuals in
24.17 subdivision 1, paragraph (a), except for facilities or programs that are also licensed by the
24.18 commissioner of human services. The commissioner of children, youth, and families must
24.19 review and decide reconsideration requests in accordance with the procedures and criteria
24.20 contained in chapter 245C.

24.21 (b) The commissioner of human services is solely responsible for reviewing and deciding
24.22 a reconsideration request for a background study of an individual affiliated with a facility
24.23 or program licensed or certified by both the commissioner of children, youth, and families
24.24 and the commissioner of human services.

24.25 (c) The commissioner of children, youth, and family's decision must be provided to the
24.26 individual and to the commissioner of human services. The commissioner's decision to grant
24.27 or deny a reconsideration of disqualification is the final administrative agency action, except
24.28 under the circumstances described in sections 245C.25, 245C.27, and 245C.28, subdivision
24.29 3.

24.30 Subd. 4. **Responsibilities of facilities and programs.** Facilities and programs described
24.31 in subdivision 1 shall be responsible for cooperating with the departments in implementing
24.32 the provisions of this section. The responsibilities imposed on applicants, certification
24.33 holders, and licensees under chapters 245A and 245C shall apply to these facilities. The

25.1 provision of section 245C.09 shall apply to the refusal to cooperate with the completion of
25.2 the background studies by an applicant, a licensee, a registrant, or an individual.

25.3 Sec. 33. **[142A.10] COMPLIANCE SYSTEM.**

25.4 (a) The commissioner shall coordinate with the commissioner of human services to
25.5 administer the compliance system in section 256.017.

25.6 (b) The commissioner shall administer the compliance system for the Minnesota family
25.7 investment program, the Supplemental Nutrition Assistance Program (SNAP), the child
25.8 care assistance program, and all other programs administered by the commissioner or on
25.9 behalf of the commissioner under the powers and authorities named in section 142A.03,
25.10 subdivision 2.

25.11 (c) The purpose of this section is to permit the commissioner to supervise the
25.12 administration of public assistance programs; to enforce timely and accurate distribution
25.13 of benefits, completeness of service, and efficient and effective program management and
25.14 operations; to increase uniformity and consistency in the administration and delivery of
25.15 public assistance programs throughout the state; and to reduce the possibility of sanctions
25.16 and fiscal disallowances for noncompliance with federal regulations and state statutes. The
25.17 commissioner, or the commissioner's representative, may issue administrative subpoenas
25.18 as needed in administering the compliance system.

25.19 (d) The commissioner shall utilize training, technical assistance, and monitoring activities,
25.20 as specified in section 142A.03, subdivision 2, to encourage county agency compliance
25.21 with written policies and procedures.

25.22 (e) The commissioner shall coordinate with the commissioner of human services in
25.23 funding and awarding grants from the county public assistance incentive fund under section
25.24 256.018.

25.25 Sec. 34. **[142A.11] COUNTY PUBLIC ASSISTANCE INCENTIVE FUND.**

25.26 (a) The commissioner of children, youth, and families, in coordination with the
25.27 commissioner of human services, shall grant incentive awards of money specifically
25.28 appropriated for this purpose to counties that: (1) have not been assessed an administrative
25.29 penalty under section 256.017 in the corresponding fiscal year; and (2) perform satisfactorily
25.30 according to indicators established by the commissioner.

(b) After consultation with county agencies, the commissioner shall inform county agencies in writing of the performance indicators that govern the awarding of the incentive fund for each fiscal year by April of the preceding fiscal year.

(c) The commissioner may set performance indicators to govern the awarding of the total fund, may allocate portions of the fund to be awarded by unique indicators, or may set a sole indicator to govern the awarding of funds.

(d) The funds shall be awarded to qualifying county agencies according to their share of benefits for the programs related to the performance indicators governing the distribution of the fund or part of the fund as compared to the total benefits of all qualifying county agencies for the programs related to the performance indicators governing the distribution of the fund or part of the fund.

Sec. 35. **[142A.12] LIMITS ON RECEIVING PUBLIC FUNDS.**

Subdivision 1. **Prohibition.** (a) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by the commissioner, including under the commissioner's powers and authorities in section 142A.03, is excluded from that program, the commissioner shall:

(1) prohibit the excluded provider, vendor, or individual from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

(2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider, vendor, or individual in any other program administered by the commissioner.

(b) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by the commissioner, including under the commissioner's powers and authorities in section 142A.03, is excluded from that program, the commissioner may:

(1) prohibit any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

(2) disenroll, revoke or suspend a license of, disqualify, or debar any associated entities or associated individuals in any other program administered by the commissioner.

(c) If a provider, vendor, or individual enrolled, licensed, or otherwise receiving funds under any contract or registered in any program administered by a Minnesota state or federal agency is excluded from that program, the commissioner of human services may:

(1) prohibit the excluded provider, vendor, individual, or any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any program administered by the commissioner; and

(2) disenroll, revoke or suspend a license of, disqualify, or debar the excluded provider, vendor, individual, or any associated entities or associated individuals in any program administered by the commissioner.

(d) The duration of a prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraph (a) must last for the longest applicable sanction or disqualifying period in effect for the provider, vendor, or individual permitted by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraphs (b) and (c) may last until up to the longest applicable sanction or disqualifying period in effect for the provider, vendor, individual, associated entity, or associated individual as permitted by state or federal law.

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions have the meanings given.

(b) "Associated entity" means a provider or vendor owned or controlled by an excluded individual.

(c) "Associated individual" means an individual or entity that has a relationship with the business or its owners or controlling individuals, such that the individual or entity would have knowledge of the financial practices of the program in question.

(d) "Excluded" means removed under other authorities from a program administered by a Minnesota state or federal agency, including a final determination to stop payments.

(e) "Individual" means a natural person providing products or services as a provider or vendor.

(f) "Provider" means any entity, individual, owner, controlling individual, license holder, director, or managerial official of an entity receiving payment from a program administered by a Minnesota state or federal agency.

Subd. 3. **Notice.** Within five days of taking an action under subdivision (1), paragraph (a), (b), or (c), against a provider, vendor, individual, associated individual, or associated

28.1 entity, the commissioner must send notice of the action to the provider, vendor, individual,
28.2 associated individual, or associated entity. The notice must state:

28.3 (1) the basis for the action;

28.4 (2) the effective date of the action;

28.5 (3) the right to appeal the action; and

28.6 (4) the requirements and procedures for reinstatement.

28.7 Subd. 4. **Appeal.** Upon receipt of a notice under subdivision 3, a provider, vendor,
28.8 individual, associated individual, or associated entity may request a contested case hearing,
28.9 as defined in section 14.02, subdivision 3, by filing with the commissioner a written request
28.10 of appeal. The scope of any contested case hearing is solely limited to action taken under
28.11 this section. The commissioner must receive the appeal request no later than 30 days after
28.12 the date the notice was mailed to the provider, vendor, individual, associated individual, or
28.13 associated entity. The appeal request must specify:

28.14 (1) each disputed item and the reason for the dispute;

28.15 (2) the authority in statute or rule upon which the provider, vendor, individual, associated
28.16 individual, or associated entity relies for each disputed item;

28.17 (3) the name and address of the person or entity with whom contacts may be made
28.18 regarding the appeal; and

28.19 (4) any other information required by the commissioner.

28.20 Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal
28.21 law, the commissioner may withhold payments to a provider, vendor, individual, associated
28.22 individual, or associated entity in any program administered by the commissioner if the
28.23 commissioner determines there is a credible allegation of fraud for which an investigation
28.24 is pending for a program administered by a Minnesota state or federal agency.

28.25 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation
28.26 that has been verified by the commissioner from any source, including but not limited to:

28.27 (1) fraud hotline complaints;

28.28 (2) claims data mining;

28.29 (3) patterns identified through provider audits, civil false claims cases, and law
28.30 enforcement investigations; and

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants.

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 142A.21 or chapter 14.

Sec. 36. [142A.13] ELECTRONIC BENEFIT TRANSFER CARD.

Subdivision 1. **Electronic benefit transfer (EBT) card.** Cash benefits for the general assistance and Minnesota supplemental aid programs under chapter 256D and programs under chapter 142G must be issued on an EBT card with the name of the head of household

printed on the card. The card must include the following statement: "It is unlawful to use this card to purchase tobacco products or alcoholic beverages." This card must be issued within 30 calendar days of an eligibility determination. During the initial 30 calendar days of eligibility, a recipient may have cash benefits issued on an EBT card without a name printed on the card. This card may be the same card on which Supplemental Nutrition Assistance Program (SNAP) benefits are issued and does not need to meet the requirements of this section.

Sec. 37. **[142A.14] TAX REBATES.**

Any federal or state tax rebate received by a recipient of a public assistance program shall not be counted as income or as an asset for purposes of any of the public assistance programs under this chapter or any other chapter, including, but not limited to, chapter 142E, 142F, and 142G to the extent permitted under federal law.

Sec. 38. **[142A.15] PUBLIC ASSISTANCE LIEN ON RECIPIENT'S CAUSE OF ACTION.**

Subdivision 1. **State agency has lien.** When the state agency provides, pays for, or becomes liable for medical care or furnishes subsistence or other payments to a person, the agency shall have a lien for the cost of the care and payments on any and all causes of action or recovery rights under any policy, plan, or contract providing benefits for health care or injury that accrue to the person to whom the care or payments were furnished, or to the person's legal representatives, as a result of the occurrence that necessitated the medical care, subsistence, or other payments. For purposes of this section, "state agency" includes prepaid health plans under contract with the commissioner according to sections 256B.69, 256L.01, subdivision 7, 256L.03, subdivision 6, and 256L.12, and Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes reimbursed under chapter 256R; and county-based purchasing entities under section 256B.692.

Subd. 2. **Perfection; enforcement.** (a) The state agency may perfect and enforce its lien under sections 514.69, 514.70, and 514.71, and must file the verified lien statement with the appropriate court administrator in the county of financial responsibility. The verified lien statement must contain the following: the name and address of the person to whom medical care, subsistence, or other payment was furnished; the date of injury; the name and address of vendors furnishing medical care; the dates of the service or payment; the amount

31.1 claimed to be due for the care or payment; and to the best of the state agency's knowledge,
31.2 the names and addresses of all persons, firms, or corporations claimed to be liable for
31.3 damages arising from the injuries.

31.4 (b) This section does not affect the priority of any attorney's lien. The state agency is
31.5 not subject to any limitations period referred to in section 514.69 or 514.71 and has one
31.6 year from the date notice is first received by it under subdivision 4, paragraph (c), even if
31.7 the notice is untimely, or one year from the date medical bills are first paid by the state
31.8 agency, whichever is later, to file its verified lien statement. The state agency may commence
31.9 an action to enforce the lien within one year of (1) the date the notice required by subdivision
31.10 4, paragraph (c), is received, or (2) the date the person's cause of action is concluded by
31.11 judgment, award, settlement, or otherwise, whichever is later.

31.12 (c) If the notice required in subdivision 4 is not provided by any of the parties to the
31.13 claim at any stage of the claim, the state agency will have one year from the date the state
31.14 agency learns of the lack of notice to commence an action. If amounts on the claim or cause
31.15 of action are paid and the amount required to be paid to the state agency under subdivision
31.16 5 is not paid to the state agency, the state agency may commence an action to recover on
31.17 the lien against any or all of the parties or entities that have either paid or received the
31.18 payments.

31.19 Subd. 3. **Prosecutor.** (a) The attorney general shall represent the commissioner to enforce
31.20 the lien created under this section or, if no action has been brought, may initiate and prosecute
31.21 an independent action on behalf of the commissioner against a person, firm, or corporation
31.22 that may be liable to the person to whom the care or payment was furnished.

31.23 (b) Any prepaid health plan providing services under sections 256B.69 and 256L.12 and
31.24 Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 4, paragraph (c);
31.25 children's mental health collaboratives under section 245.493; demonstration projects for
31.26 persons with disabilities under section 256B.77; nursing homes reimbursed under chapter
31.27 256R; or the county-based purchasing entity providing services under section 256B.692
31.28 may retain legal representation to enforce their lien created under this section or, if no action
31.29 has been brought, may initiate and prosecute an independent action on their behalf against
31.30 a person, firm, or corporation that may be liable to the person to whom the care or payment
31.31 was furnished.

31.32 Subd. 4. **Notice.** (a) The state agency must be given notice of monetary claims against
31.33 a person, firm, or corporation that may be liable in damages to the injured person when the

32.1 state agency has paid for or become liable for the cost of medical care or payments related
32.2 to the injury. Notice must be given as provided in this subdivision.

32.3 (b) Applicants for public assistance shall notify the state or county agency of any possible
32.4 claims they may have against a person, firm, or corporation when they submit the application
32.5 for assistance. Recipients of public assistance shall notify the state or county agency of any
32.6 possible claims when those claims arise.

32.7 (c) A person providing medical care services to a recipient of public assistance shall
32.8 notify the state agency when the person has reason to believe that a third party may be liable
32.9 for payment of the cost of medical care.

32.10 (d) A party to a claim upon which the state agency may be entitled to a lien under this
32.11 section shall notify the state agency of its potential lien claim at each of the following stages
32.12 of a claim:

32.13 (1) when a claim is filed;

32.14 (2) when an action is commenced; and

32.15 (3) when a claim is concluded by payment, award, judgment, settlement, or otherwise.

32.16 (e) Every party involved in any stage of a claim under this subdivision is required to
32.17 provide notice to the state agency at that stage of the claim. However, when one of the
32.18 parties to the claim provides notice at that stage, every other party to the claim is deemed
32.19 to have provided the required notice at that stage of the claim. If the required notice under
32.20 this paragraph is not provided to the state agency, every party will be deemed to have failed
32.21 to provide the required notice. A party to a claim includes the injured person or the person's
32.22 legal representative, the plaintiff, the defendants, or persons alleged to be responsible for
32.23 compensating the injured person or plaintiff, and any other party to the cause of action or
32.24 claim, regardless of whether the party knows the state agency has a potential or actual lien
32.25 claim.

32.26 (f) Notice given to the county agency is not sufficient to meet the requirements of
32.27 paragraphs (c) and (d).

32.28 Subd. 5. **Costs deducted.** Upon any judgment, award, or settlement of a cause of action,
32.29 or any part of it, upon which the state agency has filed its lien, including compensation for
32.30 liquidated, unliquidated, or other damages, reasonable costs of collection, including attorney
32.31 fees, must be deducted first. The full amount of public assistance paid to or on behalf of the
32.32 person as a result of the injury must be deducted next, and paid to the state agency. The rest
32.33 must be paid to the public assistance recipient or other plaintiff. The plaintiff, however,

33.1 must receive at least one-third of the net recovery after attorney fees and other collection
33.2 costs.

33.3 Subd. 6. **When effective.** The lien created under this section is effective with respect to
33.4 any public assistance paid on or after August 1, 1987.

33.5 Subd. 7. **Cooperation with information requests required.** (a) Upon the request of
33.6 the commissioner:

33.7 (1) any state agency or third-party payer shall cooperate by furnishing information to
33.8 help establish a third-party liability, as required by the federal Deficit Reduction Act of
33.9 2005, Public Law 109-171;

33.10 (2) any employer or third-party payer shall cooperate by furnishing a data file containing
33.11 information about group health insurance plan or medical benefit plan coverage of its
33.12 employees or insureds within 60 days of the request. The information in the data file must
33.13 include at least the following: full name, date of birth, Social Security number if collected
33.14 and stored in a system routinely used for producing data files by the employer or third-party
33.15 payer, employer name, policy identification number, group identification number, and plan
33.16 or coverage type.

33.17 (b) For purposes of section 176.191, subdivision 4, the commissioner of labor and
33.18 industry may allow the commissioner of children, youth, and families and county agencies
33.19 direct access and data matching on information relating to workers' compensation claims
33.20 in order to determine whether the claimant has reported the fact of a pending claim and the
33.21 amount paid to or on behalf of the claimant to the commissioner of human services.

33.22 (c) For the purpose of compliance with section 169.09, subdivision 13, and federal
33.23 requirements under Code of Federal Regulations, title 42, section 433.138 (d)(4), the
33.24 commissioner of public safety shall provide accident data as requested by the commissioner
33.25 of children, youth, and families. The disclosure shall not violate section 169.09, subdivision
33.26 13, paragraph (d).

33.27 (d) The commissioner of children, youth, and families and county agencies shall limit
33.28 its use of information gained from agencies, third-party payers, and employers to purposes
33.29 directly connected with the administration of its public assistance and child support programs.
33.30 The provision of information by agencies, third-party payers, and employers to the department
33.31 under this subdivision is not a violation of any right of confidentiality or data privacy.

Sec. 39. **[142A.20] ADMINISTRATIVE AND JUDICIAL REVIEW OF CHILDREN, YOUTH, AND FAMILIES MATTERS.**

Subdivision 1. Children, youth, and families judges; appointment. The commissioner of children, youth, and families may appoint one or more state children, youth, and families judges to conduct hearings and recommend orders in accordance with subdivisions 3, 3b, and 5. Children, youth, and families judges designated pursuant to this section may administer oaths and shall be under the control and supervision of the commissioner of children, youth, and families and shall not be a part of the Office of Administrative Hearings established pursuant to sections 14.48 to 14.56. The commissioner shall only appoint as a full-time children, youth, and families judge an individual who is licensed to practice law in Minnesota and who is:

(1) in active status;

(2) an inactive resident;

(3) retired;

(4) on disabled status; or

(5) on retired senior status.

Subd. 2. State agency hearings. (a) State agency hearings are available for the following:

(1) any person:

(i) applying for, receiving, or having received public assistance or a program of social services administered by the commissioner or a county agency on behalf of the commissioner or the federal Food and Nutrition Act; and

(ii) whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid;

(2) any person whose claim for foster care payment according to a placement of the child resulting from a child protection assessment under chapter 260E is denied or not acted upon with reasonable promptness, regardless of funding source;

(3) any person to whom a right of appeal according to this section is given by other provision of law;

(4) except as provided under chapter 142B, an individual or facility determined to have maltreated a minor under chapter 260E, after the individual or facility has exercised the right to administrative reconsideration under chapter 260E;

(5) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23, on the basis of serious or recurring maltreatment; of a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 260E.06, subdivision 1, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment shall be consolidated into a single fair hearing. In such cases, the scope of review by the children, youth, and families judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment; and

(6) any person with an outstanding debt resulting from receipt of public assistance or the federal Food and Nutrition Act who is contesting a setoff claim by the commissioner of children, youth, and families or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt.

(b) The hearing for an individual or facility under paragraph (a), clause (4) or (5), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. A hearing for an individual or facility under paragraph (a), clause (4) or (5), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.

(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

(d) The scope of hearings involving claims to foster care payments under paragraph (a), clause (2), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.

(e) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

(f) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

(g) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 142A.21, subdivision 13, why the request was not submitted within the 30-day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.

Subd. 3. Standard of evidence for maltreatment and disqualification hearings. (a) The state children, youth, and families judge shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under chapter 260E. For purposes of hearings regarding disqualification, the state children, youth, and families judge shall affirm the proposed disqualification in an appeal under subdivision 2, paragraph (a), clause (5), if a preponderance of the evidence shows the individual has:

(1) committed maltreatment under section 626.557 or chapter 260E that is serious or recurring;

(2) committed an act or acts meeting the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or

(3) failed to make required reports under section 626.557 or chapter 260E, for incidents in which the final disposition under section 626.557 or chapter 260E was substantiated maltreatment that was serious or recurring.

(b) If the disqualification is affirmed, the state children, youth, and families judge shall determine whether the individual poses a risk of harm in accordance with the requirements of section 245C.22, and whether the disqualification should be set aside or not set aside. In determining whether the disqualification should be set aside, the children, youth, and families judge shall consider all of the characteristics that cause the individual to be disqualified, including those characteristics that were not subject to review under paragraph (a), in order to determine whether the individual poses a risk of harm. A decision to set aside a

37.1 disqualification that is the subject of the hearing constitutes a determination that the individual
37.2 does not pose a risk of harm and that the individual may provide direct contact services in
37.3 the individual program specified in the set aside.

37.4 (c) If a disqualification is based solely on a conviction or is conclusive for any reason
37.5 under section 245C.29, the disqualified individual does not have a right to a hearing under
37.6 this section.

37.7 (d) The state children, youth, and families judge shall recommend an order to the
37.8 commissioner of health; education; children, youth, and families; or human services, as
37.9 applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify
37.10 the final disposition. Any order of the commissioner issued in accordance with this
37.11 subdivision is conclusive upon the parties unless appeal is taken in the manner provided in
37.12 subdivision 7. In any licensing appeal under chapters 142B and 245C and sections 144.50
37.13 to 144.58 and 144A.02 to 144A.482, the commissioner's determination as to maltreatment
37.14 is conclusive, as provided under section 245C.29.

37.15 Subd. 4. **Conduct of hearings.** (a) All hearings held pursuant to subdivision 2 or 3 shall
37.16 be conducted according to the provisions of the federal Social Security Act and the
37.17 regulations implemented in accordance with that act to enable this state to qualify for federal
37.18 grants-in-aid and according to the rules and written policies of the commissioner. County
37.19 agencies shall install equipment necessary to conduct telephone hearings. A state children,
37.20 youth, and families judge may schedule a telephone conference hearing when the distance
37.21 or time required to travel to the county agency offices will cause a delay in the issuance of
37.22 an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be
37.23 conducted by telephone conferences unless the applicant, recipient, former recipient, person,
37.24 or facility contesting maltreatment objects. A children, youth, and families judge may grant
37.25 a request for a hearing in person by holding the hearing by interactive video technology or
37.26 in person. The children, youth, and families judge must hear the case in person if the person
37.27 asserts that either the person or a witness has a physical or mental disability that would
37.28 impair the person's or witness's ability to fully participate in a hearing held by interactive
37.29 video technology. The hearing shall not be held earlier than five days after filing of the
37.30 required notice with the county or state agency. The state children, youth, and families judge
37.31 shall notify all interested persons of the time, date, and location of the hearing at least five
37.32 days before the date of the hearing. Interested persons may be represented by legal counsel
37.33 or other representative of their choice, including a provider of therapy services, at the hearing
37.34 and may appear personally, testify and offer evidence, and examine and cross-examine
37.35 witnesses. The applicant, recipient, former recipient, person, or facility contesting

maltreatment shall have the opportunity to examine the contents of the case file and all documents and records to be used by the county or state agency at the hearing at a reasonable time before the date of the hearing and during the hearing. In hearings under subdivision 2, paragraph (a), clauses (4) and (5), either party may subpoena the private data relating to the investigation prepared by the agency under section 626.557 or chapter 260E that are not otherwise accessible under section 13.04, provided the identity of the reporter may not be disclosed.

(b) The private data obtained by subpoena in a hearing under subdivision 2, paragraph (a), clause (2), must be subject to a protective order that prohibits its disclosure for any other purpose outside the hearing provided for in this section without prior order of the district court. Disclosure without court order is punishable by a sentence of not more than 90 days imprisonment or a fine of not more than \$1,000, or both. These restrictions on the use of private data do not prohibit access to the data under section 13.03, subdivision 6. Except for appeals under subdivision 2, paragraph (a), clause (2), upon request, the county agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs incurred by the applicant, recipient, or former recipient in connection with the appeal. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues, shall be submitted at the hearing and the hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3. The agency must present its evidence prior to or at the hearing and may not submit evidence after the hearing except by agreement of the parties at the hearing, provided the petitioner has the opportunity to respond.

(c) In hearings under subdivision 2, paragraph (a), clauses (2) and (5), involving determinations of maltreatment or disqualification made by more than one county agency, by a county agency and a state agency, or by more than one state agency, the hearings may be consolidated into a single fair hearing upon the consent of all parties and the state children, youth, and families judge.

Subd. 5. **Orders of the commissioner of children, youth, and families.** (a) A state children, youth, and families judge shall conduct a hearing on the appeal and shall recommend an order to the commissioner of children, youth, and families. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A children, youth, and families judge may take official notice of adjudicative facts. The commissioner of children, youth, and families may accept the recommended order of a state children, youth, and families judge and issue the order to

the county agency and the applicant, recipient, or former recipient. If the commissioner refuses to accept the recommended order of the state children, youth, and families judge, the commissioner shall notify the petitioner or the agency of the commissioner's refusal and shall state reasons for the refusal. The commissioner shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the petitioner and the agency.

(b) A party aggrieved by an order of the commissioner may appeal under subdivision 7 or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. The person seeking reconsideration has the burden to demonstrate why the matter should be reconsidered. The request for reconsideration may include legal argument and proposed additional evidence supporting the request. If proposed additional evidence is submitted, the person must explain why the proposed additional evidence was not provided at the time of the hearing. If reconsideration is granted, the other participants must be sent a copy of all material submitted in support of the request for reconsideration and must be given ten days to respond. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

(c) Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency or a county agency until the order is reversed by the district court or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

(d) A vendor under contract with a county agency to provide social services is not a party and may not request a hearing or seek judicial review of an order issued under this section, unless assisting a recipient as provided in subdivision 4.

Subd. 6. Additional powers of commissioner; subpoenas. (a) The commissioner may initiate a review of any action or decision of a county agency and direct that the matter be presented to a state children, youth, and families judge for a hearing held under subdivision 2 or 3. In all matters dealing with children, youth, and families committed by law to the discretion of the county agency, the commissioner's judgment may be substituted for that of the county agency. The commissioner may order an independent examination when appropriate.

(b) Any party to a hearing held pursuant to subdivision 2 or 3 may request that the commissioner issue a subpoena to compel the attendance of witnesses and the production of records at the hearing. A local agency may request that the commissioner issue a subpoena to compel the release of information from third parties prior to a request for a hearing under section 142A.21 upon a showing of relevance to such a proceeding. The issuance, service, and enforcement of subpoenas under this subdivision is governed by section 357.22 and the Minnesota Rules of Civil Procedure.

(c) The commissioner may issue a temporary order staying a proposed demission by a residential facility licensed under chapter 142B:

(1) while an appeal by a recipient under subdivision 3 is pending; or

(2) for the period of time necessary for the case management provider to implement the commissioner's order.

Subd. 7. **Judicial review.** Any party who is aggrieved by an order of the commissioner of children, youth, and families may appeal the order to the district court of the county responsible for furnishing assistance, or, in appeals under subdivision 3, the county where the maltreatment occurred, by serving a written copy of a notice of appeal upon the commissioner and any adverse party of record within 30 days after the date the commissioner issued the order, the amended order, or order affirming the original order, and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing. The court administrator shall not require a filing fee in appeals taken pursuant to this subdivision, except for appeals taken under subdivision 3. The commissioner may elect to become a party to the proceedings in the district court. Except for appeals under subdivision 3, any party may demand that the commissioner furnish all parties to the proceedings with a copy of the decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the children, youth, and families judge, by serving a written demand upon the commissioner within 30 days after service of the notice of appeal. Any party aggrieved by the failure of an adverse party to obey an order issued by the commissioner under subdivision 5 may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

Subd. 8. **Hearing.** Any party may obtain a hearing at a special term of the district court by serving a written notice of the time and place of the hearing at least ten days prior to the date of the hearing. The court may consider the matter in or out of chambers, and shall take

41.1 no new or additional evidence unless it determines that such evidence is necessary for a
41.2 more equitable disposition of the appeal.

41.3 Subd. 9. **Appeal.** Any party aggrieved by the order of the district court may appeal the
41.4 order as in other civil cases. Except for appeals under subdivision 3, no costs or disbursements
41.5 shall be taxed against any party nor shall any filing fee or bond be required of any party.

41.6 Subd. 10. **Payments pending appeal.** If the commissioner of children, youth, and
41.7 families or district court orders monthly assistance or aid or services paid or provided in
41.8 any proceeding under this section, it shall be paid or provided pending appeal to the
41.9 commissioner of children, youth, and families, district court, court of appeals, or supreme
41.10 court. The state or county agency has a claim for Supplemental Nutrition Assistance Program
41.11 (SNAP) benefits or cash payments made to or on behalf of a recipient or former recipient
41.12 while an appeal is pending if the recipient or former recipient is determined ineligible for
41.13 SNAP benefits or cash payments as a result of the appeal.

41.14 Subd. 11. **Interagency agreement with DHS.** The commissioner of children, youth,
41.15 and families may enter into an agreement with the commissioner of human services so that
41.16 the commissioner of human services may conduct hearings and recommend and issue orders
41.17 on behalf of the commissioner of children, youth, and families in accordance with this
41.18 section.

41.19 Sec. 40. **[142A.21] HEARING PROCEDURES.**

41.20 Subdivision 1. **Scope.** (a) The requirements in this section apply to all fair hearings and
41.21 appeals under section 142A.20, subdivision 2, paragraph (a), clauses (1), (2), (3), and (6).
41.22 Except as provided in subdivisions 3 and 19, the requirements under this section apply to
41.23 fair hearings and appeals under section 142A.20, subdivision 2, paragraph (a), clause (2).

41.24 (b) For purposes of this section, "person" means an individual who, on behalf of
41.25 themselves or their household, is appealing, disputing, or challenging an action, a decision,
41.26 or a failure to act by an agency in the children, youth, and families system. When a person
41.27 involved in a proceeding under this section is represented by an attorney or by an authorized
41.28 representative, the term "person" also means the person's attorney or authorized
41.29 representative. Any notice sent to the person involved in the hearing must also be sent to
41.30 the person's attorney or authorized representative.

41.31 (c) For purposes of this section, "agency" means the county human services agency, the
41.32 Department of Children, Youth, and Families, and, where applicable, any entity involved
41.33 under a contract, subcontract, grant, or subgrant with the state agency or with a county

42.1 agency, that provides or operates programs or services in which appeals are governed by
42.2 section 142A.20.

42.3 Subd. 2. **Access to files.** A person involved in a fair hearing appeal has the right of access
42.4 to the person's complete case files and to examine all private welfare data on the person that
42.5 has been generated, collected, stored, or disseminated by the agency. A person involved in
42.6 a fair hearing appeal has the right to a free copy of all documents in the case file involved
42.7 in a fair hearing appeal. For purposes of this section, "case file" means the information,
42.8 documents, and data, in whatever form, that have been generated, collected, stored, or
42.9 disseminated by the agency in connection with the person and the program or service
42.10 involved.

42.11 Subd. 3. **Agency appeal summary.** (a) Except in fair hearings and appeals under section
42.12 142A.20, subdivision 2, paragraph (a), clauses (4) and (5), the agency involved in an appeal
42.13 must prepare a state agency appeal summary for each fair hearing appeal. The state agency
42.14 appeal summary shall be mailed or otherwise delivered to the person who is involved in the
42.15 appeal at least three working days before the date of the hearing. The state agency appeal
42.16 summary must also be mailed or otherwise delivered to the department's Appeals Office at
42.17 least three working days before the date of the fair hearing appeal.

42.18 (b) In addition, the children, youth, and families judge shall confirm that the state agency
42.19 appeal summary is mailed or otherwise delivered to the person involved in the appeal as
42.20 required under paragraph (a). The person involved in the fair hearing should be provided,
42.21 through the state agency appeal summary or other reasonable methods, appropriate
42.22 information about the procedures for the fair hearing and an adequate opportunity to prepare.
42.23 These requirements apply equally to the state agency or an entity under contract when
42.24 involved in the appeal.

42.25 (c) The contents of the state agency appeal summary must be adequate to inform the
42.26 person involved in the appeal of the evidence on which the agency relies and the legal basis
42.27 for the agency's action or determination.

42.28 Subd. 4. **Enforcing access to files.** A person involved in a fair hearing appeal may
42.29 enforce the right of access to data and copies of the case file by making a request to the
42.30 children, youth, and families judge. The children, youth, and families judge will make an
42.31 appropriate order enforcing the person's rights under the Minnesota Government Data
42.32 Practices Act, including but not limited to, ordering access to files, data, and documents;
42.33 continuing a hearing to allow adequate time for access to data; or prohibiting use by the
42.34 agency of files, data, or documents that have been generated, collected, stored, or

disseminated without compliance with the Minnesota Government Data Practices Act and that have not been provided to the person involved in the appeal.

Subd. 5. **Prehearing conferences.** (a) The children, youth, and families judge prior to a fair hearing appeal may hold a prehearing conference to further the interests of justice or efficiency and must include the person involved in the appeal. A person involved in a fair hearing appeal or the agency may request a prehearing conference. The prehearing conference may be conducted by telephone, in person, or in writing. The prehearing conference may address the following:

(1) disputes regarding access to files, evidence, subpoenas, or testimony;

(2) the time required for the hearing or any need for expedited procedures or decision;

(3) identification or clarification of legal or other issues that may arise at the hearing;

(4) identification of and possible agreement to factual issues; and

(5) scheduling and any other matter that will aid in the proper and fair functioning of the hearing.

(b) The children, youth, and families judge shall make a record or otherwise contemporaneously summarize the prehearing conference in writing, which shall be sent to both the person involved in the hearing, the person's attorney or authorized representative, and the agency. A children, youth, and families judge may make and issue rulings and orders while the appeal is pending. During the pendency of the appeal, these rulings and orders are not subject to a request for reconsideration or appeal. These rulings and orders are subject to review under subdivision 24 and section 142A.20, subdivision 7.

Subd. 6. **Appeal request for emergency assistance or urgent matter.** (a) When an appeal involves an application for emergency assistance, the agency involved shall mail or otherwise deliver the state agency appeal summary to the department's Appeals Office within two working days of receiving the request for an appeal. A person may also request that a fair hearing be held on an emergency basis when the issue requires an immediate resolution. The children, youth, and families judge shall schedule the fair hearing on the earliest available date according to the urgency of the issue involved. Issuance of the recommended decision after an emergency hearing shall be expedited.

(b) The commissioner shall issue a written decision within five working days of receiving the recommended decision, shall immediately inform the parties of the outcome by telephone, and shall mail the decision no later than two working days following the date of the decision.

44.1 Subd. 7. Continuance, rescheduling, or adjourning a hearing. (a) A person involved
44.2 in a fair hearing, or the agency, may request a continuance, a rescheduling, or an adjournment
44.3 of a hearing for a reasonable period of time. The grounds for granting a request for a
44.4 continuance, a rescheduling, or adjournment of a hearing include, but are not limited to, the
44.5 following:

44.6 (1) to reasonably accommodate the appearance of a witness;

44.7 (2) to ensure that the person has adequate opportunity for preparation and for presentation
44.8 of evidence and argument;

44.9 (3) to ensure that the person or the agency has adequate opportunity to review, evaluate,
44.10 and respond to new evidence, or where appropriate, to require that the person or agency
44.11 review, evaluate, and respond to new evidence;

44.12 (4) to permit the person involved and the agency to negotiate toward resolution of some
44.13 or all of the issues where both agree that additional time is needed;

44.14 (5) to permit the agency to reconsider a previous action or determination;

44.15 (6) to permit or to require the performance of actions not previously taken; and

44.16 (7) to provide additional time or to permit or require additional activity by the person
44.17 or agency as the interests of fairness may require.

44.18 (b) Requests for continuances or for rescheduling may be made orally or in writing. The
44.19 person or agency requesting the continuance or rescheduling must first make reasonable
44.20 efforts to contact the other participants in the hearing or their representatives and seek to
44.21 obtain an agreement on the request. Requests for continuance or rescheduling should be
44.22 made no later than three working days before the scheduled date of the hearing, unless there
44.23 is a good cause as specified in subdivision 13. Granting a continuance or rescheduling may
44.24 be conditioned upon a waiver by the requester of applicable time limits but should not cause
44.25 unreasonable delay.

44.26 Subd. 8. Subpoenas. (a) A person involved in a fair hearing or the agency may request
44.27 a subpoena for a witness, for evidence, or for both. A reasonable number of subpoenas shall
44.28 be issued to require the attendance and the testimony of witnesses, and the production of
44.29 evidence relating to any issue of fact in the appeal hearing. The request for a subpoena must
44.30 show a need for the subpoena and the general relevance to the issues involved. The subpoena
44.31 shall be issued in the name of the department and shall be served and enforced as provided
44.32 in section 357.22 and the Minnesota Rules of Civil Procedure.

(b) An individual or entity served with a subpoena may petition the children, youth, and families judge in writing to vacate or modify a subpoena. The children, youth, and families judge shall resolve such a petition in a prehearing conference involving all parties and shall make a written decision. A subpoena may be vacated or modified if the children, youth, and families judge determines that the testimony or evidence sought does not relate with reasonable directness to the issues of the fair hearing appeal; that the subpoena is unreasonable, over broad, or oppressive; that the evidence sought is repetitious or cumulative; or that the subpoena has not been served reasonably in advance of the time when the appeal hearing will be held.

Subd. 9. **No ex parte contact.** The children, youth, and families judge shall not have ex parte contact on substantive issues with the agency or with any person or witness in a fair hearing appeal. No employee of the department or agency shall review, interfere with, change, or attempt to influence the recommended decision of the children, youth, and families judge in any fair hearing appeal, except through the procedure allowed in subdivision 18. The limitations in this subdivision do not affect the commissioner's authority to review or reconsider decisions or make final decisions.

Subd. 10. **Telephone or face-to-face hearing.** A fair hearing appeal may be conducted by telephone, by other electronic media, or by an in-person, face-to-face hearing. At the request of the person involved in a fair hearing appeal or their representative, a face-to-face hearing shall be conducted with all participants personally present before the children, youth, and families judge.

Subd. 11. **Hearing facilities and equipment.** The children, youth, and families judge shall conduct the hearing in the county where the person involved resides, unless an alternate location is mutually agreed upon before the hearing, or unless the person has agreed to a hearing by telephone. Hearings under section 142A.20, subdivision 2, paragraph (a), clauses (4) and (5), must be conducted in the county where the determination was made, unless an alternate location is mutually agreed upon before the hearing. The hearing room shall be of sufficient size and layout to adequately accommodate both the number of individuals participating in the hearing and any identified special needs of any individual participating in the hearing. The children, youth, and families judge shall ensure that all communication and recording equipment that is necessary to conduct the hearing and to create an adequate record is present and functioning properly. If any necessary communication or recording equipment fails or ceases to operate effectively, the children, youth, and families judge shall take any steps necessary, including stopping or adjourning the hearing, until the necessary equipment is present and functioning properly. All reasonable efforts shall be undertaken

to prevent and avoid any delay in the hearing process caused by defective communication or recording equipment.

Subd. 12. Interpreter and translation services. The children, youth, and families judge has a duty to inquire and to determine whether any participant in the hearing needs the services of an interpreter or translator in order to participate in or to understand the hearing process. Necessary interpreter or translation services must be provided at no charge to the person involved in the hearing. If it appears that interpreter or translation services are needed but are not available for the scheduled hearing, the children, youth, and families judge shall continue or postpone the hearing until appropriate services can be provided.

Subd. 13. Failure to appear; good cause. If a person involved in a fair hearing appeal fails to appear at the hearing, the children, youth, and families judge may dismiss the appeal. The children, youth, and families judge may reopen the appeal if within ten working days after the date of the dismissal the person files information in writing with the children, youth, and families judge to show good cause for not appearing. Good cause can be shown when there is:

(1) a death or serious illness in the person's family;

(2) a personal injury or illness that reasonably prevents the person from attending the hearing;

(3) an emergency, crisis, or unforeseen event that reasonably prevents the person from attending the hearing;

(4) an obligation or responsibility of the person that a reasonable person, in the conduct of one's affairs, could reasonably determine takes precedence over attending the hearing;

(5) lack of or failure to receive timely notice of the hearing in the preferred language of the person involved in the hearing; and

(6) excusable neglect, excusable inadvertence, excusable mistake, or other good cause as determined by the children, youth, and families judge.

Subd. 14. Commencement of hearing. The children, youth, and families judge shall begin each hearing by describing the process to be followed in the hearing, including the swearing in of witnesses, how testimony and evidence are presented, the order of examining and cross-examining witnesses, and the opportunity for an opening statement and a closing statement. The children, youth, and families judge shall identify for the participants the issues to be addressed at the hearing and shall explain to the participants the burden of proof that applies to the person involved and the agency. The children, youth, and families judge

shall confirm, prior to proceeding with the hearing, that the state agency appeal summary, if required under subdivision 3, has been properly completed and provided to the person involved in the hearing, and that the person has been provided documents and an opportunity to review the case file, as provided in this section.

Subd. 15. Conduct of the hearing. The children, youth, and families judge shall act in a fair and impartial manner at all times. At the beginning of the hearing the agency must designate one person as their representative who shall be responsible for presenting the agency's evidence and questioning any witnesses. The children, youth, and families judge shall make sure that the person and the agency are provided sufficient time to present testimony and evidence, to confront and cross-examine all adverse witnesses, and to make any relevant statement at the hearing. The children, youth, and families judge shall make reasonable efforts to explain the hearing process to persons who are not represented and shall ensure that the hearing is conducted fairly and efficiently. Upon the reasonable request of the person or the agency involved, the children, youth, and families judge may direct witnesses to remain outside the hearing room, except during their individual testimony. The children, youth, and families judge shall not terminate the hearing before affording the person and the agency a complete opportunity to submit all admissible evidence and reasonable opportunity for oral or written statement. If a hearing lasts longer than anticipated, the hearing shall be rescheduled or continued from day-to-day until completion. Hearings that have been continued shall be timely scheduled to minimize delay in the disposition of the appeal.

Subd. 16. Scope of issues addressed at the hearing. The hearing shall address the correctness and legality of the agency's action and shall not be limited simply to a review of the propriety of the agency's action. The person involved may raise and present evidence on all legal claims or defenses arising under state or federal law as a basis for appealing or disputing an agency action but not constitutional claims beyond the jurisdiction of the fair hearing. The children, youth, and families judge may take official notice of adjudicative facts.

Subd. 17. Burden of persuasion. The burden of persuasion is governed by specific state or federal law and regulations that apply to the subject of the hearing. If there is no specific law, then the participant in the hearing who asserts the truth of a claim is under the burden to persuade the children, youth, and families judge that the claim is true.

Subd. 18. Inviting comment by department. The children, youth, and families judge or the commissioner may determine that a written comment by the department about the policy implications of a specific legal issue could help resolve a pending appeal. Such a

written policy comment from the department shall be obtained only by a written request that is also sent to the person involved and to the agency or its representative. When such a written comment is received, both the person involved in the hearing and the agency shall have adequate opportunity to review, evaluate, and respond to the written comment, including submission of additional testimony or evidence, and cross-examination concerning the written comment.

Subd. 19. **Developing the record.** The children, youth, and families judge shall accept all evidence, except evidence privileged by law, that is commonly accepted by reasonable people in the conduct of their affairs as having probative value on the issues to be addressed at the hearing. Except in fair hearings and appeals under section 142A.20, subdivision 2, paragraph (a), clauses (4) and (5), in cases involving medical issues such as a diagnosis, a physician's report, or a review team's decision, the children, youth, and families judge shall consider whether it is necessary to have a medical assessment other than that of the individual making the original decision. When necessary, the children, youth, and families judge shall require an additional assessment be obtained at agency expense and made part of the hearing record. The children, youth, and families judge shall ensure for all cases that the record is sufficiently complete to make a fair and accurate decision.

Subd. 20. **Unrepresented persons.** In cases involving unrepresented persons, the children, youth, and families judge shall take appropriate steps to identify and develop in the hearing relevant facts necessary for making an informed and fair decision. These steps may include, but are not limited to, asking questions of witnesses and referring the person to a legal services office. An unrepresented person shall be provided an adequate opportunity to respond to testimony or other evidence presented by the agency at the hearing. The children, youth, and families judge shall ensure that an unrepresented person has a full and reasonable opportunity at the hearing to establish a record for appeal.

Subd. 21. **Closing of the record.** The agency must present its evidence prior to or at the hearing. The agency shall not be permitted to submit evidence after the hearing except by agreement at the hearing between the person involved, the agency, and the children, youth, and families judge. If evidence is submitted after the hearing, based on such an agreement, the person involved and the agency must be allowed sufficient opportunity to respond to the evidence. When necessary, the record shall remain open to permit a person to submit additional evidence on the issues presented at the hearing.

Subd. 22. **Decisions.** (a) A timely, written decision must be issued in every appeal. Each decision must contain a clear ruling on the issues presented in the appeal hearing and should

49.1 contain a ruling only on questions directly presented by the appeal and the arguments raised
49.2 in the appeal.

49.3 (b) A written decision must be issued within 90 days of the date the person involved
49.4 requested the appeal unless a shorter time is required by law. An additional 30 days is
49.5 provided in those cases where the commissioner refuses to accept the recommended decision.
49.6 In appeals of maltreatment determinations or disqualifications filed pursuant to section
49.7 142A.20, subdivision 2, paragraph (a), clause (4) or (5), that also give rise to possible
49.8 licensing actions, the 90-day period for issuing final decisions does not begin until the later
49.9 of the date that the licensing authority provides notice to the appeals division that the
49.10 authority has made the final determination in the matter or the date the appellant files the
49.11 last appeal in the consolidated matters.

49.12 (c) The decision must contain both findings of fact and conclusions of law, clearly
49.13 separated and identified. The findings of fact must be based on the entire record. Each
49.14 finding of fact made by the children, youth, and families judge shall be supported by a
49.15 preponderance of the evidence unless a different standard is required under the regulations
49.16 of a particular program. The "preponderance of the evidence" means, in light of the record
49.17 as a whole, the evidence leads the children, youth, and families judge to believe that the
49.18 finding of fact is more likely to be true than not true. The legal claims or arguments of a
49.19 participant do not constitute either a finding of fact or a conclusion of law, except to the
49.20 extent the children, youth, and families judge adopts an argument as a finding of fact or
49.21 conclusion of law.

49.22 (d) The decision shall contain at least the following:

49.23 (1) a listing of the date and place of the hearing and the participants at the hearing;

49.24 (2) a clear and precise statement of the issues, including the dispute under consideration
49.25 and the specific points that must be resolved in order to decide the case;

49.26 (3) a listing of the material, including exhibits, records, reports, placed into evidence at
49.27 the hearing, and upon which the hearing decision is based;

49.28 (4) the findings of fact based upon the entire hearing record. The findings of fact must
49.29 be adequate to inform the participants and any interested person in the public of the basis
49.30 of the decision. If the evidence is in conflict on an issue that must be resolved, the findings
49.31 of fact must state the reasoning used in resolving the conflict;

49.32 (5) conclusions of law that address the legal authority for the hearing and the ruling and
49.33 give appropriate attention to the claims of the participants to the hearing;

50.1 (6) a clear and precise statement of the decision made resolving the dispute under
50.2 consideration in the hearing; and

50.3 (7) written notice of the right to appeal to district court or to request reconsideration,
50.4 and of the actions required and the time limits for taking appropriate action to appeal to
50.5 district court or to request a reconsideration.

50.6 (e) The children, youth, and families judge shall not independently investigate facts or
50.7 otherwise rely on information not presented at the hearing. The children, youth, and families
50.8 judge may not contact other agency personnel, except as provided in subdivision 18. The
50.9 children, youth, and families judge's recommended decision must be based exclusively on
50.10 the testimony and evidence presented at the hearing, and legal arguments presented, and
50.11 the children, youth, and families judge's research and knowledge of the law.

50.12 (f) The commissioner will review the recommended decision and accept or refuse to
50.13 accept the decision according to section 142A.20, subdivision 5.

50.14 Subd. 23. **Refusal to accept recommended orders.** (a) If the commissioner refuses to
50.15 accept the recommended order from the children, youth, and families judge, the person
50.16 involved, the person's attorney or authorized representative, and the agency shall be sent a
50.17 copy of the recommended order, a detailed explanation of the basis for refusing to accept
50.18 the recommended order, and the proposed modified order.

50.19 (b) The person involved and the agency shall have at least ten business days to respond
50.20 to the proposed modification of the recommended order. The person involved and the agency
50.21 may submit a legal argument concerning the proposed modification, and may propose to
50.22 submit additional evidence that relates to the proposed modified order.

50.23 Subd. 24. **Reconsideration.** (a) Reconsideration may be requested within 30 days of
50.24 the date of the commissioner's final order. If reconsideration is requested under section
50.25 142A.20, subdivision 5, the other participants in the appeal shall be informed of the request.
50.26 The person seeking reconsideration has the burden to demonstrate why the matter should
50.27 be reconsidered. The request for reconsideration may include legal argument and may
50.28 include proposed additional evidence supporting the request. The other participants shall
50.29 be sent a copy of all material submitted in support of the request for reconsideration and
50.30 must be given ten days to respond.

50.31 (b) When the requesting party raises a question as to the appropriateness of the findings
50.32 of fact, the commissioner shall review the entire record.

51.1 (c) When the requesting party questions the appropriateness of a conclusion of law, the
51.2 commissioner shall consider the recommended decision, the decision under reconsideration,
51.3 and the material submitted in connection with the reconsideration. The commissioner shall
51.4 review the remaining record as necessary to issue a reconsidered decision.

51.5 (d) The commissioner shall issue a written decision on reconsideration in a timely fashion.
51.6 The decision must clearly inform the parties that this constitutes the final administrative
51.7 decision, advise the participants of the right to seek judicial review, and the deadline for
51.8 doing so.

51.9 Subd. 25. **Access to appeal decisions.** Appeal decisions must be maintained in a manner
51.10 so that the public has ready access to previous decisions on particular topics, subject to
51.11 appropriate procedures for safeguarding names, personal identifying information, and other
51.12 private data on the individual persons involved in the appeal.

51.13 Sec. 41. **[142A.22] OVERPAYMENTS BECOME JUDGMENTS BY OPERATION**
51.14 **OF LAW.**

51.15 Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted under
51.16 chapters 142E and 142G and the Supplemental Nutrition Assistance Program (SNAP),
51.17 except agency error claims, become a judgment by operation of law 90 days after the notice
51.18 of overpayment is personally served upon the recipient in a manner that is sufficient under
51.19 rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail, return
51.20 receipt requested. This judgment shall be entitled to full faith and credit in this and any
51.21 other state.

51.22 Subd. 2. **Overpayments included.** This section is limited to overpayments for which
51.23 notification is issued within the time period specified under section 541.05.

51.24 Subd. 3. **Notification requirements.** A judgment is only obtained after:

51.25 (1) a notice of overpayment has been personally served on the recipient or former recipient
51.26 in a manner sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts,
51.27 or mailed to the recipient or former recipient certified mail return receipt requested; and

51.28 (2) the time period under section 142A.20, subdivision 3, has elapsed without a request
51.29 for a hearing, or a hearing decision has been rendered under section 142A.20 or 142A.27
51.30 that concludes the existence of an overpayment that meets the requirements of this section.

51.31 Subd. 4. **Notice of overpayment.** The notice of overpayment shall include the amount
51.32 and cause of the overpayment, appeal rights, and an explanation of the consequences of the

52.1 judgment that will be established if an appeal is not filed timely or if the administrative
52.2 hearing decision establishes that there is an overpayment that qualifies for judgment.

52.3 Subd. 5. **Judgments entered and docketed.** A judgment shall be entered and docketed
52.4 under section 548.09 only after at least three months have elapsed since:

52.5 (1) the notice of overpayment was served on the recipient pursuant to subdivision 3; and
52.6 (2) the last time a monthly recoupment was applied to the overpayment.

52.7 Subd. 6. **Docketing of overpayments.** On or after the date an unpaid overpayment
52.8 becomes a judgment by operation of law under subdivision 1, the agency or public authority
52.9 may file with the court administrator:

52.10 (1) a statement identifying, or a copy of, the overpayment notice that provides for an
52.11 appeal process and requires payment of the overpayment;

52.12 (2) proof of service of the notice of overpayment;

52.13 (3) an affidavit of default, stating the full name, occupation, place of residence, and last
52.14 known post office address of the debtor; the name and post office address of the agency or
52.15 public authority; the date or dates the overpayment was incurred; the program that was
52.16 overpaid; and the total amount of the judgment; and

52.17 (4) an affidavit of service of a notice of entry of judgment shall be made by first class
52.18 mail at the address where the debtor was served with the notice of overpayment. Service is
52.19 completed upon mailing in the manner designated.

52.20 Subd. 7. **Administrative renewal of overpayment judgments.** Overpayment judgments
52.21 may be renewed by service of notice upon the debtor. Service must be by first class mail at
52.22 the last known address of the debtor, with service deemed complete upon mailing in that
52.23 manner designated, or in the manner provided for the service of civil process. Upon filing
52.24 of the notice and proof of service, the court administrator shall administratively renew the
52.25 judgment for the overpayment without any additional filing fee in the same court file as the
52.26 original overpayment judgment. The judgment must be renewed in an amount equal to the
52.27 unpaid principal plus the accrued unpaid interest. Overpayment judgments may be renewed
52.28 multiple times until satisfied.

52.29 Subd. 8. **Does not impede other methods.** Nothing in this section shall be construed
52.30 to impede or restrict alternative recovery methods for these overpayments or overpayments
52.31 that do not meet the requirements of this section.

53.1 Sec. 42. **[142A.25] WRONGFULLY OBTAINING ASSISTANCE;**
53.2 **DISQUALIFICATION.**

53.3 The sanctions in section 256.98 apply to:

53.4 (1) all applicants for and recipients of benefits administered by the commissioner; and

53.5 (2) child care providers receiving child care assistance under chapter 142E.

53.6 Sec. 43. **[142A.26] FRAUD PREVENTION PROGRAM.**

53.7 (a) The commissioner of children, youth, and families shall work with the commissioner
53.8 of human services to oversee and administer the fraud prevention program in sections
53.9 256.981 to 256.9861.

53.10 (b) All recipients of benefits administered by the commissioner of children, youth, and
53.11 families are subject to the requirements of sections 256.981 to 256.9861 and 256.9866.

53.12 Sec. 44. **[142A.27] ADMINISTRATIVE FRAUD DISQUALIFICATION HEARINGS.**

53.13 Subdivision 1. **Hearing authority.** A local agency must initiate an administrative fraud
53.14 disqualification hearing for individuals accused of wrongfully obtaining assistance or
53.15 intentional program violations, in lieu of a criminal action when it has not been pursued, in
53.16 the Minnesota family investment program and any affiliated program to include the
53.17 diversionary work program and the work participation cash benefit program, child care
53.18 assistance programs, and the Supplemental Nutrition Assistance Program (SNAP). The
53.19 Department of Children, Youth, and Families, in lieu of a local agency, may initiate an
53.20 administrative fraud disqualification hearing when the state agency is directly responsible
53.21 for administration or investigation of the program for which benefits were wrongfully
53.22 obtained. The hearing is subject to the requirements of sections 142A.20 and 142A.21 and
53.23 the requirements in Code of Federal Regulations, title 7, section 273.16.

53.24 Subd. 2. **Combined hearing.** The children, youth, and families judge may combine a
53.25 fair hearing under section 142A.20 and administrative fraud disqualification hearing under
53.26 this section into a single hearing if the factual issues arise out of the same, or related,
53.27 circumstances and the individual receives prior notice that the hearings will be combined.
53.28 If the administrative fraud disqualification hearing and fair hearing are combined, the time
53.29 frames for administrative fraud disqualification hearings specified in Code of Federal
53.30 Regulations, title 7, section 273.16, apply. If the individual accused of wrongfully obtaining
53.31 assistance is charged under section 142A.25 or 256.98 for the same act or acts that are the

54.1 subject of the hearing, the individual may request that the hearing be delayed until the
54.2 criminal charge is decided by the court or withdrawn.

54.3 (b) A human services judge may combine a fair hearing and administrative fraud
54.4 disqualification hearing pursuant to section 142A.27, subdivision 2, or 256.046, subdivision
54.5 2, if either is under the jurisdiction of the commissioner of human services or the
54.6 commissioner of children, youth, and families.

54.7 **Sec. 45. [142A.28] RECOVERY OF MONEY; APPORTIONMENT.**

54.8 Subdivision 1. **Retention rates.** (a) When an assistance recovery amount is collected
54.9 and posted by a county agency under the provisions governing public assistance programs,
54.10 the county may keep one-half of the recovery made by the county agency using any method
54.11 other than recoupment.

54.12 (b) This section does not apply to recoveries by the attorney general's office or child
54.13 support collections. In the Supplemental Nutrition Assistance Program (SNAP), the
54.14 nonfederal share of recoveries in the federal tax offset program only will be divided equally
54.15 between the state agency and the involved county agency.

54.16 Subd. 2. **Retention rates for AFDC and MFIP.** (a) When an assistance recovery amount
54.17 is collected and posted by a county agency under the provisions governing the aid to families
54.18 with dependent children program formerly codified in 1996 in sections 256.72 to 256.87
54.19 or MFIP under chapter 142G, the commissioner shall reimburse the county agency from
54.20 the proceeds of the recovery using the applicable rate specified in paragraph (b) or (c).

54.21 (b) For recoveries of overpayments made on or before September 30, 1996, from the
54.22 aid to families with dependent children program including the emergency assistance program,
54.23 the commissioner shall reimburse the county agency at a rate of one-quarter of the recovery
54.24 made by any method other than recoupment.

54.25 (c) For recoveries of overpayments made after September 30, 1996, from the aid to
54.26 families with dependent children including the emergency assistance program and programs
54.27 funded in whole or in part by the temporary assistance to needy families program under
54.28 section 142G.03, subdivision 2, and recoveries of nonfederally funded food assistance under
54.29 section 142G.11, the commissioner shall reimburse the county agency at a rate of one-quarter
54.30 of the recovery made by any method other than recoupment.

55.1 Sec. 46. Minnesota Statutes 2022, section 256.01, subdivision 1, is amended to read:

55.2 Subdivision 1. **Powers transferred.** All the powers and duties now vested in or imposed
55.3 upon the State Board of Control by the laws of this state or by any law of the United States
55.4 are hereby transferred to, vested in, and imposed upon the commissioner of human services,
55.5 except the powers and duties otherwise specifically transferred by Laws 1939, chapter 431,
55.6 to other agencies. The commissioner of human services is hereby constituted the "state
55.7 agency" as defined by the Social Security Act of the United States and the laws of this state,
55.8 except for the purposes of Title IV of the Social Security Act.

55.9 Sec. 47. Minnesota Statutes 2022, section 256.01, subdivision 2, is amended to read:

55.10 Subd. 2. **Specific powers.** Subject to the provisions of section 241.021, subdivision 2,
55.11 the commissioner of human services shall carry out the specific duties in paragraphs (a)
55.12 through (bb):

55.13 (a) Administer and supervise ~~all~~ the forms of public assistance provided for by state law
55.14 and other welfare activities or services ~~as~~ that are vested in the commissioner. Administration
55.15 and supervision of human services activities or services includes, but is not limited to,
55.16 assuring timely and accurate distribution of benefits, completeness of service, and quality
55.17 program management. In addition to administering and supervising human services activities
55.18 vested by law in the department, the commissioner shall have the authority to:

55.19 (1) require county agency participation in training and technical assistance programs to
55.20 promote compliance with statutes, rules, federal laws, regulations, and policies governing
55.21 human services;

55.22 (2) monitor, on an ongoing basis, the performance of county agencies in the operation
55.23 and administration of human services, enforce compliance with statutes, rules, federal laws,
55.24 regulations, and policies governing welfare services and promote excellence of administration
55.25 and program operation;

55.26 (3) develop a quality control program or other monitoring program to review county
55.27 performance and accuracy of benefit determinations;

55.28 (4) require county agencies to make an adjustment to the public assistance benefits issued
55.29 to any individual consistent with federal law and regulation and state law and rule and to
55.30 issue or recover benefits as appropriate;

55.31 (5) delay or deny payment of all or part of the state and federal share of benefits and
55.32 administrative reimbursement according to the procedures set forth in section 256.017;

(6) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds; and

(7) enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and Tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

The commissioner shall work in conjunction with the commissioner of children, youth, and families to carry out the duties of this paragraph when necessary and feasible.

(b) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

~~(e) Administer and supervise all child welfare activities; promote the enforcement of laws protecting children with a disability and children who are dependent, neglected, or delinquent, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the State Board of Control.~~

~~(d)~~ (c) Administer and supervise all noninstitutional service to persons with disabilities, including persons who have vision impairments, and persons who are deaf, deafblind, and hard-of-hearing or with other disabilities. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

~~(e)~~ (d) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

~~(f)~~ (e) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients

of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

~~(g)~~ (f) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

~~(h)~~ (g) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as developmentally disabled. ~~For children under the guardianship of the commissioner or a Tribe in Minnesota recognized by the Secretary of the Interior whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide adoption services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs or Tribal social services, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative, Tribal governing body, or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child shall remain available until the terms of the agreement are fulfilled or the agreement is terminated.~~

~~(i)~~ (h) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

~~(j)~~ (i) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

~~(k)~~ (j) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

~~(l)~~ (k) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and

in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(1) the ~~secretary of health and human services of the United States~~ Secretary of Health and Human Services has agreed, for the same project, to waive state plan requirements relative to statewide uniformity; and

(2) a comprehensive plan, including estimated project costs, shall be approved by the Legislative Advisory Commission and filed with the commissioner of administration.

~~(m)~~ (l) According to federal requirements and in coordination with the commissioner of children, youth, and families, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

~~(n)~~ (m) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the ~~aid to families with dependent children program formerly codified in sections 256.72 to 256.87~~, medical assistance, or the Supplemental Nutrition Assistance Program (SNAP) in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. ~~For the medical assistance and the AFDC program formerly codified in sections 256.72 to 256.87~~, Disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the ~~AFDC program formerly codified in sections 256.72 to 256.87~~, and medical assistance programs. ~~For SNAP, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for SNAP benefits are to the total of all SNAP administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of SNAP benefits issued are to the total of all benefits issued for all counties.~~ Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require

59.1 payment or recover from the county or counties, in the manner prescribed in clause (1), an
59.2 amount equal to the portion of the total disallowance which resulted from the noncompliance,
59.3 and may distribute the balance of the disallowance according to clause (1).

59.4 ~~(p)~~ (n) Develop and implement special projects that maximize reimbursements and result
59.5 in the recovery of money to the state. For the purpose of recovering state money, the
59.6 commissioner may enter into contracts with third parties. Any recoveries that result from
59.7 projects or contracts entered into under this paragraph shall be deposited in the state treasury
59.8 and credited to a special account until the balance in the account reaches \$1,000,000. When
59.9 the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited
59.10 to the general fund. All money in the account is appropriated to the commissioner for the
59.11 purposes of this paragraph.

59.12 ~~(p)~~ (o) Have the authority to establish and enforce the following county reporting
59.13 requirements:

59.14 (1) the commissioner shall establish fiscal and statistical reporting requirements necessary
59.15 to account for the expenditure of funds allocated to counties for human services programs.
59.16 When establishing financial and statistical reporting requirements, the commissioner shall
59.17 evaluate all reports, in consultation with the counties, to determine if the reports can be
59.18 simplified or the number of reports can be reduced;

59.19 (2) the county board shall submit monthly or quarterly reports to the department as
59.20 required by the commissioner. Monthly reports are due no later than 15 working days after
59.21 the end of the month. Quarterly reports are due no later than 30 calendar days after the end
59.22 of the quarter, unless the commissioner determines that the deadline must be shortened to
59.23 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss
59.24 of federal funding. Only reports that are complete, legible, and in the required format shall
59.25 be accepted by the commissioner;

59.26 (3) if the required reports are not received by the deadlines established in clause (2), the
59.27 commissioner may delay payments and withhold funds from the county board until the next
59.28 reporting period. When the report is needed to account for the use of federal funds and the
59.29 late report results in a reduction in federal funding, the commissioner shall withhold from
59.30 the county boards with late reports an amount equal to the reduction in federal funding until
59.31 full federal funding is received;

59.32 (4) a county board that submits reports that are late, illegible, incomplete, or not in the
59.33 required format for two out of three consecutive reporting periods is considered
59.34 noncompliant. When a county board is found to be noncompliant, the commissioner shall

60.1 notify the county board of the reason the county board is considered noncompliant and
60.2 request that the county board develop a corrective action plan stating how the county board
60.3 plans to correct the problem. The corrective action plan must be submitted to the
60.4 commissioner within 45 days after the date the county board received notice of
60.5 noncompliance;

60.6 (5) the final deadline for fiscal reports or amendments to fiscal reports is one year after
60.7 the date the report was originally due. If the commissioner does not receive a report by the
60.8 final deadline, the county board forfeits the funding associated with the report for that
60.9 reporting period and the county board must repay any funds associated with the report
60.10 received for that reporting period;

60.11 (6) the commissioner may not delay payments, withhold funds, or require repayment
60.12 under clause (3) or (5) if the county demonstrates that the commissioner failed to provide
60.13 appropriate forms, guidelines, and technical assistance to enable the county to comply with
60.14 the requirements. If the county board disagrees with an action taken by the commissioner
60.15 under clause (3) or (5), the county board may appeal the action according to sections 14.57
60.16 to 14.69; and

60.17 (7) counties subject to withholding of funds under clause (3) or forfeiture or repayment
60.18 of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover
60.19 costs incurred due to actions taken by the commissioner under clause (3) or (5).

60.20 ~~(q)~~ (p) Allocate federal fiscal disallowances or sanctions for audit exceptions when
60.21 federal fiscal disallowances or sanctions are based on a statewide random sample in direct
60.22 proportion to each county's claim for that period.

60.23 ~~(r)~~ (q) Be responsible for ensuring the detection, prevention, investigation, and resolution
60.24 of fraudulent activities or behavior by applicants, recipients, and other participants in the
60.25 human services programs administered by the department.

60.26 ~~(s)~~ (r) Require county agencies to identify overpayments, establish claims, and utilize
60.27 all available and cost-beneficial methodologies to collect and recover these overpayments
60.28 in the human services programs administered by the department.

60.29 ~~(t)~~ (s) Have the authority to administer the federal drug rebate program for drugs
60.30 purchased under the medical assistance program as allowed by section 1927 of title XIX of
60.31 the Social Security Act and according to the terms and conditions of section 1927. Rebates
60.32 shall be collected for all drugs that have been dispensed or administered in an outpatient
60.33 setting and that are from manufacturers who have signed a rebate agreement with the United
60.34 States Department of Health and Human Services.

61.1 ~~(u)~~ (t) Have the authority to administer a supplemental drug rebate program for drugs
61.2 purchased under the medical assistance program. The commissioner may enter into
61.3 supplemental rebate contracts with pharmaceutical manufacturers and may require prior
61.4 authorization for drugs that are from manufacturers that have not signed a supplemental
61.5 rebate contract. Prior authorization of drugs shall be subject to the provisions of section
61.6 256B.0625, subdivision 13.

61.7 ~~(v)~~ (u) Operate the department's communication systems account established in Laws
61.8 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared
61.9 communication costs necessary for the operation of the programs the commissioner
61.10 supervises. A communications account may also be established for each regional treatment
61.11 center which operates communications systems. Each account must be used to manage
61.12 shared communication costs necessary for the operations of the programs the commissioner
61.13 supervises. The commissioner may distribute the costs of operating and maintaining
61.14 communication systems to participants in a manner that reflects actual usage. Costs may
61.15 include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as
61.16 determined by the commissioner. Nonprofit organizations and state, county, and local
61.17 government agencies involved in the operation of programs the commissioner supervises
61.18 may participate in the use of the department's communications technology and share in the
61.19 cost of operation. The commissioner may accept on behalf of the state any gift, bequest,
61.20 devise or personal property of any kind, or money tendered to the state for any lawful
61.21 purpose pertaining to the communication activities of the department. Any money received
61.22 for this purpose must be deposited in the department's communication systems accounts.
61.23 Money collected by the commissioner for the use of communication systems must be
61.24 deposited in the state communication systems account and is appropriated to the
61.25 commissioner for purposes of this section.

61.26 ~~(w)~~ (v) Receive any federal matching money that is made available through the medical
61.27 assistance program for the consumer satisfaction survey. Any federal money received for
61.28 the survey is appropriated to the commissioner for this purpose. The commissioner may
61.29 expend the federal money received for the consumer satisfaction survey in either year of
61.30 the biennium.

61.31 ~~(x)~~ (w) Designate community information and referral call centers and incorporate cost
61.32 reimbursement claims from the designated community information and referral call centers
61.33 into the federal cost reimbursement claiming processes of the department according to
61.34 federal law, rule, and regulations. Existing information and referral centers provided by
61.35 Greater Twin Cities United Way or existing call centers for which Greater Twin Cities

62.1 United Way has legal authority to represent, shall be included in these designations upon
62.2 review by the commissioner and assurance that these services are accredited and in
62.3 compliance with national standards. Any reimbursement is appropriated to the commissioner
62.4 and all designated information and referral centers shall receive payments according to
62.5 normal department schedules established by the commissioner upon final approval of
62.6 allocation methodologies from the United States Department of Health and Human Services
62.7 Division of Cost Allocation or other appropriate authorities.

62.8 ~~(y)~~ (x) Develop recommended standards for adult foster care homes that address the
62.9 components of specialized therapeutic services to be provided by adult foster care homes
62.10 with those services.

62.11 ~~(z)~~ (y) Authorize the method of payment to or from the department as part of the human
62.12 services programs administered by the department. This authorization includes the receipt
62.13 or disbursement of funds held by the department in a fiduciary capacity as part of the human
62.14 services programs administered by the department.

62.15 ~~(aa)~~ (z) Designate the agencies that operate the Senior LinkAge Line under section
62.16 256.975, subdivision 7, and the Disability Hub under subdivision 24 as the state of Minnesota
62.17 Aging and Disability Resource Center under United States Code, title 42, section 3001, the
62.18 Older Americans Act Amendments of 2006, and incorporate cost reimbursement claims
62.19 from the designated centers into the federal cost reimbursement claiming processes of the
62.20 department according to federal law, rule, and regulations. Any reimbursement must be
62.21 appropriated to the commissioner and treated consistent with section 256.011. All Aging
62.22 and Disability Resource Center designated agencies shall receive payments of grant funding
62.23 that supports the activity and generates the federal financial participation according to Board
62.24 on Aging administrative granting mechanisms.

62.25 Sec. 48. Minnesota Statutes 2022, section 256.01, subdivision 4, is amended to read:

62.26 Subd. 4. **Duties as state agency.** (a) The state agency shall:

62.27 ~~(1) supervise the administration of assistance to dependent children under Laws 1937,~~
62.28 ~~chapter 438, by the county agencies in an integrated program with other service for dependent~~
62.29 ~~children maintained under the direction of the state agency;~~

62.30 ~~(2) establish adequate standards for personnel employed by the counties and the state~~
62.31 ~~agency in the administration of Laws 1937, chapter 438, and make the necessary rules to~~
62.32 ~~maintain such standards;~~

63.1 ~~(3)~~ (1) in coordination with the commissioner of children, youth, and families, prescribe
63.2 the form of and print and supply to the county agencies blanks for applications, reports,
63.3 affidavits, and such other forms as it may deem necessary and advisable;

63.4 ~~(4) cooperate with the federal government and its public welfare agencies in any~~
63.5 ~~reasonable manner as may be necessary to qualify for federal aid for temporary assistance~~
63.6 ~~for needy families and in conformity with title I of Public Law 104-193, the Personal~~
63.7 ~~Responsibility and Work Opportunity Reconciliation Act of 1996 and successor amendments,~~
63.8 ~~including the making of such reports and such forms and containing such information as~~
63.9 ~~the Federal Social Security Board may from time to time require, and comply with such~~
63.10 ~~provisions as such board may from time to time find necessary to assure the correctness~~
63.11 ~~and verification of such reports;~~

63.12 ~~(5)~~ (2) on or before October 1 in each even-numbered year make a biennial report to the
63.13 governor concerning the activities of the agency;

63.14 ~~(6)~~ (3) enter into agreements with other departments of the state as necessary to meet
63.15 all requirements of the federal government; and

63.16 ~~(7) cooperate with the commissioner of education to enforce the requirements for program~~
63.17 ~~integrity and fraud prevention for investigation for child care assistance under chapter 119B;~~
63.18 ~~and~~

63.19 ~~(8)~~ (4) require that the county or Tribal case manager for any person who is notified that
63.20 their services will be terminated under section 245D.10, subdivision 3a, from residential
63.21 supports and services as defined in section 245D.03, subdivision 1, paragraph (c), clause
63.22 (3), develop an initial action plan within five business days of being notified of the
63.23 termination; request technical assistance from the state agency; and proceed to promptly
63.24 work to resolve the issues that led to the termination or arrange for alternative services as
63.25 expeditiously as possible within the 60-day notice period.

63.26 (b) The state agency may:

63.27 (1) subpoena witnesses and administer oaths, make rules, and take such action as may
63.28 be necessary or desirable for carrying out the provisions of Laws 1937, chapter 438. All
63.29 rules made by the state agency shall be binding on the counties and shall be complied with
63.30 by the respective county agencies; and

63.31 ~~(2) cooperate with other state agencies in establishing reciprocal agreements in instances~~
63.32 ~~where a child receiving Minnesota family investment program assistance moves or~~
63.33 ~~contemplates moving into or out of the state, in order that the child may continue to receive~~

64.1 ~~supervised aid from the state moved from until the child has resided for one year in the state~~
64.2 ~~moved to; and~~

64.3 ~~(3)~~ (2) administer oaths and affirmations, take depositions, certify to official acts, and
64.4 issue subpoenas to compel the attendance of individuals and the production of documents
64.5 and other personal property necessary in connection with the administration of programs
64.6 administered by, or for the purpose of any investigation, hearing, proceeding, or inquiry
64.7 related to the duties and responsibilities of, the Department of Human Services.

64.8 (c) The fees for service of a subpoena in paragraph (b), clause ~~(3)~~ (2), must be paid in
64.9 the same manner as prescribed by law for a service of process issued by a district court.
64.10 Witnesses must receive the same fees and mileage as in civil actions.

64.11 (d) The subpoena in paragraph (b), clause ~~(3)~~ (2), shall be enforceable through the district
64.12 court in the district where the subpoena is issued.

64.13 (e) A subpoena issued under this subdivision must state that the person to whom the
64.14 subpoena is directed may not disclose the fact that the subpoena was issued or the fact that
64.15 the requested records have been given to law enforcement personnel or agents of the
64.16 commissioner except:

64.17 (1) insofar as the disclosure is necessary and agreed upon by the commissioner, to find
64.18 and disclose the records; or

64.19 (2) pursuant to court order.

64.20 Sec. 49. Minnesota Statutes 2022, section 256.01, subdivision 5, is amended to read:

64.21 Subd. 5. **Gifts, contributions, pensions and benefits; acceptance.** ~~The commissioner~~
64.22 ~~shall have the power and authority to accept in behalf of the state contributions and gifts~~
64.23 ~~for the use and benefit of children under the guardianship or custody of the commissioner;~~
64.24 The commissioner may also receive and accept on behalf of ~~such children, and on behalf~~
64.25 ~~of~~ patients and residents at the several state hospitals for persons with mental illness or
64.26 developmental disabilities during the period of their hospitalization and while on provisional
64.27 discharge therefrom, money due and payable to them as old age and survivors insurance
64.28 benefits, veterans benefits, pensions or other such monetary benefits. Such gifts,
64.29 contributions, pensions and benefits shall be deposited in and disbursed from the social
64.30 welfare fund provided for in sections 256.88 to 256.92.

65.1 Sec. 50. Minnesota Statutes 2022, section 256.01, subdivision 12, is amended to read:

65.2 Subd. 12. **Child mortality review panel.** (a) The commissioner shall establish a child
65.3 mortality review panel to review deaths of children in Minnesota, including deaths attributed
65.4 to maltreatment or in which maltreatment may be a contributing cause and to review near
65.5 fatalities as defined in section 260E.35. The commissioners of health, education, human
65.6 services, and public safety and the attorney general shall each designate a representative to
65.7 the child mortality review panel. Other panel members shall be appointed by the
65.8 commissioner, including a board-certified pathologist and a physician who is a coroner or
65.9 a medical examiner. The purpose of the panel shall be to make recommendations to the
65.10 state and to county agencies for improving the child protection system, including
65.11 modifications in statute, rule, policy, and procedure.

65.12 (b) The commissioner may require a county agency to establish a local child mortality
65.13 review panel. The commissioner may establish procedures for conducting local reviews
65.14 and may require that all professionals with knowledge of a child mortality case participate
65.15 in the local review. In this section, "professional" means a person licensed to perform or a
65.16 person performing a specific service in the child protective service system. "Professional"
65.17 includes law enforcement personnel, social service agency attorneys, educators, and social
65.18 service, health care, and mental health care providers.

65.19 (c) If the commissioner of human services has reason to believe that a child's death was
65.20 caused by maltreatment or that maltreatment was a contributing cause, the commissioner
65.21 has access to not public data under chapter 13 maintained by state agencies, statewide
65.22 systems, or political subdivisions that are related to the child's death or circumstances
65.23 surrounding the care of the child. The commissioner shall also have access to records of
65.24 private hospitals as necessary to carry out the duties prescribed by this section. Access to
65.25 data under this paragraph is limited to police investigative data; autopsy records and coroner
65.26 or medical examiner investigative data; hospital, public health, or other medical records of
65.27 the child; hospital and other medical records of the child's parent that relate to prenatal care;
65.28 and records created by social service agencies that provided services to the child or family
65.29 within three years preceding the child's death. A state agency, statewide system, or political
65.30 subdivision shall provide the data upon request of the commissioner. Not public data may
65.31 be shared with members of the state or local child mortality review panel in connection with
65.32 an individual case.

65.33 (d) Notwithstanding the data's classification in the possession of any other agency, data
65.34 acquired by a local or state child mortality review panel in the exercise of its duties is
65.35 protected nonpublic or confidential data as defined in section 13.02, but may be disclosed

as necessary to carry out the purposes of the review panel. The data is not subject to subpoena or discovery. The commissioner may disclose conclusions of the review panel, but shall not disclose data that was classified as confidential or private data on decedents, under section 13.10, or private, confidential, or protected nonpublic data in the disseminating agency, except that the commissioner may disclose local social service agency data as provided in section 260E.35, on individual cases involving a fatality or near fatality of a person served by the local social service agency prior to the date of death.

(e) A person attending a child mortality review panel meeting shall not disclose what transpired at the meeting, except to carry out the purposes of the mortality review panel. The proceedings and records of the mortality review panel are protected nonpublic data as defined in section 13.02, subdivision 13, and are not subject to discovery or introduction into evidence in a civil or criminal action against a professional, the state or a county agency, arising out of the matters the panel is reviewing. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because they were presented during proceedings of the review panel. A person who presented information before the review panel or who is a member of the panel shall not be prevented from testifying about matters within the person's knowledge. However, in a civil or criminal proceeding a person shall not be questioned about the person's presentation of information to the review panel or opinions formed by the person as a result of the review meetings.

Sec. 51. Minnesota Statutes 2022, section 256.01, subdivision 16, is amended to read:

Subd. 16. **Information for persons with limited English-language proficiency.** ~~By July 1, 1998,~~ The commissioner shall implement a procedure for public assistance applicants and recipients to identify a language preference other than English in order to receive information pertaining to the public assistance programs in that preferred language.

Sec. 52. Minnesota Statutes 2022, section 256.01, subdivision 18, is amended to read:

Subd. 18. **Immigration status verifications.** (a) Notwithstanding any waiver of this requirement by the secretary of the United States Department of Health and Human Services, ~~effective July 1, 2001,~~ the commissioner shall utilize the Systematic Alien Verification for Entitlements (SAVE) program to conduct immigration status verifications:

(1) as required under United States Code, title 8, section 1642; and

~~(2) for all applicants for food assistance benefits, whether under the federal SNAP, the MFIP or work first program, or the Minnesota food assistance program; and~~

~~(3)~~ (2) for all applicants for general assistance, Minnesota supplemental aid, MinnesotaCare, or housing support under chapter 256I, when the benefits provided by these programs would fall under the definition of "federal public benefit" under United States Code, title 8, section 1642, if federal funds were used to pay for all or part of the benefits.

(b) The commissioner shall comply with the reporting requirements under United States Code, title 42, section 611a, and any federal regulation or guidance adopted under that law.

Sec. 53. Minnesota Statutes 2022, section 256.01, subdivision 18a, is amended to read:

Subd. 18a. **Public Assistance Reporting Information System.** ~~(a) Effective October 1, 2009,~~ The commissioner shall comply with the federal requirements in Public Law 110-379 in implementing the Public Assistance Reporting Information System (PARIS) to determine eligibility for all individuals applying for:

(1) health care benefits under chapters 256B and 256L; and

(2) public benefits under chapters ~~119B,~~ 256D, and 256I, ~~and the supplemental nutrition assistance program.~~

(b) The commissioner shall determine eligibility under paragraph (a) by performing data matches, including matching with medical assistance, cash, child care, and supplemental assistance programs operated by other states.

Sec. 54. Minnesota Statutes 2022, section 256.01, subdivision 34, is amended to read:

Subd. 34. **Federal administrative reimbursement dedicated.** Federal administrative reimbursement resulting from the following activities is appropriated to the commissioner for the designated purposes:

(1) reimbursement for the Minnesota senior health options project; and

(2) reimbursement related to prior authorization, review of medical necessity, and inpatient admission certification by a professional review organization. A portion of these funds must be used for activities to decrease unnecessary pharmaceutical costs in medical assistance; and.

~~(3) reimbursement resulting from the federal child support grant expenditures authorized under United States Code, title 42, section 1315.~~

68.1 Sec. 55. Minnesota Statutes 2022, section 256.012, subdivision 2, is amended to read:

68.2 Subd. 2. **Payment for services provided.** (a) The cost of merit system operations shall
68.3 be paid by counties and other entities that utilize merit system services. Total costs shall be
68.4 determined by the commissioner annually and must be set at a level that neither significantly
68.5 overrecovers nor underrecovers the costs of providing the service. The costs of merit system
68.6 services shall be prorated among participating counties in accordance with an agreement
68.7 between the commissioner and these counties. Participating counties will be billed quarterly
68.8 in advance and shall pay their share of the costs upon receipt of the billing.

68.9 (b) This subdivision does not apply to counties with personnel systems otherwise provided
68.10 by law that meet federal merit system requirements. A county that applies to withdraw from
68.11 the merit system must notify the commissioner of the county's intent to develop its own
68.12 personnel system. This notice must be provided in writing by December 31 of the year
68.13 preceding the year of final participation in the merit system. The county may withdraw after
68.14 the commissioner has certified that its personnel system meets federal merit system
68.15 requirements.

68.16 (c) A county merit system operations account is established in the special revenue fund.
68.17 Payments received by the commissioner for merit system costs must be deposited in the
68.18 merit system operations account and must be used for the purpose of providing the services
68.19 and administering the merit system.

68.20 ~~(d) County payment of merit system costs is effective July 1, 2003, however payment~~
68.21 ~~for the period from July 1, 2003, through December 31, 2003, shall be made no later than~~
68.22 ~~January 31, 2004.~~

68.23 Sec. 56. Minnesota Statutes 2022, section 256.016, is amended to read:

68.24 **256.016 PLAIN LANGUAGE IN WRITTEN MATERIALS.**

68.25 (a) To the extent reasonable and consistent with the goals of providing easily
68.26 understandable and readable materials and complying with federal and state laws governing
68.27 the programs, all written materials relating to services and determinations of eligibility for
68.28 or amounts of benefits that will be given to applicants for or recipients of assistance under
68.29 a program administered or supervised by the commissioner of human services must be
68.30 understandable to a person who reads at the seventh-grade level, using the Flesch scale
68.31 analysis readability score as determined under section 72C.09.

68.32 (b) All written materials relating to determinations of eligibility for or amounts of benefits
68.33 that will be given to applicants for or recipients of assistance under programs administered

or supervised by the commissioner of human services must be developed to satisfy the plain language requirements of the Plain Language Contract Act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these materials. Failure to comply with this section does not provide a basis for suspending the implementation or operation of other laws governing programs administered by the commissioner.

~~(c) The requirements of this section apply to all materials modified or developed by the commissioner on or after July 1, 1988.~~ The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

(d) Nothing in this section may be construed to prohibit a lawsuit brought to require the commissioner to comply with this section or to affect individual appeal rights granted pursuant to section 256.045.

Sec. 57. Minnesota Statutes 2022, section 256.017, subdivision 1, is amended to read:

Subdivision 1. **Authority and purpose.** (a) The commissioner of human services shall directly administer the compliance system for general assistance, medical assistance, emergency general assistance, Minnesota supplemental assistance, housing support, preadmission screening, alternative care grants, and all other programs administered by the commissioner or on behalf of the commissioner under the powers and authorities named in section 256.01, subdivision 2.

(b) The commissioner of children, youth, and families shall administer the compliance system for the Minnesota family investment program, the Supplemental Nutrition Assistance Program (SNAP), the child care assistance program, and all other programs administered by the commissioner or on behalf of the commissioner under the powers and authorities named in section 142A.03, subdivision 2.

(c) The ~~commissioner~~ commissioners of human services and children, youth, and families shall cooperate as necessary to administer a compliance system for systems related to the Minnesota family investment program, the Supplemental Nutrition Assistance Program (SNAP), ~~emergency assistance~~, general assistance, medical assistance, emergency general assistance, Minnesota supplemental assistance, housing support, preadmission screening, alternative care grants, the child care assistance program, and all other programs administered

by the commissioner of human services or on behalf of the commissioner of human services under the powers and authorities named in section 256.01, subdivision 2.

(d) The purpose of the compliance system is to permit the ~~commissioner~~ commissioners to supervise the administration of public assistance programs and to enforce timely and accurate distribution of benefits, completeness of service and efficient and effective program management and operations, to increase uniformity and consistency in the administration and delivery of public assistance programs throughout the state, and to reduce the possibility of sanctions and fiscal disallowances for noncompliance with federal regulations and state statutes. The ~~commissioner~~ commissioners, or the ~~commissioner's representative~~ commissioners' representatives, may issue administrative subpoenas as needed in administering the compliance system.

(e) The ~~commissioner~~ commissioners shall utilize training, technical assistance, and monitoring activities, as specified in ~~section~~ sections 142A.03, subdivision 2, and 256.01, subdivision 2, to encourage county agency compliance with written policies and procedures.

Sec. 58. Minnesota Statutes 2022, section 256.017, subdivision 2, is amended to read:

Subd. 2. **Definitions.** The following terms have the meanings given for purposes of this section.

(a) "Administrative penalty" means an adjustment against the county agency's state and federal benefit and federal administrative reimbursement when the commissioner determines that the county agency is not in compliance with the policies and procedures established by the commissioner.

(b) "Commissioner" means the commissioner of human services for programs listed in subdivision 1, paragraph (b), and the commissioner of children, youth, and families for programs listed in subdivision 1, paragraph (c).

~~(b)~~ (c) "Quality control case penalty" means an adjustment against the county agency's federal administrative reimbursement and state and federal benefit reimbursement when the commissioner determines through a quality control review that the county agency has made incorrect payments, terminations, or denials of benefits as determined by state quality control procedures for the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, Minnesota family investment program, SNAP, or medical assistance programs, or any other programs for which the commissioner has developed a quality control system. Quality control case penalties apply only to agency errors as defined by state quality control procedures.

71.1 ~~(e)~~ (d) "Quality control/quality assurance" means a review system of a statewide random
71.2 sample of cases, designed to provide data on program outcomes and the accuracy with which
71.3 state and federal policies are being applied in issuing benefits and as a fiscal audit to ensure
71.4 the accuracy of expenditures. The quality control/quality assurance system is administered
71.5 by the department. For the aid to families with dependent children program formerly codified
71.6 in sections 256.72 to 256.87, SNAP, and medical assistance, the quality control system is
71.7 that required by federal regulation, or those developed by the commissioner.

71.8 Sec. 59. Minnesota Statutes 2022, section 256.017, subdivision 3, is amended to read:

71.9 Subd. 3. **Quality control case penalty.** The ~~department~~ commissioner shall disallow,
71.10 withhold, or deny state and federal benefit reimbursement and federal administrative
71.11 reimbursement payment to a county when the commissioner determines that the county has
71.12 incorrectly issued benefits or incorrectly denied or terminated benefits. These cases shall
71.13 be identified by state quality control reviews.

71.14 Sec. 60. Minnesota Statutes 2022, section 256.017, subdivision 5, is amended to read:

71.15 Subd. 5. **Administrative penalties.** The ~~department~~ commissioner shall disallow or
71.16 withhold state and federal benefit reimbursement and federal administrative reimbursement
71.17 from county agencies when the actions performed by the county agency are not in compliance
71.18 with the written policies and procedures established by the commissioner. The policies and
71.19 procedures must be previously communicated to the county agency. A county agency shall
71.20 not be penalized for complying with a written policy or procedure, even if the policy or
71.21 procedure is found to be erroneous and is subsequently rescinded by the commissioner.

71.22 Sec. 61. Minnesota Statutes 2022, section 256.017, subdivision 7, is amended to read:

71.23 Subd. 7. **Process and exception.** (a)(1) The ~~department~~ commissioner shall notify the
71.24 county agency in writing of all proposed quality control case penalties.

71.25 (2) The county agency may submit a written exception of the quality control error claim
71.26 and proposed penalty. The exception must be submitted to the commissioner within ten
71.27 calendar days of the receipt of the penalty notice.

71.28 (3) Within 20 calendar days of receipt of the written exception, the commissioner shall
71.29 sustain, dismiss, or amend the quality control findings and case penalty and notify the county
71.30 agency, in writing, of the decision and the amount of any penalty. The commissioner's
71.31 decision is not subject to judicial review.

(b)(1) The ~~department~~ commissioner shall notify the county agency in writing of any proposed administrative penalty, the date by which the county agency must correct the issues noted in the penalty, and the time period within which the county agency must submit a corrective action plan for compliance.

(2) If the county agency fails to submit a corrective action plan within the stated time period, or if the corrective action plan does not bring the agency into compliance as determined by the ~~department~~ commissioner, or if the county agency fails to meet the commitments in the corrective action plan, the ~~department~~ commissioner shall issue the administrative penalty and notify the county agency in writing.

(3) The county agency may file written exception to the administrative penalty with the commissioner within 30 days of the receipt of the ~~department's~~ commissioner's notice of issuing the administrative penalty. The county agency must notify the commissioner of its intent to file a written exception within ten days of the delivery of the ~~department's~~ commissioner's notice of the administrative penalty. If the county agency does not notify the commissioner of its intent to file and does not file a written exception within the prescribed time periods, the department's initial decision shall be final.

(4) The commissioner shall sustain, dismiss, or amend the administrative penalty findings, and shall issue a written order to the county agency within 30 calendar days after receiving the county agency's written exception.

Sec. 62. Minnesota Statutes 2022, section 256.018, is amended to read:

256.018 COUNTY PUBLIC ASSISTANCE INCENTIVE FUND.

The commissioner of human services, in coordination with the commissioner of children, youth, and families, shall grant incentive awards of money specifically appropriated for this purpose to counties: (1) that have not been assessed an administrative penalty under section 256.017 in the corresponding fiscal year; and (2) that perform satisfactorily according to indicators established by the commissioner.

After consultation with county agencies, the commissioner shall inform county agencies in writing of the performance indicators that govern the awarding of the incentive fund for each fiscal year by April of the preceding fiscal year.

The commissioner may set performance indicators to govern the awarding of the total fund, may allocate portions of the fund to be awarded by unique indicators, or may set a sole indicator to govern the awarding of funds.

The funds shall be awarded to qualifying county agencies according to their share of benefits for the programs related to the performance indicators governing the distribution of the fund or part of it as compared to the total benefits of all qualifying county agencies for the programs related to the performance indicators governing the distribution of the fund or part of it.

Sec. 63. Minnesota Statutes 2022, section 256.019, subdivision 1, is amended to read:

Subdivision 1. **Retention rates.** When an assistance recovery amount is collected and posted by a county agency under the provisions governing public assistance programs including general assistance medical care formerly codified in chapter 256D, general assistance, and Minnesota supplemental aid, the county may keep one-half of the recovery made by the county agency using any method other than recoupment. For medical assistance, if the recovery is made by a county agency using any method other than recoupment, the county may keep one-half of the nonfederal share of the recovery. For MinnesotaCare, if the recovery is collected and posted by the county agency, the county may keep one-half of the nonfederal share of the recovery.

This does not apply to recoveries from medical providers or to recoveries begun by the Department of Human Services' Surveillance and Utilization Review Division, State Hospital Collections Unit, and the Benefit Recoveries Division or, by the attorney general's office, or child support collections. ~~In the Supplemental Nutrition Assistance Program (SNAP), the nonfederal share of recoveries in the federal tax offset program only will be divided equally between the state agency and the involved county agency.~~

Sec. 64. Minnesota Statutes 2022, section 256.019, subdivision 2, is amended to read:

Subd. 2. **Retention rates for AFDC and MFIP.** (a) When an assistance recovery amount is collected and posted by a county agency under the provisions governing ~~the aid to families with dependent children program formerly codified in 1996 in sections 256.72 to 256.87~~ or MFIP under chapter 256J, the commissioner shall reimburse the county agency from the proceeds of the recovery using the applicable rate specified in paragraph (b) ~~or (c).~~

~~(b) For recoveries of overpayments made on or before September 30, 1996, from the aid to families with dependent children program including the emergency assistance program, the commissioner shall reimburse the county agency at a rate of one-quarter of the recovery made by any method other than recoupment.~~

~~(c)~~ (b) For recoveries of overpayments made after September 30, 1996, from the aid to families with dependent children including the emergency assistance program and from

programs funded in whole or in part by the temporary assistance to needy families program under section 256J.02, subdivision 2, and recoveries of nonfederally funded food assistance under section 256J.11, the commissioner shall reimburse the county agency at a rate of one-quarter of the recovery made by any method other than recoupment.

Sec. 65. Minnesota Statutes 2022, section 256.0281, is amended to read:

256.0281 INTERAGENCY DATA EXCHANGE.

The Department of Human Services, the Department of Health, the Department of Children, Youth, and Families, and the Office of the Ombudsman for Mental Health and Developmental Disabilities may establish interagency agreements governing the electronic exchange of data on providers and individuals collected, maintained, or used by each agency when such exchange is outlined by each agency in an interagency agreement to accomplish the purposes in clauses (1) to (4):

(1) to improve provider enrollment processes for home and community-based services and state plan home care services;

(2) to improve quality management of providers between state agencies;

(3) to establish and maintain provider eligibility to participate as providers under Minnesota health care programs; or

(4) to meet the quality assurance reporting requirements under federal law under section 1915(c) of the Social Security Act related to home and community-based waiver programs.

Each interagency agreement must include provisions to ensure anonymity of individuals, including mandated reporters, and must outline the specific uses of and access to shared data within each agency. Electronic interfaces between source data systems developed under these interagency agreements must incorporate these provisions as well as other HIPAA provisions related to individual data.

Sec. 66. Minnesota Statutes 2022, section 256.029, is amended to read:

256.029 DOMESTIC VIOLENCE INFORMATIONAL BROCHURE.

(a) The commissioner shall provide a domestic violence informational brochure that provides information about the existence of domestic violence waivers for eligible public assistance applicants to all applicants of general assistance, ~~Minnesota family investment program~~, medical assistance, and MinnesotaCare. The brochure must explain that eligible applicants may be temporarily waived from certain program requirements due to domestic

75.1 violence. The brochure must provide information about services and other programs to help
75.2 victims of domestic violence.

75.3 (b) The brochure must be funded with TANF funds.

75.4 Sec. 67. Minnesota Statutes 2023 Supplement, section 256.045, subdivision 3, is amended
75.5 to read:

75.6 Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following:

75.7 (1) any person:

75.8 (i) applying for, receiving or having received public assistance, medical care, or a program
75.9 of social services ~~granted by the state agency~~ administered by the commissioner or a county
75.10 ~~agency or the federal Food and Nutrition Act~~ on behalf of the commissioner; and

75.11 (ii) whose application for assistance is denied, not acted upon with reasonable promptness,
75.12 or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly
75.13 paid;

75.14 (2) any patient or relative aggrieved by an order of the commissioner under section
75.15 252.27;

75.16 (3) a party aggrieved by a ruling of a prepaid health plan;

75.17 (4) except as provided under chapter 245C, any individual or facility determined by a
75.18 lead investigative agency to have maltreated a vulnerable adult under section 626.557 after
75.19 they have exercised their right to administrative reconsideration under section 626.557;

75.20 ~~(5) any person whose claim for foster care payment according to a placement of the~~
75.21 ~~child resulting from a child protection assessment under chapter 260E is denied or not acted~~
75.22 ~~upon with reasonable promptness, regardless of funding source;~~

75.23 ~~(6)~~ (5) any person to whom a right of appeal according to this section is given by other
75.24 provision of law;

75.25 ~~(7)~~ (6) an applicant aggrieved by an adverse decision to an application for a hardship
75.26 waiver under section 256B.15;

75.27 ~~(8)~~ (7) an applicant aggrieved by an adverse decision to an application or redetermination
75.28 for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;

75.29 ~~(9) except as provided under chapter 245A, an individual or facility determined to have~~
75.30 ~~maltreated a minor under chapter 260E, after the individual or facility has exercised the~~
75.31 ~~right to administrative reconsideration under chapter 260E;~~

(10) (8) except as provided under chapter 245C and except for a subject of a background study that the commissioner has conducted on behalf of another agency for a program or facility not otherwise overseen by the commissioner, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23, on the basis of serious or recurring maltreatment; a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 260E.06, subdivision 1, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) or ~~(9)~~ (8) or section 142A.20, subdivision 3, clause (4), and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment;

~~(11) (9)~~ any person with an outstanding debt resulting from receipt of public assistance, administered by the commissioner or medical care, ~~or the federal Food and Nutrition Act~~ who is contesting a setoff claim by the Department of Human Services or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt;

~~(12) (10)~~ a person issued a notice of service termination under section 245D.10, subdivision 3a, by a licensed provider of any residential supports or services listed in section 245D.03, subdivision 1, paragraphs (b) and (c), that is not otherwise subject to appeal under subdivision 4a;

~~(13) (11)~~ an individual disability waiver recipient based on a denial of a request for a rate exception under section 256B.4914;

~~(14) (12)~~ a person issued a notice of service termination under section 245A.11, subdivision 11, that is not otherwise subject to appeal under subdivision 4a; or

~~(15) (13)~~ a recovery community organization seeking medical assistance vendor eligibility under section 254B.01, subdivision 8, that is aggrieved by a membership or accreditation determination and that believes the organization meets the requirements under section 254B.05, subdivision 1, paragraph (d), clauses (1) to (10). The scope of the review by the human services judge shall be limited to whether the organization meets each of the requirements under section 254B.05, subdivision 1, paragraph (d), clauses (1) to (10).

(b) The hearing for an individual or facility under paragraph (a), clause (4), ~~(9)~~ (8), or ~~(10)~~ (9), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a contested case proceeding under the provisions of chapter 14. Hearings requested under paragraph (a), clause ~~(9)~~ (8), apply only to incidents of maltreatment that occur on or after July 1, 1997. A hearing for an individual or facility under paragraph (a), ~~clauses (4), (9), and (10)~~ clause (4), (8), or (9), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.

(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

~~(d) The scope of hearings involving claims to foster care payments under paragraph (a), clause (5), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.~~

~~(e)~~ (d) The scope of hearings under paragraph (a), clauses ~~(12)~~ (11) and ~~(14)~~ (13), shall be limited to whether the proposed termination of services is authorized under section 245D.10, subdivision 3a, paragraph (b), or 245A.11, subdivision 11, and whether the requirements of section 245D.10, subdivision 3a, paragraphs (c) to (e), or 245A.11, subdivision 2a, paragraphs (d) ~~to (f)~~ and (e), were met. If the appeal includes a request for a temporary stay of termination of services, the scope of the hearing shall also include whether the case management provider has finalized arrangements for a residential facility, a program, or services that will meet the assessed needs of the recipient by the effective date of the service termination.

~~(f)~~ (e) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

~~(g)~~ (f) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

~~(h)~~ (g) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

~~(i)~~ (h) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 256.0451, subdivision 13, why the request was not submitted within the 30-day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.

Sec. 68. Minnesota Statutes 2022, section 256.045, subdivision 3b, is amended to read:

Subd. 3b. **Standard of evidence for maltreatment and disqualification hearings.** (a) The state human services judge shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under section 626.557 and chapter 260E. For purposes of hearings regarding disqualification, the state human services judge shall affirm the proposed disqualification in an appeal under subdivision 3, paragraph (a), clause ~~(10)~~ (9), if a preponderance of the evidence shows the individual has:

(1) committed maltreatment under section 626.557 or chapter 260E, ~~which~~ that is serious or recurring;

(2) committed an act or acts meeting the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or

(3) failed to make required reports under section 626.557 or chapter 260E, for incidents in which the final disposition under section 626.557 or chapter 260E was substantiated maltreatment that was serious or recurring.

(b) If the disqualification is affirmed, the state human services judge shall determine whether the individual poses a risk of harm in accordance with the requirements of section 245C.22, and whether the disqualification should be set aside or not set aside. In determining whether the disqualification should be set aside, the human services judge shall consider all of the characteristics that cause the individual to be disqualified, including those

characteristics that were not subject to review under paragraph (a), in order to determine whether the individual poses a risk of harm. A decision to set aside a disqualification that is the subject of the hearing constitutes a determination that the individual does not pose a risk of harm and that the individual may provide direct contact services in the individual program specified in the set aside.

(c) If a disqualification is based solely on a conviction or is conclusive for any reason under section 245C.29, the disqualified individual does not have a right to a hearing under this section.

(d) The state human services judge shall recommend an order to the commissioner of health, education, or human services, as applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify the final disposition. Any order of the commissioner issued in accordance with this subdivision is conclusive upon the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under chapters 245A and 245C and sections 144.50 to 144.58 and 144A.02 to 144A.482, the commissioner's determination as to maltreatment is conclusive, as provided under section 245C.29.

Sec. 69. Minnesota Statutes 2022, section 256.045, subdivision 4, is amended to read:

Subd. 4. Conduct of hearings. (a) All hearings held pursuant to subdivision 3, 3a, 3b, or 4a shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid, and according to the rules and written policies of the commissioner of human services. County agencies shall install equipment necessary to conduct telephone hearings. A state human services judge may schedule a telephone conference hearing when the distance or time required to travel to the county agency offices will cause a delay in the issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be conducted by telephone conferences unless the applicant, recipient, former recipient, person, or facility contesting maltreatment objects. A human services judge may grant a request for a hearing in person by holding the hearing by interactive video technology or in person. The human services judge must hear the case in person if the person asserts that either the person or a witness has a physical or mental disability that would impair the person's or witness's ability to fully participate in a hearing held by interactive video technology. The hearing shall not be held earlier than five days after filing of the required notice with the county or state agency. The state human services judge shall notify all interested persons of the time, date, and location of the hearing at least five days before the

date of the hearing. Interested persons may be represented by legal counsel or other representative of their choice, including a provider of therapy services, at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant, recipient, former recipient, person, or facility contesting maltreatment shall have the opportunity to examine the contents of the case file and all documents and records to be used by the county or state agency at the hearing at a reasonable time before the date of the hearing and during the hearing. In hearings under subdivision 3, paragraph (a), clauses (4), ~~(9)~~ (8), and ~~(10)~~ (9), either party may subpoena the private data relating to the investigation prepared by the agency under section 626.557 or chapter 260E that is not otherwise accessible under section 13.04, provided the identity of the reporter may not be disclosed.

(b) The private data obtained by subpoena in a hearing under subdivision 3, paragraph (a), clause (4), ~~(9)~~ (8), or ~~(10)~~ (9), must be subject to a protective order which prohibits its disclosure for any other purpose outside the hearing provided for in this section without prior order of the district court. Disclosure without court order is punishable by a sentence of not more than 90 days imprisonment or a fine of not more than \$1,000, or both. These restrictions on the use of private data do not prohibit access to the data under section 13.03, subdivision 6. Except for appeals under subdivision 3, paragraph (a), clauses (4), ~~(5)~~, ~~(9)~~ (8), and ~~(10)~~ (9), upon request, the county agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs incurred by the applicant, recipient, or former recipient in connection with the appeal. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3. The agency must present its evidence prior to or at the hearing, and may not submit evidence after the hearing except by agreement of the parties at the hearing, provided the petitioner has the opportunity to respond.

(c) In hearings under subdivision 3, paragraph (a), ~~clauses (4), (9), and (10)~~ clause (4), (8), or (9), involving determinations of maltreatment or disqualification made by more than one county agency, by a county agency and a state agency, or by more than one state agency, the hearings may be consolidated into a single fair hearing upon the consent of all parties and the state human services judge.

(d) For hearings under subdivision 3, paragraph (a), clause (4) or ~~(10)~~ (9), involving a vulnerable adult, the human services judge shall notify the vulnerable adult who is the subject of the maltreatment determination and, if known, a guardian of the vulnerable adult

appointed under section 524.5-310, or a health care agent designated by the vulnerable adult in a health care directive that is currently effective under section 145C.06 and whose authority to make health care decisions is not suspended under section 524.5-310, of the hearing. The notice must be sent by certified mail and inform the vulnerable adult of the right to file a signed written statement in the proceedings. A guardian or health care agent who prepares or files a written statement for the vulnerable adult must indicate in the statement that the person is the vulnerable adult's guardian or health care agent and sign the statement in that capacity. The vulnerable adult, the guardian, or the health care agent may file a written statement with the human services judge hearing the case no later than five business days before commencement of the hearing. The human services judge shall include the written statement in the hearing record and consider the statement in deciding the appeal. This subdivision does not limit, prevent, or excuse the vulnerable adult from being called as a witness testifying at the hearing or grant the vulnerable adult, the guardian, or health care agent a right to participate in the proceedings or appeal the human services judge's decision in the case. The lead investigative agency must consider including the vulnerable adult victim of maltreatment as a witness in the hearing. If the lead investigative agency determines that participation in the hearing would endanger the well-being of the vulnerable adult or not be in the best interests of the vulnerable adult, the lead investigative agency shall inform the human services judge of the basis for this determination, which must be included in the final order. If the human services judge is not reasonably able to determine the address of the vulnerable adult, the guardian, or the health care agent, the human services judge is not required to send a hearing notice under this subdivision.

Sec. 70. Minnesota Statutes 2022, section 256.045, subdivision 6, is amended to read:

Subd. 6. Additional powers of commissioner; subpoenas. (a) The commissioner of human services, or the commissioner of health for matters within the commissioner's jurisdiction under subdivision 3b, may initiate a review of any action or decision of a county agency and direct that the matter be presented to a state human services judge for a hearing held under subdivision 3, 3a, 3b, or 4a. In all matters dealing with human services committed by law to the discretion of the county agency, the commissioner's judgment may be substituted for that of the county agency. The commissioner may order an independent examination when appropriate.

(b) Any party to a hearing held pursuant to subdivision 3, 3a, 3b, or 4a may request that the commissioner issue a subpoena to compel the attendance of witnesses and the production of records at the hearing. A local agency may request that the commissioner issue a subpoena to compel the release of information from third parties prior to a request for a hearing under

82.1 section 256.046 upon a showing of relevance to such a proceeding. The issuance, service,
82.2 and enforcement of subpoenas under this subdivision is governed by section 357.22 and
82.3 the Minnesota Rules of Civil Procedure.

82.4 (c) The commissioner may issue a temporary order staying a proposed demission by a
82.5 residential facility licensed under chapter 245A:

82.6 (1) while an appeal by a recipient under subdivision 3 is pending;

82.7 (2) for the period of time necessary for the case management provider to implement the
82.8 commissioner's order; or

82.9 (3) for appeals under subdivision 3, paragraph (a), clause ~~(12)~~ (11), when the individual
82.10 is seeking a temporary stay of demission on the basis that the county has not yet finalized
82.11 an alternative arrangement for a residential facility, a program, or services that will meet
82.12 the assessed needs of the individual by the effective date of the service termination, a
82.13 temporary stay of demission may be issued for no more than 30 calendar days to allow for
82.14 such arrangements to be finalized.

82.15 Sec. 71. Minnesota Statutes 2022, section 256.045, subdivision 10, is amended to read:

82.16 Subd. 10. **Payments pending appeal.** If the commissioner of human services or district
82.17 court orders monthly assistance or aid or services paid or provided in any proceeding under
82.18 this section, it shall be paid or provided pending appeal to the commissioner of human
82.19 services, district court, court of appeals, or supreme court. The human services judge may
82.20 order the local human services agency to reduce or terminate medical assistance to a recipient
82.21 before a final order is issued under this section if: (1) the human services judge determines
82.22 at the hearing that the sole issue on appeal is one of a change in state or federal law; and
82.23 (2) the commissioner or the local agency notifies the recipient before the action. The state
82.24 or county agency has a claim for ~~Supplemental Nutrition Assistance Program (SNAP)~~
82.25 ~~benefits~~, cash payments, medical assistance, and MinnesotaCare program payments made
82.26 to or on behalf of a recipient or former recipient while an appeal is pending if the recipient
82.27 or former recipient is determined ineligible for ~~SNAP benefits~~, cash payments, medical
82.28 assistance, or MinnesotaCare as a result of the appeal, except for medical assistance made
82.29 on behalf of a recipient pursuant to a court order. In enforcing a claim on MinnesotaCare
82.30 program payments, the state or county agency shall reduce the claim amount by the value
82.31 of any premium payments made by a recipient or former recipient during the period for
82.32 which the recipient or former recipient has been determined to be ineligible. Provision of
82.33 a health care service by the state agency under medical assistance or MinnesotaCare pending
82.34 appeal shall not render moot the state agency's position in a court of law.

83.1 Sec. 72. Minnesota Statutes 2022, section 256.0451, subdivision 1, is amended to read:

83.2 Subdivision 1. **Scope.** (a) The requirements in this section apply to all fair hearings and
83.3 appeals under section 256.045, subdivision 3, paragraph (a), clauses (1), (2), (3), (5), (6),
83.4 (7), (8), (11), and (13). Except as provided in subdivisions 3 and 19, the requirements under
83.5 this section apply to fair hearings and appeals under section 256.045, subdivision 3, paragraph
83.6 (a), clauses (4), (9), (10), and (12).

83.7 ~~The term "person" is used in this section to mean~~ (b) For purposes of this section, "person"
83.8 means an individual who, on behalf of themselves or their household, is appealing or
83.9 disputing or challenging an action, a decision, or a failure to act, by an agency in the human
83.10 services system. When a person involved in a proceeding under this section is represented
83.11 by an attorney or by an authorized representative, the term "person" also ~~refers to~~ means
83.12 the person's attorney or authorized representative. Any notice sent to the person involved
83.13 in the hearing must also be sent to the person's attorney or authorized representative.

83.14 ~~The term "agency" includes~~ (c) For purposes of this section, "agency" means the county
83.15 human services agency, the state human services agency, and, where applicable, any entity
83.16 involved under a contract, subcontract, grant, or subgrant with the state agency or with a
83.17 county agency, that provides or operates programs or services in which appeals are governed
83.18 by section 256.045.

83.19 Sec. 73. Minnesota Statutes 2022, section 256.0451, subdivision 2, is amended to read:

83.20 Subd. 2. **Access to files.** A person involved in a fair hearing appeal has the right of access
83.21 to the person's complete case files and to examine all private welfare data on the person
83.22 which has been generated, collected, stored, or disseminated by the agency. A person
83.23 involved in a fair hearing appeal has the right to a free copy of all documents in the case
83.24 file involved in a fair hearing appeal. For purposes of this section, "case file" means the
83.25 information, documents, and data, in whatever form, which have been generated, collected,
83.26 stored, or disseminated by the agency in connection with the person and the program or
83.27 service involved.

83.28 Sec. 74. Minnesota Statutes 2023 Supplement, section 256.046, subdivision 1, is amended
83.29 to read:

83.30 Subdivision 1. **Hearing authority.** A local agency must initiate an administrative fraud
83.31 disqualification hearing for individuals accused of wrongfully obtaining assistance or
83.32 intentional program violations, in lieu of a criminal action when it has not been pursued, in
83.33 ~~the Minnesota family investment program and any affiliated program to include the work~~

~~participation cash benefit program, child care assistance programs,~~ general assistance, family general assistance program formerly codified in section 256D.05, subdivision 1, clause (15), Minnesota supplemental aid, ~~the Supplemental Nutrition Assistance Program (SNAP),~~ MinnesotaCare for adults without children, and upon federal approval, all categories of medical assistance and remaining categories of MinnesotaCare except for children through age 18. The Department of Human Services, in lieu of a local agency, may initiate an administrative fraud disqualification hearing when the state agency is directly responsible for administration or investigation of the program for which benefits were wrongfully obtained. The hearing is subject to the requirements of sections 256.045 and 256.0451 and the requirements in Code of Federal Regulations, title 7, section 273.16.

Sec. 75. Minnesota Statutes 2022, section 256.046, subdivision 2, is amended to read:

Subd. 2. **Combined hearing.** (a) The human services judge may combine a fair hearing under section 142A.20 or 256.045 and administrative fraud disqualification hearing under this section or section 142A.27 into a single hearing if the factual issues arise out of the same, or related, circumstances; the commissioner of human services has jurisdiction over at least one of the hearings; and the individual receives prior notice that the hearings will be combined. If the administrative fraud disqualification hearing and fair hearing are combined, the time frames for administrative fraud disqualification hearings specified in Code of Federal Regulations, title 7, section 273.16, apply. If the individual accused of wrongfully obtaining assistance is charged under section 256.98 for the same act or acts which are the subject of the hearing, the individual may request that the hearing be delayed until the criminal charge is decided by the court or withdrawn.

(b) The human services judge must conduct any hearings under section 142A.20 or 142A.27 pursuant to the relevant laws and rules governing children, youth, and families judges.

Sec. 76. Minnesota Statutes 2023 Supplement, section 256.0471, subdivision 1, is amended to read:

Subdivision 1. **Qualifying overpayment.** Any overpayment ~~for assistance granted under the MFIP program formerly codified under sections 256.031 to 256.0361 and the AFDC program formerly codified under sections 256.72 to 256.871; for assistance granted under chapters 119B, 256D, 256I, 256J, and 256K; for assistance granted pursuant to section 256.045, subdivision 10; for state-funded medical assistance and state-funded MinnesotaCare under chapters 256B and 256L; and for assistance granted under the Supplemental Nutrition~~

~~Assistance Program (SNAP), chapter 256B for state-funded medical assistance; and chapters 256D, 256I, 256K, and 256L for state-funded MinnesotaCare~~ except agency error claims, become a judgment by operation of law 90 days after the notice of overpayment is personally served upon the recipient in a manner that is sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail, return receipt requested. This judgment shall be entitled to full faith and credit in this and any other state.

Sec. 77. Minnesota Statutes 2022, section 256.82, is amended to read:

256.82 PAYMENTS BY STATE.

Subd. 2. **Foster care maintenance payments.** (a) For the purpose of foster care maintenance payments under title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, the county or American Indian child welfare initiative Tribes under section 256.01, subdivision 14b, paying the maintenance costs must be reimbursed for the costs from the federal money available for the purpose. ~~Beginning July 1, 1997,~~ For the purposes of determining a child's eligibility under title IV-E of the Social Security Act, the placing agency shall use AFDC requirements in effect on July 16, 1996.

(b) For the purpose of foster care maintenance payments under title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, the state is responsible for approving of child care institutions for the county paying the facility's maintenance costs to be reimbursed from the federal money available for the purpose. The facility must be licensed by the state or approved or licensed by a Tribe.

Subd. 3. **Setting foster care standard rates.** (a) The commissioner shall annually establish minimum rates for foster care maintenance including supplemental difficulty of care payments for all children eligible for Northstar Care for Children under chapter 256N.

(b) All children entering foster care on or after January 1, 2015, are eligible for Northstar Care for Children under chapter 256N. Any increase in rates shall in no case exceed three percent per annum.

(c) All children in foster care on December 31, 2014, must remain in the pre-Northstar Care for Children foster care program under sections 256N.21, subdivision 6, and 260C.4411, subdivision 1. The rates for the pre-Northstar Care for Children foster care program shall remain those in effect on January 1, 2013.

(d) The commissioner of children, youth, and families may promulgate rules as necessary to implement this section.

Sec. 78. Minnesota Statutes 2023 Supplement, section 256.98, subdivision 8, is amended to read:

Subd. 8. Disqualification from program. (a) Any person found to be guilty of wrongfully obtaining assistance by a federal or state court or by an administrative hearing determination, or waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065, or any court-ordered stay which carries with it any probationary or other conditions, in the Minnesota family investment program and any affiliated program to include the work participation cash benefit program, the Supplemental Nutrition Assistance Program (SNAP), the general assistance program, housing support under chapter 256I, or the Minnesota supplemental aid program shall be disqualified from that program. In addition, any person disqualified from the Minnesota family investment program shall also be disqualified from SNAP. The needs of that individual shall not be taken into consideration in determining the grant level for that assistance unit:

(1) for one year after the first offense;

(2) for two years after the second offense; and

(3) permanently after the third or subsequent offense.

The period of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility of postponement for administrative stay or administrative hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved. A disqualification established through hearing or waiver shall result in the disqualification period beginning immediately unless the person has become otherwise ineligible for assistance. If the person is ineligible for assistance, the disqualification period begins when the person again meets the eligibility criteria of the program from which they were disqualified and makes application for that program.

(b) A family receiving assistance through child care assistance programs under chapter 119B with a family member who is found to be guilty of wrongfully obtaining child care assistance by a federal court, state court, or an administrative hearing determination or waiver, through a disqualification consent agreement, as part of an approved diversion plan under section 401.065, or a court-ordered stay with probationary or other conditions, is disqualified from child care assistance programs. The disqualifications must be for periods

87.1 of one year and two years for the first and second offenses, respectively. Subsequent
87.2 violations must result in permanent disqualification. During the disqualification period,
87.3 disqualification from any child care program must extend to all child care programs and
87.4 must be immediately applied.

87.5 (c) A provider caring for children receiving assistance through child care assistance
87.6 programs under chapter 119B is disqualified from receiving payment for child care services
87.7 from the child care assistance program under chapter 119B when the provider is found to
87.8 have wrongfully obtained child care assistance by a federal court, state court, or an
87.9 administrative hearing determination or waiver under section 142A.27; 142E.51, subdivision
87.10 5; or 256.046, through a disqualification consent agreement, as part of an approved diversion
87.11 plan under section 401.065, or a court-ordered stay with probationary or other conditions.
87.12 The disqualification must be for a period of three years for the first offense. Any subsequent
87.13 violation must result in permanent disqualification. The disqualification period must be
87.14 imposed immediately after a determination is made under this paragraph. During the
87.15 disqualification period, the provider is disqualified from receiving payment from any child
87.16 care program under chapter 119B.

87.17 (d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults
87.18 without children and upon federal approval, all categories of medical assistance and
87.19 remaining categories of MinnesotaCare, except for children through age 18, by a federal or
87.20 state court or by an administrative hearing determination, or waiver thereof, through a
87.21 disqualification consent agreement, or as part of any approved diversion plan under section
87.22 401.065, or any court-ordered stay which carries with it any probationary or other conditions,
87.23 is disqualified from that program. The period of disqualification is one year after the first
87.24 offense, two years after the second offense, and permanently after the third or subsequent
87.25 offense. The period of program disqualification shall begin on the date stipulated on the
87.26 advance notice of disqualification without possibility of postponement for administrative
87.27 stay or administrative hearing and shall continue through completion unless and until the
87.28 findings upon which the sanctions were imposed are reversed by a court of competent
87.29 jurisdiction. The period for which sanctions are imposed is not subject to review. The
87.30 sanctions provided under this subdivision are in addition to, and not in substitution for, any
87.31 other sanctions that may be provided for by law for the offense involved.

88.1 Sec. 79. Minnesota Statutes 2022, section 256.981, is amended to read:

88.2 **256.981 TRAINING OF WELFARE FRAUD PROSECUTORS.**

88.3 The ~~commissioner~~ commissioners of human services and children, youth, and families
88.4 shall, to the extent an appropriation is provided for this purpose, contract with the county
88.5 attorney's council or other public or private entity experienced in providing training for
88.6 prosecutors to conduct quarterly workshops and seminars focusing on current Minnesota
88.7 family investment program issues, other income maintenance program changes, recovery
88.8 issues, alternative sentencing methods, use of technical aids for interviews and interrogations,
88.9 and other matters affecting prosecution of welfare fraud cases.

88.10 Sec. 80. Minnesota Statutes 2022, section 256.982, is amended to read:

88.11 **256.982 TRAINING OF WELFARE FRAUD INVESTIGATORS.**

88.12 The ~~commissioner~~ commissioners of human services and children, youth, and families
88.13 shall, to the extent an appropriation is provided for this purpose, establish a pilot project
88.14 for further education and training of welfare fraud investigators. The commissioner may
88.15 enter into contractual agreements with other state, federal, or county agencies as part of
88.16 cooperative projects employing experienced investigators to provide on-the-job training to
88.17 county investigators.

88.18 Sec. 81. Minnesota Statutes 2022, section 256.983, as amended by Laws 2023, chapter
88.19 70, article 13, section 24, is amended to read:

88.20 **256.983 FRAUD PREVENTION INVESTIGATIONS.**

88.21 Subdivision 1. **Programs established.** Within the limits of available appropriations, the
88.22 ~~commissioner~~ commissioners of human services and children, youth, and families shall
88.23 require the maintenance of budget neutral fraud prevention investigation programs in the
88.24 counties or Tribal agencies participating in the fraud prevention investigation project
88.25 established under this section. If funds are sufficient, the ~~commissioner~~ commissioners may
88.26 also extend fraud prevention investigation programs to other counties or Tribal agencies
88.27 provided the expansion is budget neutral to the state. Under any expansion, the ~~commissioner~~
88.28 ~~has~~ commissioners jointly have the final authority in decisions regarding the creation and
88.29 realignment of individual county, Tribal agency, or regional operations. The commissioners
88.30 may establish a joint office or interagency agreement to facilitate joint oversight and
88.31 administration of sections 256.981 to 256.9861 and 256.9866.

89.1 Subd. 2. **County and Tribal agency proposals.** Each participating county and Tribal
89.2 agency shall develop and submit an annual staffing and funding proposal to the ~~commissioner~~
89.3 commissioners no later than April 30 of each year. Each proposal shall include, but not be
89.4 limited to, the staffing and funding of the fraud prevention investigation program, a job
89.5 description for investigators involved in the fraud prevention investigation program, and
89.6 the organizational structure of the county or Tribal agency unit, training programs for case
89.7 workers, and the operational requirements which may be directed by the ~~commissioner~~
89.8 commissioners. The proposal shall be approved, to include any changes directed or negotiated
89.9 by the ~~commissioner~~ commissioners, no later than June 30 of each year.

89.10 Subd. 3. **Department responsibilities.** The ~~commissioner~~ commissioners shall establish
89.11 training programs which shall be attended by all investigative and supervisory staff of the
89.12 involved county and Tribal agencies. The ~~commissioner~~ commissioners shall also develop
89.13 the necessary operational guidelines, forms, and reporting mechanisms, ~~which~~ that shall be
89.14 used by the involved county or Tribal agencies. An individual's application or redetermination
89.15 form for public assistance benefits, including child care assistance programs and medical
89.16 care programs, must include an authorization for release by the individual to obtain
89.17 documentation for any information on that form which is involved in a fraud prevention
89.18 investigation. The authorization for release is effective for six months after public assistance
89.19 benefits have ceased.

89.20 Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through
89.21 the settlement provisions applicable to the Supplemental Nutrition Assistance Program
89.22 (SNAP), MFIP, child care assistance programs, the medical assistance program, and other
89.23 federal and state-funded programs.

89.24 (b) The ~~commissioner~~ commissioners will maintain program compliance if for any three
89.25 consecutive month period, a county or Tribal agency fails to comply with fraud prevention
89.26 investigation program guidelines, or fails to meet the cost-effectiveness standards developed
89.27 by the ~~commissioner~~ commissioners. This result is contingent on the ~~commissioner~~
89.28 commissioners providing written notice, including an offer of technical assistance, within
89.29 30 days of the end of the third or subsequent month of noncompliance. The county or Tribal
89.30 agency shall be required to submit a corrective action plan to the ~~commissioner~~
89.31 commissioners within 30 days of receipt of a notice of noncompliance. Failure to submit a
89.32 corrective action plan or, continued deviation from standards of more than ten percent after
89.33 submission of a corrective action plan, will result in denial of funding for each subsequent
89.34 month, or billing the county or Tribal agency for fraud prevention investigation (FPI) service
89.35 provided by the ~~commissioner~~ commissioners, or reallocation of program grant funds, or

investigative resources, or both, to other counties or Tribal agencies. The denial of funding shall apply to the general settlement received by the county or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to the FPI project.

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

(b) If, upon investigation, a preponderance of evidence shows a provider committed an intentional program violation, intentionally gave the county or Tribe materially false information on the provider's billing forms, provided false attendance records to a county, Tribe, or the ~~commissioner~~ commissioners, or committed financial misconduct as described in section 245E.01, subdivision 8, the county or Tribal agency may recommend that the ~~commissioner~~ commissioners suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to pursuing other available remedies.

Sec. 82. Minnesota Statutes 2022, section 256.9831, subdivision 1, is amended to read:

Subdivision 1. **Definition Gambling establishments.** (a) For purposes of this section, "gambling establishment" means a racetrack licensed under section 240.06 or 240.09, a casino operated under a Tribal-state compact under section 3.9221, or any other establishment that receives at least 50 percent of its gross revenue from the conduct of gambling.

(b) The commissioner shall take all actions necessary to ensure that no person may obtain benefits under chapter 256, 256D, or 256J through the use of a financial transaction card, as defined in section 609.821, subdivision 1, paragraph (a), at a terminal located in or attached to a gambling establishment, liquor store, tobacco store, or tattoo parlor.

(c) The commissioner shall take all actions necessary to ensure that warrants issued to pay benefits under chapter 256 or 256D bear a restrictive endorsement that prevents their being cashed in a gambling establishment.

Sec. 83. Minnesota Statutes 2022, section 256.986, is amended to read:

256.986 COUNTY COORDINATION OF FRAUD CONTROL ACTIVITIES.

(a) The county agency shall prepare and submit to the ~~commissioner~~ commissioners of human services and children, youth, and families by April 30 of each state fiscal year a plan

91.1 to coordinate county duties related to the prevention, investigation, and prosecution of fraud
91.2 in public assistance programs. Each county must submit its first annual plan prior to April
91.3 30, 1998.

91.4 (b) Within the limits of appropriations specifically made available for this purpose, the
91.5 ~~commissioner~~ commissioners may make grants to counties submitting plans under paragraph
91.6 (a) to implement coordination activities.

91.7 Sec. 84. Minnesota Statutes 2022, section 256.9861, is amended to read:

91.8 **256.9861 FRAUD CONTROL; PROGRAM INTEGRITY REINVESTMENT**
91.9 **PROJECT.**

91.10 Subdivision 1. **Program established.** Within the limits of available state and federal
91.11 appropriations, the ~~commissioner~~ commissioners of human services and children, youth,
91.12 and families shall make funding available to county agencies for fraud control efforts and
91.13 require the maintenance of county efforts and financial contributions that were in place
91.14 during fiscal year 1996.

91.15 Subd. 2. **County proposals.** Each included county shall develop and submit annual
91.16 funding, staffing, and operating grant proposals to the ~~commissioner~~ commissioners no later
91.17 than April 30 of each year for the purpose of allocating federal and state funding and
91.18 appropriations. Each proposal shall provide information on:

91.19 (1) the staffing and funding of the fraud investigation and prosecution operations;

91.20 (2) job descriptions for agency fraud control staff;

91.21 (3) contracts covering outside investigative agencies;

91.22 (4) operational methods to integrate the use of fraud prevention investigation techniques;

91.23 and

91.24 (5) implementation and utilization of administrative disqualification hearings and

91.25 diversions by the existing county fraud control and prosecution procedures.

91.26 Subd. 3. **Department responsibilities.** The ~~commissioner~~ commissioners shall provide
91.27 written instructions outlining the contents of the proposals to be submitted under this section.
91.28 Instructions shall be made available 30 days prior to the date by which proposals under
91.29 subdivision 2 must be submitted. The ~~commissioner~~ commissioners shall establish training
91.30 programs which shall be attended by fraud control staff of all involved counties. The
91.31 ~~commissioner~~ commissioners shall also develop the necessary operational guidelines, forms,
91.32 and reporting mechanisms which shall be used by the involved counties.

92.1 Subd. 4. **Standards.** The ~~commissioner~~ commissioners shall, after consultation with the
92.2 involved counties, establish standards governing the performance levels of county
92.3 investigative units based on grant agreements with the county agencies. The standards shall
92.4 take into consideration and may include investigative caseloads, grant savings levels, the
92.5 comparison of fraud prevention and prosecution directed investigations, utilization levels
92.6 of administrative disqualification hearings, the timely reporting and implementation of
92.7 disqualifications, and the timeliness of the submission of statistical reports.

92.8 Subd. 5. **Funding.** (a) State funding shall be made available contingent on counties
92.9 submitting a plan that is approved by the ~~Department~~ Departments of Human Services and
92.10 Children, Youth, and Families. Failure or delay in obtaining that approval shall not, however,
92.11 eliminate the obligation to maintain fraud control efforts at the June 30, 1996, level. County
92.12 agency reimbursement shall be made through the settlement provisions applicable to the
92.13 MFIP, Supplemental Nutrition Assistance Program (SNAP), and medical assistance program.

92.14 (b) Should a county agency fail to comply with the standards set, or fail to meet
92.15 cost-effectiveness standards developed by the ~~commissioner~~ commissioners for any
92.16 three-month period, the ~~commissioner~~ commissioners shall deny reimbursement or
92.17 administrative costs, after allowing an opportunity to establish compliance.

92.18 (c) Any denial of reimbursement under paragraph (b) is contingent on the ~~commissioner~~
92.19 commissioners providing written notice, including an offer of technical assistance, within
92.20 30 days of the end of the third or subsequent months of noncompliance. The county agency
92.21 shall be required to submit a corrective action plan to the ~~commissioner~~ commissioners
92.22 within 30 days of receipt of a notice of noncompliance. Failure to submit a corrective action
92.23 plan or continued deviation from standards of more than ten percent after submission of
92.24 corrective action plan, will result in denial of funding for each such month during the grant
92.25 year, or billing of the county agency for program integrity reinvestment project services
92.26 provided by the ~~commissioner~~ commissioners or reallocation of grant funds to other counties.
92.27 The denial of funding shall apply to the general settlement received by the county agency
92.28 on a quarterly basis and shall not reduce the grant amount applicable to the program integrity
92.29 reinvestment project.

92.30 Sec. 85. Minnesota Statutes 2022, section 256.987, subdivision 1, is amended to read:

92.31 Subdivision 1. **Electronic benefit transfer (EBT) card.** Cash benefits for the general
92.32 assistance and Minnesota supplemental aid programs under chapter 256D and programs
92.33 under chapter 256J must be issued on an EBT card ~~with the name of the head of household~~
92.34 ~~printed on the card. The card must include the following statement: "It is unlawful to use~~

~~this card to purchase tobacco products or alcoholic beverages." This card must be issued within 30 calendar days of an eligibility determination. During the initial 30 calendar days of eligibility, a recipient may have cash benefits issued on an EBT card without a name printed on the card. This card may be the same card on which Supplemental Nutrition Assistance Program (SNAP) benefits are issued and does not need to meet the requirements of this section.~~ that meets the requirements in section 142A.13.

Sec. 86. Minnesota Statutes 2022, section 256.998, subdivision 7, is amended to read:

Subd. 7. **Access to data.** The commissioner of human services shall retain the information reported to the work reporting system for a period of six months. Data in the work reporting system may be disclosed to the commissioner of children, youth, and families; the public authority responsible for child support enforcement; federal agencies; state and local agencies of other states for the purposes of enforcing state and federal laws governing child support; and agencies responsible for the administration of programs under title IV-A of the Social Security Act, the Department of Employment and Economic Development, and the Department of Labor and Industry.

Sec. 87. Minnesota Statutes 2022, section 256E.21, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** The definitions in this section apply to ~~Laws 1986, chapter 423, sections 1 to 9~~ sections 142A.41 to 142A.416 and 144.226, subdivision 3.

Sec. 88. Minnesota Statutes 2022, section 256E.22, subdivision 7, is amended to read:

Subd. 7. **Responsibilities of commissioner.** (a) The commissioner shall:

(1) provide for the coordination and exchange of information on the establishment and maintenance of prevention programs;

(2) develop and publish criteria for receiving trust fund money by prevention programs;

(3) review, approve, and monitor the spending of trust fund money by prevention programs;

(4) provide statewide educational and public informational seminars to develop public awareness on preventing child abuse; to encourage professional persons and groups to recognize instances of child abuse and work to prevent them; to make information on child abuse prevention available to the public and to organizations and agencies; and to encourage the development of prevention programs, including programs that provide support for

94.1 adolescent parents, fathering education programs, and other prevention activities designed
94.2 to prevent teen pregnancy;

94.3 (5) establish a procedure for an annual, internal evaluation of the functions,
94.4 responsibilities, and performance of the commissioner in carrying out ~~Laws 1986, chapter~~
94.5 ~~423~~ sections 142A.41 to 142A.416 and 144.226, subdivision 3;

94.6 (6) provide technical assistance to local councils and agencies working in the area of
94.7 child abuse prevention; and

94.8 (7) accept and review grant applications ~~beginning June 1, 1987.~~

94.9 (b) The commissioner shall recommend to the governor changes in state programs,
94.10 statutes, policies, budgets, and standards that will reduce the problems of child abuse,
94.11 improve coordination among state agencies that provide prevention services, and improve
94.12 the condition of children, parents, or guardians in need of prevention program services.

94.13 Sec. 89. Minnesota Statutes 2022, section 256E.24, is amended to read:

94.14 **256E.24 LOCAL CHILD ABUSE PREVENTION COUNCILS.**

94.15 A child abuse prevention council may be established in any county or group of counties
94.16 that was eligible to receive funds under Minnesota Statutes 1986, section 145.917 as of
94.17 January 1, 1986. A council organized in such a county or group of counties shall be
94.18 authorized by the commissioner to review programs seeking trust fund money on finding
94.19 that the council meets the criteria in this section:

94.20 (a) The council has submitted a plan for the prevention of child abuse that includes a
94.21 rank ordering of needed programs and services, assesses the need for additional programs
94.22 or services, and demonstrates that standards and procedures have been established to ensure
94.23 that funds will be distributed and used according to ~~Laws 1986, chapter 423~~ sections 142A.41
94.24 to 142A.416 and 144.226, subdivision 3.

94.25 (b) A single-county council shall consist of:

94.26 (1) a minimum of nine members with the majority consisting of members from the
94.27 community-at-large who do not represent service-providing agencies. These members shall
94.28 represent the demographic and geographic composition of the county and, to the extent
94.29 possible, represent the following groups: parents, businesses, racial and ethnic minority
94.30 communities, and the faith communities; and

95.1 (2) if necessary, enough additional members with knowledge in the area of child abuse
95.2 prevention so that a majority of the council is composed of members who do not represent
95.3 public agencies.

95.4 (c) A multicounty council shall be composed of the combined membership of persons
95.5 in paragraph (b).

95.6 Sec. 90. Minnesota Statutes 2022, section 256E.25, subdivision 5, is amended to read:

95.7 Subd. 5. **Local council as recipient of funds.** The commissioner may disburse funds
95.8 to a local council for community education purposes, or for administrative costs in carrying
95.9 out ~~Laws 1986, chapter 423~~ sections 142A.41 to 142A.416 and 144.226, subdivision 3, if
95.10 all criteria and standards are met.

95.11 Sec. 91. Minnesota Statutes 2022, section 256E.25, subdivision 6, is amended to read:

95.12 Subd. 6. **Contracts.** The commissioner shall use state or local resources and staff if
95.13 practicable; but may enter into contracts with public or nonprofit private agencies to fulfill
95.14 the requirements of ~~Laws 1986, chapter 423~~ sections 142A.41 to 142A.416 and 144.226,
95.15 subdivision 3.

95.16 Sec. 92. Minnesota Statutes 2022, section 256E.25, subdivision 7, is amended to read:

95.17 Subd. 7. **Rules.** The commissioner may adopt rules to carry out ~~Laws 1986, chapter 423~~
95.18 sections 142A.41 to 142A.416 and 144.226, subdivision 3.

95.19 Sec. 93. Minnesota Statutes 2022, section 256E.26, is amended to read:

95.20 **256E.26 ACCEPTANCE OF FEDERAL FUNDS AND OTHER DONATIONS.**

95.21 The commissioner may accept federal money and gifts, donations, and bequests for the
95.22 purposes of ~~Laws 1986, chapter 423~~ sections 142A.41 to 142A.416 and 144.226, subdivision
95.23 3. Money so received and proceeds from the sale of promotional items, minus sales
95.24 promotional costs, must be deposited in the trust fund and must be made available to the
95.25 commissioner.

95.26 Sec. 94. Minnesota Statutes 2022, section 256E.27, is amended to read:

95.27 **256E.27 ANNUAL APPROPRIATION.**

95.28 All earnings from trust fund assets, all sums received under section 256E.26, and 60
95.29 percent of the amount collected under section 144.226, subdivision 3, are appropriated

96.1 annually from the children's trust fund for the prevention of child abuse to the commissioner
96.2 of human services to carry out sections 256E.20 to 256E.26. ~~In fiscal year 1987 only, the~~
96.3 ~~first \$75,000 collected under section 144.226, subdivision 3, is appropriated from the~~
96.4 ~~children's trust fund for the prevention of child abuse to the commissioner of human services~~
96.5 ~~to carry out sections 256E.20 to 256E.26.~~

96.6 Sec. 95. Minnesota Statutes 2022, section 299A.72, is amended to read:

96.7 **299A.72 JUVENILE JUSTICE PROGRAM.**

96.8 The governor shall designate the Department of ~~Public Safety~~ Children, Youth, and
96.9 Families as the sole agency responsible for supervising the preparation and administration
96.10 of the state plan for juvenile justice required by the Juvenile Justice and Delinquency
96.11 Prevention Act of 1974, as amended.

96.12 The governor shall designate the Juvenile Justice Advisory Committee as the supervisory
96.13 board for the Department of ~~Public Safety~~ Children, Youth, and Families with respect to
96.14 preparation and administration of the state plan and award of grants.

96.15 The governor shall appoint members to the Juvenile Justice Advisory Committee in
96.16 accordance with the membership requirements of the Juvenile Justice and Delinquency
96.17 Prevention Act of 1974, as amended. Section 15.059, subdivision 3, governs the
96.18 compensation of the members.

96.19 Sec. 96. **REVISOR INSTRUCTION.**

96.20 The revisor of statutes must renumber sections or subdivisions in Column A as Column
96.21 B.

96.22	<u>Column A</u>	<u>Column B</u>
96.23	<u>256.01, subdivision 12</u>	<u>142A.03, subdivision 7</u>
96.24	<u>256.01, subdivision 12a</u>	<u>142A.03, subdivision 8</u>
96.25	<u>256.01, subdivision 15</u>	<u>142A.03, subdivision 10</u>
96.26	<u>256.01, subdivision 36</u>	<u>142A.03, subdivision 22</u>
96.27	<u>256.0112, subdivision 10</u>	<u>142A.07, subdivision 8</u>
96.28	<u>256.019, subdivision 2</u>	<u>142A.28, subdivision 2</u>
96.29	<u>256.4793</u>	<u>142A.45</u>
96.30	<u>256.4794</u>	<u>142A.451</u>
96.31	<u>256.82</u>	<u>142A.418</u>
96.32	<u>256.9831</u>	<u>142A.13, subdivision 14</u>
96.33	<u>256.9862, subdivision 1</u>	<u>142A.13, subdivision 10</u>

97.1	<u>256.9862, subdivision 2</u>	<u>142A.13, subdivision 11</u>
97.2	<u>256.9863</u>	<u>142A.13, subdivision 5</u>
97.3	<u>256.9865, subdivision 1</u>	<u>142A.13, subdivision 6</u>
97.4	<u>256.9865, subdivision 2</u>	<u>142A.13, subdivision 7</u>
97.5	<u>256.9865, subdivision 3</u>	<u>142A.13, subdivision 8</u>
97.6	<u>256.9865, subdivision 4</u>	<u>142A.13, subdivision 9</u>
97.7	<u>256.987, subdivision 2</u>	<u>142A.13, subdivision 2</u>
97.8	<u>256.987, subdivision 3</u>	<u>142A.13, subdivision 3</u>
97.9	<u>256.987, subdivision 4</u>	<u>142A.13, subdivision 4</u>
97.10	<u>256.9871</u>	<u>142A.13, subdivision 12</u>
97.11	<u>256.9872</u>	<u>142A.13, subdivision 13</u>
97.12	<u>256.997</u>	<u>142A.30</u>
97.13	<u>256.998</u>	<u>142A.29</u>
97.14	<u>256B.06, subdivision 6</u>	<u>142A.40</u>
97.15	<u>256E.20</u>	<u>142A.41</u>
97.16	<u>256E.21</u>	<u>142A.411</u>
97.17	<u>256E.22</u>	<u>142A.412</u>
97.18	<u>256E.24</u>	<u>142A.413</u>
97.19	<u>256E.25</u>	<u>142A.414</u>
97.20	<u>256E.26</u>	<u>142A.415</u>
97.21	<u>256E.27</u>	<u>142A.416</u>
97.22	<u>256E.28</u>	<u>142A.417</u>
97.23	<u>256N.001</u>	<u>142A.60</u>
97.24	<u>256N.01</u>	<u>142A.601</u>
97.25	<u>256N.02</u>	<u>142A.602</u>
97.26	<u>256N.20</u>	<u>142A.603</u>
97.27	<u>256N.21</u>	<u>142A.604</u>
97.28	<u>256N.22</u>	<u>142A.605</u>
97.29	<u>256N.23</u>	<u>142A.606</u>
97.30	<u>256N.24</u>	<u>142A.607</u>
97.31	<u>256N.25</u>	<u>142A.608</u>
97.32	<u>256N.26</u>	<u>142A.609</u>
97.33	<u>256N.261</u>	<u>142A.61</u>
97.34	<u>256N.27</u>	<u>142A.611</u>
97.35	<u>256N.28</u>	<u>142A.612</u>
97.36	<u>257.175</u>	<u>142A.03, subdivision 32</u>
97.37	<u>257.33, subdivision 1</u>	<u>142A.03, subdivision 33</u>
97.38	<u>257.33, subdivision 2</u>	<u>142A.03, subdivision 34</u>

99.1 (2) the individual designated as the authorized agent under section 142B.10, subdivision
99.2 1, paragraph (b);

99.3 (3) the individual designated as the compliance officer under section 256B.04, subdivision
99.4 21, paragraph (g);

99.5 (4) each managerial official whose responsibilities include the direction of the
99.6 management or policies of a program;

99.7 (5) the individual designated as the primary provider of care for a special family child
99.8 care program under section 142B.41, subdivision 4, paragraph (d); and

99.9 (6) the president and treasurer of the board of directors of a nonprofit corporation.

99.10 (b) Controlling individual does not include:

99.11 (1) a bank, savings bank, trust company, savings association, credit union, industrial
99.12 loan and thrift company, investment banking firm, or insurance company unless the entity
99.13 operates a program directly or through a subsidiary;

99.14 (2) an individual who is a state or federal official, or state or federal employee, or a
99.15 member or employee of the governing body of a political subdivision of the state or federal
99.16 government that operates one or more programs, unless the individual is also an officer,
99.17 owner, or managerial official of the program, receives remuneration from the program, or
99.18 owns any of the beneficial interests not excluded in this subdivision;

99.19 (3) an individual who owns less than five percent of the outstanding common shares of
99.20 a corporation:

99.21 (i) whose securities are exempt under section 80A.45, clause (6); or

99.22 (ii) whose transactions are exempt under section 80A.46, clause (2);

99.23 (4) an individual who is a member of an organization exempt from taxation under section
99.24 290.05, unless the individual is also an officer, owner, or managerial official of the program
99.25 or owns any of the beneficial interests not excluded in this subdivision. This clause does
99.26 not exclude from the definition of controlling individual an organization that is exempt from
99.27 taxation; or

99.28 (5) an employee stock ownership plan trust, or a participant or board member of an
99.29 employee stock ownership plan, unless the participant or board member is a controlling
99.30 individual according to paragraph (a).

99.31 (c) For purposes of this subdivision, "managerial official" means an individual who has
99.32 the decision-making authority related to the operation of the program, and the responsibility

100.1 for the ongoing management of or direction of the policies, services, or employees of the
100.2 program. A site director who has no ownership interest in the program is not considered to
100.3 be a managerial official for purposes of this definition.

100.4 Subd. 8. **County agency.** "County agency" means the agency designated by the county
100.5 board of commissioners, human service boards, local social services agencies or multicounty
100.6 local social services agencies, or departments where those have been established under the
100.7 law.

100.8 Subd. 9. **Cradleboard.** "Cradleboard" means a board or frame on which an infant is
100.9 secured using blankets or other material, such as fabric or leather sides, and laces and often
100.10 has a frame extending to protect the infant's head. The infant is always placed with the
100.11 infant's head facing outward, and the infant remains supervised in the cradleboard while
100.12 sleeping or being carried.

100.13 Subd. 10. **Foster family setting.** "Foster family setting" has the meaning given in
100.14 Minnesota Rules, part 2960.3010, subpart 23, and includes settings licensed by the
100.15 commissioner of children, youth, and families or the commissioner of corrections.

100.16 Subd. 11. **Foster residence setting.** "Foster residence setting" has the meaning given
100.17 in Minnesota Rules, part 2960.3010, subpart 26, and includes settings licensed by the
100.18 commissioner of children, youth, and families or the commissioner of corrections.

100.19 Subd. 12. **Individual who is related.** "Individual who is related" means a spouse, a
100.20 parent, a birth or adopted child or stepchild, a stepparent, a stepbrother, a stepsister, a niece,
100.21 a nephew, an adoptive parent, a grandparent, a sibling, an aunt, an uncle, or a legal guardian.

100.22 Subd. 13. **License.** "License" means a certificate issued by the commissioner under
100.23 section 142B.10 authorizing the license holder to provide a specified program for a specified
100.24 period of time and in accordance with the terms of the license and the rules of the
100.25 commissioner.

100.26 Subd. 14. **License holder.** "License holder" means an individual, organization, or
100.27 government entity that is legally responsible for the operation of the program or service,
100.28 and has been granted a license by the commissioner under this chapter and the rules of the
100.29 commissioner.

100.30 Subd. 15. **Nonresidential program.** "Nonresidential program" means care, supervision,
100.31 rehabilitation, training, or habilitation of a child provided outside the child's home and
100.32 provided for fewer than 24 hours a day, including child care programs.

101.1 Subd. 16. **Owner.** "Owner" means an individual or organization that has a direct or
101.2 indirect ownership interest of five percent or more in a program licensed under this chapter.
101.3 For purposes of this subdivision, "direct ownership interest" means the possession of equity
101.4 in capital, stock, or profits of an organization, and "indirect ownership interest" means a
101.5 direct ownership interest in an entity that has a direct or indirect ownership interest in a
101.6 licensed program. For purposes of this chapter, "owner of an employee stock ownership
101.7 plan" means the president and treasurer of the entity. A government entity or nonprofit
101.8 corporation that is issued a license under this chapter shall be designated the owner.

101.9 Subd. 17. **Organization.** "Organization" means a domestic or foreign corporation,
101.10 nonprofit corporation, limited liability company, partnership, limited partnership, limited
101.11 liability partnership, association, voluntary association, and any other legal or commercial
101.12 entity. For purposes of this chapter, organization does not include a government entity.

101.13 Subd. 18. **Private agency.** "Private agency" means an organization, other than a county
101.14 agency, or a court with jurisdiction, that places persons who cannot remain in their own
101.15 homes in residential programs, foster care, or adoptive homes. A private agency is designated
101.16 to perform the commissioner's licensing functions under section 142B.30.

101.17 Subd. 19. **Residential program.** "Residential program" means a program that provides
101.18 24-hour-a-day care, supervision, food, or lodging to a child or youth outside of the child or
101.19 youth's home, including foster care.

101.20 Subd. 20. **Respite care services.** "Respite care services" means temporary services
101.21 provided to a person due to the absence or need for relief of the primary caregiver, the
101.22 person's family member, or legal representative who is the primary caregiver and principally
101.23 responsible for the care and supervision of the person. Respite care services are those that
101.24 provide the level of supervision and care that is necessary to ensure the health and safety
101.25 of the person. Respite care services do not include services that are specifically directed
101.26 toward the training and habilitation of the person.

101.27 Subd. 21. **Youth.** "Youth" means a child as defined in section 260C.007, subdivision 4,
101.28 and includes individuals under 21 years of age who are in foster care pursuant to section
101.29 260C.451.

101.30 **Sec. 2. [142B.02] RULES.**

101.31 Subdivision 1. **Commissioner's authority.** The commissioner shall adopt rules under
101.32 chapter 14 to govern the operation, maintenance, and licensure of programs subject to
101.33 licensure under this chapter. The commissioner shall not adopt any rules that are inconsistent

102.1 with or duplicative of existing state or federal regulations. Nothing in this subdivision shall
102.2 be construed to prohibit the commissioner from incorporating existing state or federal
102.3 regulations or accreditation standards by reference.

102.4 Subd. 2. **Standards and regulatory methods.** This subdivision applies to rules governing
102.5 this chapter. As appropriate for each type of license:

102.6 (a) The commissioner shall give preference in rule to standards that describe program
102.7 outcomes and the practices that have been shown to result in the desired program outcomes.

102.8 (b) The rules may include model program standards for each type of program licensed
102.9 by the commissioner.

102.10 (c) The rules shall include basic licensing standards governing licensure of each type of
102.11 program licensed by the commissioner. The basic licensing standards must be met by all
102.12 applicants and license holders. Basic licensing standards must include, but are not limited
102.13 to:

102.14 (1) standards for adequate staff that take into account the age distribution and severity
102.15 of the disability of persons served by the program;

102.16 (2) safety standards that take into account the size and conditions of the physical plant
102.17 and studies of fire safety including studies of the interaction between fire detection factors,
102.18 fire spread factors, and evacuation factors in case of a fire;

102.19 (3) standards for program services that describe, when appropriate, adequate levels of
102.20 shelter, nutrition, planned activities, materials, and qualifications of individuals responsible
102.21 for administering and delivering program services;

102.22 (4) standards that describe the characteristics of the settings where program services are
102.23 to be delivered; and

102.24 (5) health and sanitation standards.

102.25 Subd. 3. **Reduction of fees.** The commissioner may adopt rules under subdivision 1 to
102.26 provide for the reduction of fees established under section 142B.12 when a license holder
102.27 substantially exceeds the basic standards for licensure.

102.28 Subd. 4. **Evaluation of rules.** The commissioner shall evaluate the effects of the rules
102.29 within three years after the date of adoption and at least once every five years thereafter.
102.30 The evaluation must include an assessment of any discrepancies between the actual and
102.31 intended effects of the rules, identification of necessary revisions, if any, and a discussion

103.1 of the rules' effect on the availability and quality of licensed programs. The commissioner
103.2 shall consider the results of the evaluation in amending and writing rules.

103.3 Subd. 5. **Other duties of commissioner.** The commissioner shall:

103.4 (1) summarize the rules in language understandable to the general public and inform
103.5 license holders and applicants where they may obtain a copy of the rules and the summary;

103.6 (2) develop and provide each applicant with information describing the services offered
103.7 to applicants by the commissioner and explaining the penalties for operating an unlicensed
103.8 program or failing to fully comply with the commissioner's correction orders or applicable
103.9 laws or rules;

103.10 (3) upon request, interpret rules for applicants and license holders; and

103.11 (4) take measures to ensure that rules are enforced uniformly throughout the state.

103.12 Subd. 6. **Consultation with affected parties.** In developing rules, the commissioner
103.13 shall request and receive consultation from: other state departments and agencies; counties
103.14 and other affected political subdivisions that reflect the diversity of political subdivisions
103.15 affected by the rule; persons and relatives of persons using the program governed by the
103.16 rule; advocacy groups; and representatives of license holders affected by the rule. In choosing
103.17 parties for consultation, the commissioner shall choose individuals and representatives of
103.18 groups that reflect a cross section of urban, suburban, and rural areas of the state.

103.19 Subd. 7. **Regulatory methods.** (a) Where appropriate and feasible, the commissioner
103.20 shall identify and implement alternative methods of regulation and enforcement to the extent
103.21 authorized in this subdivision. These methods shall include:

103.22 (1) expansion of the types and categories of licenses that may be granted;

103.23 (2) when the standards of another state or federal governmental agency or an independent
103.24 accreditation body have been shown to require the same standards, methods, or alternative
103.25 methods to achieve substantially the same intended outcomes as the licensing standards,
103.26 the commissioner shall consider compliance with the governmental or accreditation standards
103.27 to be equivalent to partial compliance with the licensing standards; and

103.28 (3) use of an abbreviated inspection that employs key standards that have been shown
103.29 to predict full compliance with the rules.

103.30 (b) If the commissioner accepts accreditation as documentation of compliance with a
103.31 licensing standard under paragraph (a), the commissioner shall continue to investigate
103.32 complaints related to noncompliance with all licensing standards. The commissioner may

104.1 take a licensing action for noncompliance under this chapter and shall recognize all existing
104.2 appeal rights regarding any licensing actions taken under this chapter.

104.3 (c) The commissioner shall work with the commissioners of human services, health,
104.4 public safety, administration, and education in consolidating duplicative licensing and
104.5 certification rules and standards if the commissioner determines that consolidation is
104.6 administratively feasible, would significantly reduce the cost of licensing, and would not
104.7 reduce the protection given to persons receiving services in licensed programs. Where
104.8 administratively feasible and appropriate, the commissioner shall work with the
104.9 commissioners of human services, health, public safety, administration, and education in
104.10 conducting joint agency inspections of programs.

104.11 (d) The commissioner shall work with the commissioners of human services, health,
104.12 public safety, administration, and education in establishing a single point of application for
104.13 applicants who are required to obtain concurrent licensure from more than one of the
104.14 commissioners listed in this paragraph.

104.15 (e) Unless otherwise specified in statute, the commissioner may conduct routine
104.16 inspections biennially.

104.17 (f) For a licensed child care center, the commissioner shall conduct one unannounced
104.18 licensing inspection at least once per calendar year.

104.19 Subd. 8. **Interpretive guidelines; authority.** The commissioner of children, youth, and
104.20 families may develop and publish interpretive guidelines.

104.21 Subd. 9. **Effect of interpretive guidelines.** Interpretive guidelines do not have the force
104.22 and effect of law and have no precedential effect, but may be relied on by consumers,
104.23 providers of service, county agencies, the Department of Children, Youth, and Families,
104.24 and others concerned until revoked or modified. A guideline may be expressly revoked or
104.25 modified by the commissioner, by the issuance of another interpretive guideline, but may
104.26 not be revoked or modified retroactively to the detriment of consumers, providers of service,
104.27 county agencies, the Department of Children, Youth, and Families, or others concerned. A
104.28 change in the law or an interpretation of the law occurring after the interpretive guidelines
104.29 are issued, whether in the form of a statute, court decision, administrative ruling, or
104.30 subsequent interpretive guideline, results in the revocation or modification of the previously
104.31 adopted guidelines to the extent that the change affects the guidelines.

104.32 Subd. 10. **Issuance; discretion of commissioner.** The issuance of interpretive guidelines
104.33 is at the discretion of the commissioner of children, youth, and families.

Sec. 3. **[142B.03] SYSTEMS AND RECORDS.**

Subdivision 1. Record retention; license holder requirements. (a) A license holder

must maintain and store records in a manner that will allow for review by the commissioner as identified in section 142B.10, subdivision 5. The following records must be maintained as specified and in accordance with applicable state or federal law, regulation, or rule:

(1) service recipient records, including verification of service delivery, must be maintained for a minimum of five years following discharge or termination of service;

(2) personnel records must be maintained for a minimum of five years following termination of employment; and

(3) program administration and financial records must be maintained for a minimum of five years from the date the program closes.

(b) A license holder who ceases to provide services must maintain all records related to the licensed program for five years from the date the program closes. The license holder must notify the commissioner of the location where the licensing records will be stored and the name of the person responsible for maintaining the stored records.

(c) If the ownership of a licensed program or service changes, the transferor, unless otherwise provided by law or written agreement with the transferee, is responsible for maintaining, preserving, and making available to the commissioner on demand the license records generated before the date of the transfer.

(d) In the event of a contested case, the license holder must retain records as required in paragraph (a) or until the final agency decision is issued and the conclusion of any related appeal, whichever period is longer.

Subd. 2. Electronic records; license holder use. A license holder's use of electronic record keeping or electronic signatures must meet the following requirements:

(1) use of electronic record keeping or electronic signatures does not alter the license holder's obligations under state or federal law, regulation, or rule;

(2) the license holder must ensure that the use of electronic record keeping does not limit the commissioner's access to records as specified under section 142B.10, subdivision 5;

(3) upon request, the license holder must assist the commissioner in accessing and copying all records, including encrypted records and electronic signatures; and

(4) the license holder must establish a mechanism or procedure to ensure that:

(i) the act of creating the electronic record or signature is attributable to the license holder, according to section 325L.09;

(ii) the electronic records and signatures are maintained in a form capable of being retained and accurately reproduced;

(iii) the commissioner has access to information that establishes the date and time that data and signatures were entered into the electronic record; and

(iv) the license holder's use of electronic record keeping or electronic signatures does not compromise the security of the records.

Subd. 3. First date of working in a facility or setting; documentation requirements. Foster residence setting license holders must document the first date that a person who is a background study subject begins working in the license holder's setting. If the license holder does not maintain documentation of each background study subject's first date of working in the setting in the license holder's personnel files, the license holder must provide documentation to the commissioner that contains the first date that each background study subject began working in the license holder's program upon the commissioner's request.

Subd. 4. First date of direct contact; documentation requirements. Except for family child care and family foster care for children, license holders must document the first date that a background study subject has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the license holder's program. Unless this chapter otherwise requires, if the license holder does not maintain the documentation required by this subdivision in the license holder's personnel files, the license holder must provide the documentation to the commissioner upon the commissioner's request.

Sec. 4. [142B.05] WHO MUST BE LICENSED.

Subdivision 1. License required. Unless licensed by the commissioner under this chapter, an individual, organization, or government entity must not:

(1) operate a residential or a nonresidential program;

(2) receive a child or youth for care, supervision, or placement in foster care or adoption;

(3) help plan the placement of a child or youth in foster care or adoption or engage in placement activities as defined in section 259.21, subdivision 9, in this state, whether or not the adoption occurs in this state; or

(4) advertise a residential or nonresidential program.

Subd. 2. Exclusion from licensure. (a) This chapter does not apply to:

- 107.1 (1) residential or nonresidential programs that are provided to a person by an individual
107.2 who is related unless the residential program is a child foster care placement made by a
107.3 local social services agency or a licensed child-placing agency, except as provided in
107.4 subdivision 3;
- 107.5 (2) nonresidential programs that are provided by an unrelated individual to persons from
107.6 a single related family;
- 107.7 (3) programs operated by a public school for children 33 months or older;
- 107.8 (4) nonresidential programs primarily for children that provide care or supervision for
107.9 periods of less than three hours a day while the child's parent or legal guardian is in the
107.10 same building as the nonresidential program or present within another building that is
107.11 directly contiguous to the building in which the nonresidential program is located;
- 107.12 (5) homes providing programs for persons placed by a county or a licensed agency for
107.13 legal adoption, unless the adoption is not completed within two years;
- 107.14 (6) programs licensed or certified by the commissioner of corrections;
- 107.15 (7) recreation programs for children or adults that are operated or approved by a park
107.16 and recreation board whose primary purpose is to provide social and recreational activities;
- 107.17 (8) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA
107.18 as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in
107.19 section 315.51, whose primary purpose is to provide child care or services to school-age
107.20 children;
- 107.21 (9) Head Start nonresidential programs that operate for less than 45 days in each calendar
107.22 year;
- 107.23 (10) programs for children such as scouting, boys clubs, girls clubs, and sports and art
107.24 programs, and nonresidential programs for children provided for a cumulative total of less
107.25 than 30 days in any 12-month period;
- 107.26 (11) the religious instruction of school-age children; Sabbath or Sunday schools; or the
107.27 congregate care of children by a church, congregation, or religious society during the period
107.28 used by the church, congregation, or religious society for its regular worship;
- 107.29 (12) camps licensed by the commissioner of health under Minnesota Rules, chapter
107.30 4630;
- 107.31 (13) residential programs serving school-age children whose sole purpose is cultural or
107.32 educational exchange, until the commissioner adopts appropriate rules;

108.1 (14) community support services programs as defined in section 245.462, subdivision
108.2 6, and family community support services as defined in section 245.4871, subdivision 17;

108.3 (15) the placement of a child by a birth parent or legal guardian in a preadoptive home
108.4 for purposes of adoption as authorized by section 259.47;

108.5 (16) a program serving only children who are age 33 months or older, that is operated
108.6 by a nonpublic school, for no more than four hours per day per child, with no more than 20
108.7 children at any one time, and that is accredited by:

108.8 (i) an accrediting agency that is formally recognized by the commissioner of education
108.9 as a nonpublic school accrediting organization; or

108.10 (ii) an accrediting agency that requires background studies and that receives and
108.11 investigates complaints about the services provided.

108.12 A program that asserts its exemption from licensure under item (ii) shall, upon request from
108.13 the commissioner, provide the commissioner with documentation from the accrediting
108.14 agency that verifies that the accreditation is current, that the accrediting agency investigates
108.15 complaints about services, and that the accrediting agency's standards require background
108.16 studies on all people providing direct contact services;

108.17 (17) a program operated by a nonprofit organization incorporated in Minnesota or another
108.18 state that serves youth in kindergarten through grade 12; provides structured, supervised
108.19 youth development activities; and has learning opportunities take place before or after
108.20 school, on weekends, or during the summer or other seasonal breaks in the school calendar.
108.21 A program exempt under this clause is not eligible for child care assistance under chapter
108.22 119B. A program exempt under this clause must:

108.23 (i) have a director or supervisor on site who is responsible for overseeing written policies
108.24 relating to the management and control of the daily activities of the program, ensuring the
108.25 health and safety of program participants, and supervising staff and volunteers;

108.26 (ii) have obtained written consent from a parent or legal guardian for each youth
108.27 participating in activities at the site; and

108.28 (iii) have provided written notice to a parent or legal guardian for each youth at the site
108.29 that the program is not licensed or supervised by the state of Minnesota and is not eligible
108.30 to receive child care assistance payments;

108.31 (18) Head Start programs that serve only children who are at least three years old but
108.32 not yet six years old; or

109.1 (19) programs licensed by the commissioner of human services under chapter 245A.

109.2 (b) For purposes of paragraph (a), clause (4), a building is directly contiguous to a
109.3 building in which a nonresidential program is located if it shares a common wall with the
109.4 building in which the nonresidential program is located or is attached to that building by
109.5 skyway, tunnel, atrium, or common roof.

109.6 (c) Except for the home and community-based services identified in section 245D.03,
109.7 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
109.8 provided and funded according to an approved federal waiver plan where licensure is
109.9 specifically identified as not being a condition for the services and funding.

109.10 Subd. 3. **Unlicensed programs.** (a) It is a misdemeanor for an individual, organization,
109.11 or government entity to provide a residential or nonresidential program without a license
109.12 issued under this chapter and in willful disregard of this chapter unless the program is
109.13 excluded from licensure under subdivision 2.

109.14 (b) The commissioner may ask the appropriate county attorney or the attorney general
109.15 to begin proceedings to secure a court order against the continued operation of the program,
109.16 if an individual, organization, or government entity has:

109.17 (1) failed to apply for a license under this chapter after receiving notice that a license is
109.18 required or continues to operate without a license after receiving notice that a license is
109.19 required;

109.20 (2) continued to operate without a license after a license issued under this chapter has
109.21 been revoked or suspended under this chapter, and the commissioner has issued a final order
109.22 affirming the revocation or suspension, or the license holder did not timely appeal the
109.23 sanction; or

109.24 (3) continued to operate without a license after a temporary immediate suspension of a
109.25 license has been issued under this chapter.

109.26 (c) The county attorney and the attorney general have a duty to cooperate with the
109.27 commissioner.

109.28 Subd. 4. **Licensing moratorium.** (a) The commissioner shall not issue an initial license
109.29 for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, under
109.30 this chapter for a physical location that will not be the primary residence of the license
109.31 holder for the entire period of licensure. If a family child foster care home license is issued
109.32 during this moratorium and the license holder changes the license holder's primary residence
109.33 away from the physical location of the foster care license, the commissioner shall revoke

the license according to section 142B.18. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (e), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) foster care licenses replacing foster care licenses in existence on May 15, 2009, and determined to be needed by the commissioner under paragraph (b); and

(2) new foster care licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care.

(b) The commissioner shall determine the need for newly licensed foster care homes. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(d) License holders of foster care homes identified under paragraph (c) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the children, youth, and families licensing division that the license holder provides or intends to provide these waiver-funded services.

(e) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

111.1 Sec. 5. **[142B.10] APPLICATION PROCEDURES.**

111.2 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
111.3 entity that is subject to licensure under section 142B.05 must apply for a license. The
111.4 application must be made on the forms and in the manner prescribed by the commissioner.
111.5 The commissioner shall provide the applicant with instruction in completing the application
111.6 and provide information about the rules and requirements of other state agencies that affect
111.7 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
111.8 Minnesota must have a program office located within 30 miles of the Minnesota border.
111.9 An applicant who intends to buy or otherwise acquire a program or services licensed under
111.10 this chapter that is owned by another license holder must apply for a license under this
111.11 chapter and comply with the application procedures in this section and section 142B.11.

111.12 The commissioner shall act on the application within 90 working days after a complete
111.13 application and any required reports have been received from other state agencies or
111.14 departments, counties, municipalities, or other political subdivisions. The commissioner
111.15 shall not consider an application to be complete until the commissioner receives all of the
111.16 required information.

111.17 When the commissioner receives an application for initial licensure that is incomplete
111.18 because the applicant failed to submit required documents or that is substantially deficient
111.19 because the documents submitted do not meet licensing requirements, the commissioner
111.20 shall provide the applicant written notice that the application is incomplete or substantially
111.21 deficient. In the written notice to the applicant the commissioner shall identify documents
111.22 that are missing or deficient and give the applicant 45 days to resubmit a second application
111.23 that is substantially complete. An applicant's failure to submit a substantially complete
111.24 application after receiving notice from the commissioner is a basis for license denial under
111.25 section 142B.11.

111.26 (b) An application for licensure must identify all controlling individuals as defined in
111.27 section 142B.01, subdivision 8, and must designate one individual to be the authorized
111.28 agent. The application must be signed by the authorized agent and must include the authorized
111.29 agent's first, middle, and last name; mailing address; and email address. By submitting an
111.30 application for licensure, the authorized agent consents to electronic communication with
111.31 the commissioner throughout the application process. The authorized agent must be
111.32 authorized to accept service on behalf of all of the controlling individuals. A government
111.33 entity that holds multiple licenses under this chapter may designate one authorized agent
111.34 for all licenses issued under this chapter or may designate a different authorized agent for
111.35 each license. Service on the authorized agent is service on all of the controlling individuals.

112.1 It is not a defense to any action arising under this chapter that service was not made on each
112.2 controlling individual. The designation of a controlling individual as the authorized agent
112.3 under this paragraph does not affect the legal responsibility of any other controlling individual
112.4 under this chapter.

112.5 (c) An applicant or license holder must have a policy that prohibits license holders,
112.6 employees, subcontractors, and volunteers, when directly responsible for persons served
112.7 by the program, from abusing prescription medication or being in any manner under the
112.8 influence of a chemical that impairs the individual's ability to provide services or care. The
112.9 license holder must train employees, subcontractors, and volunteers about the program's
112.10 drug and alcohol policy.

112.11 (d) An applicant and license holder must have a program grievance procedure that permits
112.12 persons served by the program and their authorized representatives to bring a grievance to
112.13 the highest level of authority in the program.

112.14 (e) The commissioner may limit communication during the application process to the
112.15 authorized agent or the controlling individuals identified on the license application and for
112.16 whom a background study was initiated under chapter 245C. Upon implementation of the
112.17 provider licensing and reporting hub, applicants and license holders must use the hub in the
112.18 manner prescribed by the commissioner. The commissioner may require the applicant,
112.19 except for child foster care, to demonstrate competence in the applicable licensing
112.20 requirements by successfully completing a written examination. The commissioner may
112.21 develop a prescribed written examination format.

112.22 (f) When an applicant is an individual, the applicant must provide:

112.23 (1) the applicant's taxpayer identification numbers including the Social Security number
112.24 or Minnesota tax identification number, and federal employer identification number if the
112.25 applicant has employees;

112.26 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
112.27 of state that includes the complete business name, if any;

112.28 (3) if doing business under a different name, the doing business as (DBA) name, as
112.29 registered with the secretary of state;

112.30 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
112.31 Minnesota Provider Identifier (UMPI) number; and

112.32 (5) at the request of the commissioner, the notarized signature of the applicant or
112.33 authorized agent.

- 113.1 (g) When an applicant is an organization, the applicant must provide:
- 113.2 (1) the applicant's taxpayer identification numbers including the Minnesota tax
- 113.3 identification number and federal employer identification number;
- 113.4 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
- 113.5 of state that includes the complete business name, and if doing business under a different
- 113.6 name, the doing business as (DBA) name, as registered with the secretary of state;
- 113.7 (3) the first, middle, and last name, and address for all individuals who will be controlling
- 113.8 individuals, including all officers, owners, and managerial officials as defined in section
- 113.9 142B.01, subdivision 8, and the date that the background study was initiated by the applicant
- 113.10 for each controlling individual;
- 113.11 (4) if applicable, the applicant's NPI number and UMPI number;
- 113.12 (5) the documents that created the organization and that determine the organization's
- 113.13 internal governance and the relations among the persons that own the organization, have
- 113.14 an interest in the organization, or are members of the organization, in each case as provided
- 113.15 or authorized by the organization's governing statute, which may include a partnership
- 113.16 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
- 113.17 or comparable documents as provided in the organization's governing statute; and
- 113.18 (6) the notarized signature of the applicant or authorized agent.
- 113.19 (h) When the applicant is a government entity, the applicant must provide:
- 113.20 (1) the name of the government agency, political subdivision, or other unit of government
- 113.21 seeking the license and the name of the program or services that will be licensed;
- 113.22 (2) the applicant's taxpayer identification numbers including the Minnesota tax
- 113.23 identification number and federal employer identification number;
- 113.24 (3) a letter signed by the manager, administrator, or other executive of the government
- 113.25 entity authorizing the submission of the license application; and
- 113.26 (4) if applicable, the applicant's NPI number and UMPI number.
- 113.27 (i) At the time of application for licensure or renewal of a license under this chapter, the
- 113.28 applicant or license holder must acknowledge on the form provided by the commissioner
- 113.29 if the applicant or license holder elects to receive any public funding reimbursement from
- 113.30 the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 142B.16, or sanctions under section 142B.18;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

Subd. 2. **Notification of affected municipality.** The commissioner must not issue a license under this chapter without giving 30 calendar days' written notice to the affected municipality or other political subdivision unless the program is considered a permitted single-family residential use under sections 142B.40 and 142B.41. The commissioner may provide notice through electronic communication. The notification must be given before the first issuance of a license under this chapter and annually after that time if annual notification is requested in writing by the affected municipality or other political subdivision. State funds must not be made available to or be spent by an agency or department of state, county, or municipal government for payment to a residential or nonresidential program licensed under this chapter until the provisions of this subdivision have been complied with in full. The provisions of this subdivision shall not apply to programs located in hospitals.

Subd. 3. **Meeting fire and safety codes.** An applicant or license holder under sections 142B.01 to 142B.50 must document compliance with applicable building codes, fire and safety codes, health rules, and zoning ordinances, or document that an appropriate waiver has been granted.

Subd. 4. **Background study.** Individuals and organizations that are required under section 245C.03 to have or initiate background studies shall comply with the requirements in chapter 245C.

115.1 Subd. 5. **Notice of background study results; determination of risk of harm.** The
115.2 notice of background study results and the commissioner's determination of the background
115.3 subject's risk of harm shall be governed according to sections 245C.16 and 245C.17.

115.4 Subd. 6. **Reconsideration of disqualification.** Reconsideration of a disqualification
115.5 shall be governed according to sections 245C.21 to 245C.27.

115.6 Subd. 7. **Contested case.** Contested case hearing rights related to a disqualification shall
115.7 be governed according to section 245C.28.

115.8 Subd. 8. **Disqualification.** Disqualification shall be governed according to sections
115.9 245C.14 and 245C.15.

115.10 Subd. 9. **Variance for a disqualified individual.** A variance for a disqualified individual
115.11 shall be governed according to section 245C.30.

115.12 Subd. 10. **Conclusive determinations or dispositions.** Whether a disqualification
115.13 determination or maltreatment determination or disposition is deemed conclusive shall be
115.14 governed according to section 245C.29.

115.15 Subd. 11. **Inspections; waiver.** (a) Before issuing a license under this chapter, the
115.16 commissioner shall conduct an inspection of the program. The inspection must include but
115.17 is not limited to:

115.18 (1) an inspection of the physical plant;

115.19 (2) an inspection of records and documents;

115.20 (3) observation of the program in operation; and

115.21 (4) an inspection for the health, safety, and fire standards in licensing requirements for
115.22 a child care license holder.

115.23 (b) The observation in paragraph (a), clause (3), is not required prior to issuing a license
115.24 under subdivision 14. If the commissioner issues a license under this chapter, these
115.25 requirements must be completed within one year after the issuance of the license.

115.26 (c) Before completing a licensing inspection in a family child care program or child care
115.27 center, the licensing agency must offer the license holder an exit interview to discuss
115.28 violations or potential violations of law or rule observed during the inspection and offer
115.29 technical assistance on how to comply with applicable laws and rules. The commissioner
115.30 shall not issue a correction order or negative licensing action for violations of law or rule
115.31 not discussed in an exit interview, unless a license holder chooses not to participate in an
115.32 exit interview or not to complete the exit interview. If the license holder is unable to complete

116.1 the exit interview, the licensing agency must offer an alternate time for the license holder
116.2 to complete the exit interview.

116.3 (d) If a family child care license holder disputes a county licensor's interpretation of a
116.4 licensing requirement during a licensing inspection or exit interview, the license holder
116.5 may, within five business days after the exit interview or licensing inspection, request
116.6 clarification from the commissioner, in writing, in a manner prescribed by the commissioner.
116.7 The license holder's request must describe the county licensor's interpretation of the licensing
116.8 requirement at issue, and explain why the license holder believes the county licensor's
116.9 interpretation is inaccurate. The commissioner and the county must include the license
116.10 holder in all correspondence regarding the disputed interpretation, and must provide an
116.11 opportunity for the license holder to contribute relevant information that may impact the
116.12 commissioner's decision. The county licensor must not issue a correction order related to
116.13 the disputed licensing requirement until the commissioner has provided clarification to the
116.14 license holder about the licensing requirement.

116.15 (e) The commissioner or the county shall inspect at least once each calendar year a child
116.16 care provider licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for
116.17 compliance with applicable licensing standards.

116.18 (f) The commissioner shall make publicly available on the department's website the
116.19 results of inspection reports of all child care providers licensed under this chapter and under
116.20 Minnesota Rules, chapter 9502 or 9503, and the number of deaths, serious injuries, and
116.21 instances of substantiated child maltreatment that occurred in licensed child care settings
116.22 each year.

116.23 Subd. 12. **Commissioner's right of access.** (a) When the commissioner is exercising
116.24 the powers conferred by this chapter, section 626.557, and chapter 260E, the commissioner
116.25 must be given access to:

116.26 (1) the physical plant and grounds where the program is provided;

116.27 (2) documents and records, including records maintained in electronic format;

116.28 (3) persons served by the program; and

116.29 (4) staff and personnel records of current and former staff whenever the program is in
116.30 operation and the information is relevant to inspections or investigations conducted by the
116.31 commissioner. Upon request, the license holder must provide the commissioner verification
116.32 of documentation of staff work experience, training, or educational requirements.

117.1 The commissioner must be given access without prior notice and as often as the commissioner
117.2 considers necessary if the commissioner is investigating alleged maltreatment, conducting
117.3 a licensing inspection, or investigating an alleged violation of applicable laws or rules. In
117.4 conducting inspections, the commissioner may request and shall receive assistance from
117.5 other state, county, and municipal governmental agencies and departments. The applicant
117.6 or license holder shall allow the commissioner to photocopy, photograph, and make audio
117.7 and video recordings during the inspection of the program at the commissioner's expense.
117.8 The commissioner shall obtain a court order or the consent of the subject of the records or
117.9 the parents or legal guardian of the subject before photocopying hospital medical records.

117.10 (b) Persons served by the program have the right to refuse to consent to be interviewed,
117.11 photographed, or audio or video recorded. Failure or refusal of an applicant or license holder
117.12 to fully comply with this subdivision is reasonable cause for the commissioner to deny the
117.13 application or immediately suspend or revoke the license.

117.14 Subd. 13. **Commissioner's evaluation.** (a) Before issuing, denying, suspending, revoking,
117.15 or making conditional a license, the commissioner shall evaluate information gathered under
117.16 this section. The commissioner's evaluation shall consider the applicable requirements of
117.17 statutes and rules for the program or services for which the applicant seeks a license,
117.18 including the disqualification standards set forth in chapter 245C, and shall evaluate facts,
117.19 conditions, or circumstances concerning:

117.20 (1) the program's operation;

117.21 (2) the well-being of persons served by the program;

117.22 (3) available evaluations of the program by persons receiving services;

117.23 (4) information about the qualifications of the personnel employed by the applicant or
117.24 license holder; and

117.25 (5) the applicant's or license holder's ability to demonstrate competent knowledge of the
117.26 applicable requirements of statutes and rules, including this chapter and chapter 245C, for
117.27 which the applicant seeks a license or the license holder is licensed.

117.28 (b) The commissioner shall review the results of the study required in subdivision 4 and
117.29 determine whether the commissioner of human services correctly determined whether a
117.30 risk of harm to the person served by the program exists under the standards set forth in
117.31 chapter 245C.

117.32 Subd. 14. **Grant of license; license extension.** (a) If the commissioner determines that
117.33 the program complies with all applicable rules and laws, the commissioner shall issue a

118.1 license consistent with this section or, if applicable, a temporary change of ownership license
118.2 under section 142B.11. At minimum, the license shall state:

118.3 (1) the name of the license holder;

118.4 (2) the address of the program;

118.5 (3) the effective date and expiration date of the license;

118.6 (4) the type of license;

118.7 (5) the maximum number and ages of persons that may receive services from the program;

118.8 and

118.9 (6) any special conditions of licensure.

118.10 (b) The commissioner may issue a license for a period not to exceed two years if:

118.11 (1) the commissioner is unable to conduct the observation required by subdivision 11,

118.12 paragraph (a), clause (3), because the program is not yet operational;

118.13 (2) certain records and documents are not available because persons are not yet receiving

118.14 services from the program; and

118.15 (3) the applicant complies with applicable laws and rules in all other respects.

118.16 (c) A decision by the commissioner to issue a license does not guarantee that any person

118.17 or persons will be placed or cared for in the licensed program.

118.18 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a

118.19 license if the applicant, license holder, or an affiliated controlling individual has:

118.20 (1) been disqualified and the disqualification was not set aside and no variance has been

118.21 granted;

118.22 (2) been denied a license under this chapter or chapter 245A within the past two years;

118.23 (3) had a license issued under this chapter or chapter 245A revoked within the past five

118.24 years; or

118.25 (4) failed to submit the information required of an applicant under subdivision 1,

118.26 paragraph (f), (g), or (h), after being requested by the commissioner.

118.27 When a license issued under this chapter or chapter 245A is revoked, the license holder

118.28 and each affiliated controlling individual with a revoked license may not hold any license

118.29 under chapter 142B for five years following the revocation, and other licenses held by the

119.1 applicant or license holder or licenses affiliated with each controlling individual shall also
119.2 be revoked.

119.3 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
119.4 affiliated with a license holder or controlling individual that had a license revoked within
119.5 the past five years if the commissioner determines that (1) the license holder or controlling
119.6 individual is operating the program in substantial compliance with applicable laws and rules
119.7 and (2) the program's continued operation is in the best interests of the community being
119.8 served.

119.9 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
119.10 to an application that is affiliated with an applicant, license holder, or controlling individual
119.11 that had an application denied within the past two years or a license revoked within the past
119.12 five years if the commissioner determines that (1) the applicant or controlling individual
119.13 has operated one or more programs in substantial compliance with applicable laws and rules
119.14 and (2) the program's operation would be in the best interests of the community to be served.

119.15 (g) In determining whether a program's operation would be in the best interests of the
119.16 community to be served, the commissioner shall consider factors such as the number of
119.17 persons served, the availability of alternative services available in the surrounding
119.18 community, the management structure of the program, whether the program provides
119.19 culturally specific services, and other relevant factors.

119.20 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
119.21 living in the household where the services will be provided as specified under section
119.22 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
119.23 and no variance has been granted.

119.24 (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
119.25 under this chapter has been suspended or revoked and the suspension or revocation is under
119.26 appeal, the program may continue to operate pending a final order from the commissioner.
119.27 If the license under suspension or revocation will expire before a final order is issued, a
119.28 temporary provisional license may be issued provided any applicable license fee is paid
119.29 before the temporary provisional license is issued.

119.30 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
119.31 a controlling individual or license holder, and the controlling individual or license holder
119.32 is ordered under section 245C.17 to be immediately removed from direct contact with
119.33 persons receiving services or is ordered to be under continuous, direct supervision when
119.34 providing direct contact services, the program may continue to operate only if the program

120.1 complies with the order and submits documentation demonstrating compliance with the
120.2 order. If the disqualified individual fails to submit a timely request for reconsideration, or
120.3 if the disqualification is not set aside and no variance is granted, the order to immediately
120.4 remove the individual from direct contact or to be under continuous, direct supervision
120.5 remains in effect pending the outcome of a hearing and final order from the commissioner.

120.6 (k) For purposes of reimbursement for meals only, under the Child and Adult Care Food
120.7 Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226,
120.8 relocation within the same county by a licensed family day care provider, shall be considered
120.9 an extension of the license for a period of no more than 30 calendar days or until the new
120.10 license is issued, whichever occurs first, provided the county agency has determined the
120.11 family day care provider meets licensure requirements at the new location.

120.12 (l) Unless otherwise specified by statute, all licenses issued under this chapter expire at
120.13 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
120.14 apply for and be granted a new license to operate the program or the program must not be
120.15 operated after the expiration date.

120.16 (m) The commissioner shall not issue or reissue a license under this chapter if it has
120.17 been determined that a tribal licensing authority has established jurisdiction to license the
120.18 program or service.

120.19 (n) The commissioner of children, youth, and families shall coordinate and share data
120.20 with the commissioner of human services to enforce this section.

120.21 Subd. 15. **Notification required.** (a) A license holder must notify the commissioner, in
120.22 a manner prescribed by the commissioner, and obtain the commissioner's approval before
120.23 making any change that would alter the license information listed under subdivision 14,
120.24 paragraph (a).

120.25 (b) A license holder must also notify the commissioner, in a manner prescribed by the
120.26 commissioner, before making any change:

120.27 (1) to the license holder's authorized agent as defined in section 142B.01, subdivision
120.28 5;

120.29 (2) to the license holder's controlling individual as defined in section 142B.01, subdivision
120.30 8;

120.31 (3) to the license holder information on file with the secretary of state;

120.32 (4) in the location of the program or service licensed under this chapter; and

121.1 (5) to the federal or state tax identification number associated with the license holder.

121.2 (c) When, for reasons beyond the license holder's control, a license holder cannot provide
121.3 the commissioner with prior notice of the changes in paragraph (b), clauses (1) to (3), the
121.4 license holder must notify the commissioner by the tenth business day after the change and
121.5 must provide any additional information requested by the commissioner.

121.6 (d) When a license holder notifies the commissioner of a change to the license holder
121.7 information on file with the secretary of state, the license holder must provide amended
121.8 articles of incorporation and other documentation of the change.

121.9 (e) Upon implementation of the provider licensing and reporting hub, license holders
121.10 must enter and update information in the hub in a manner prescribed by the commissioner.

121.11 Subd. 16. **Variances.** (a) The commissioner may grant variances to rules that do not
121.12 affect the health or safety of persons in a licensed program if the following conditions are
121.13 met:

121.14 (1) the variance must be requested by an applicant or license holder on a form and in a
121.15 manner prescribed by the commissioner;

121.16 (2) the request for a variance must include the reasons that the applicant or license holder
121.17 cannot comply with a requirement as stated in the rule and the alternative equivalent measures
121.18 that the applicant or license holder will follow to comply with the intent of the rule; and

121.19 (3) the request must state the period of time for which the variance is requested.

121.20 The commissioner may grant a permanent variance when conditions under which the variance
121.21 is requested do not affect the health or safety of persons being served by the licensed program,
121.22 nor compromise the qualifications of staff to provide services. The permanent variance shall
121.23 expire as soon as the conditions that warranted the variance are modified in any way. Any
121.24 applicant or license holder must inform the commissioner of any changes or modifications
121.25 that have occurred in the conditions that warranted the permanent variance. Failure to advise
121.26 the commissioner shall result in revocation of the permanent variance and may be cause for
121.27 other sanctions under sections 142B.17 and 142B.18.

121.28 The commissioner's decision to grant or deny a variance request is final and not subject to
121.29 appeal under the provisions of chapter 14.

121.30 (b) The commissioner shall consider variances for child care center staff qualification
121.31 requirements under Minnesota Rules, parts 9503.0032 and 9503.0033, that do not affect
121.32 the health and safety of children served by the center. A variance request must be submitted
121.33 to the commissioner in accordance with paragraph (a) and must include a plan for the staff

122.1 person to gain additional experience, education, or training, as requested by the commissioner.
122.2 When reviewing a variance request under this section, the commissioner shall consider the
122.3 staff person's level of professional development, including but not limited to steps completed
122.4 on the Minnesota career lattice.

122.5 (c) Counties shall use a uniform application form developed by the commissioner for
122.6 variance requests by family child care license holders.

122.7 **Subd. 17. Education program; permitted ages; additional requirement.** (a) A program
122.8 licensed by the commissioner under Minnesota Rules, chapter 2960, may serve a person
122.9 who is over the age of 18 but under the age of 21 if the person is:

122.10 (1) completing secondary education or a program leading to an equivalent credential;

122.11 (2) enrolled in an institution that provides postsecondary or vocational education;

122.12 (3) participating in a program or activity designed to promote or remove barriers to
122.13 employment;

122.14 (4) employed for at least 80 hours per month; or

122.15 (5) incapable of doing any of the activities described in clauses (1) to (4) due to a medical
122.16 condition, which incapability is supported by regularly updated information in the case plan
122.17 of the person.

122.18 (b) Nothing in this subdivision precludes the license holder from seeking other variances
122.19 under subdivision 16.

122.20 **Subd. 18. Funds and property; other requirements.** (a) A license holder must ensure
122.21 that persons served by the program retain the use and availability of personal funds or
122.22 property unless restrictions are justified in the person's individual plan.

122.23 (b) The license holder must ensure separation of funds of persons served by the program
122.24 from funds of the license holder, the program, or program staff.

122.25 (c) Whenever the license holder assists a person served by the program with the
122.26 safekeeping of funds or other property, the license holder must:

122.27 (1) immediately document receipt and disbursement of the person's funds or other
122.28 property at the time of receipt or disbursement, including the person's signature, or the
122.29 signature of the conservator or payee; and

122.30 (2) return to the person upon the person's request, funds and property in the license
122.31 holder's possession subject to restrictions in the person's treatment plan, as soon as possible,
122.32 but no later than three working days after the date of request.

- 123.1 (d) License holders and program staff must not:
- 123.2 (1) borrow money from a person served by the program;
- 123.3 (2) purchase personal items from a person served by the program;
- 123.4 (3) sell merchandise or personal services to a person served by the program;
- 123.5 (4) require a person served by the program to purchase items for which the license holder
- 123.6 is eligible for reimbursement; or
- 123.7 (5) use funds of persons served by the program to purchase items for which the facility
- 123.8 is already receiving public or private payments.

123.9 Subd. 19. **Policies and procedures for program administration required and**

123.10 **enforceable.** (a) The license holder shall develop program policies and procedures necessary

123.11 to maintain compliance with licensing requirements under Minnesota Statutes and Minnesota

123.12 Rules.

123.13 (b) The license holder shall:

- 123.14 (1) provide training to program staff related to their duties in implementing the program's
- 123.15 policies and procedures developed under paragraph (a);
- 123.16 (2) document the provision of this training; and
- 123.17 (3) monitor implementation of policies and procedures by program staff.

123.18 (c) The license holder shall keep program policies and procedures readily accessible to

123.19 staff and index the policies and procedures with a table of contents or another method

123.20 approved by the commissioner.

123.21 Subd. 20. **Pandemic planning.** Upon request, the license holder must cooperate with

123.22 state and local government disaster planning agencies working to prepare for or react to

123.23 emergencies presented by a pandemic outbreak.

123.24 Subd. 21. **Plan for transfer of clients and records upon closure.** (a) Except for license

123.25 holders who reside on the premises and child care providers, an applicant for initial or

123.26 continuing licensure or certification must submit a written plan indicating how the program

123.27 will ensure the transfer of clients and records for both open and closed cases if the program

123.28 closes. The plan must provide for managing private and confidential information concerning

123.29 program clients. The plan must also provide for notifying affected clients of the closure at

123.30 least 25 days prior to closure, including information on how to access their records. A

123.31 controlling individual of the program must annually review and sign the plan.

(b) Plans for the transfer of open cases and case records must specify arrangements the program will make to transfer clients to another provider or county agency for continuation of services and to transfer the case record with the client.

(c) Plans for the transfer of closed case records must be accompanied by a signed agreement or other documentation indicating that a county or a similarly licensed provider has agreed to accept and maintain the program's closed case records and to provide follow-up services as necessary to affected clients.

Subd. 22. **Program policy; reporting a death in the program.** Unless such reporting is otherwise already required under statute or rule, programs licensed under this chapter must have a written policy for reporting the death of an individual served by the program to the commissioner of children, youth, and families. Within 24 hours of receiving knowledge of the death of an individual served by the program, the license holder shall notify the commissioner of the individual's death. If the license holder has reason to know that the death has been reported to the commissioner, a subsequent report is not required.

Sec. 6. **[142B.11] LICENSE APPLICATION AFTER CHANGE OF OWNERSHIP.**

Subdivision 1. **Transfer prohibited.** A license issued under this chapter is only valid for a premises and individual, organization, or government entity identified by the commissioner on the license. A license is not transferable or assignable.

Subd. 2. **Change in ownership.** (a) If the commissioner determines that there is a change in ownership, the commissioner shall require submission of a new license application. This subdivision does not apply to a licensed program or service located in a home where the license holder resides. A change in ownership occurs when:

(1) the license holder sells or transfers 100 percent of the property, stock, or assets;

(2) the license holder merges with another organization;

(3) the license holder consolidates with two or more organizations, resulting in the creation of a new organization;

(4) there is a change to the federal tax identification number associated with the license holder; or

(5) all controlling individuals associated with the original application have changed.

(b) Notwithstanding paragraph (a), clauses (1) and (5), no change in ownership has occurred if at least one controlling individual has been listed as a controlling individual for the license for at least the previous 12 months.

125.1 Subd. 3. **Change of ownership process.** (a) When a change in ownership is proposed
125.2 and the party intends to assume operation without an interruption in service longer than 60
125.3 days after acquiring the program or service, the license holder must provide the commissioner
125.4 with written notice of the proposed change on a form provided by the commissioner at least
125.5 60 days before the anticipated date of the change in ownership. For purposes of this
125.6 subdivision and subdivision 4, "party" means the party that intends to operate the service
125.7 or program.

125.8 (b) The party must submit a license application under this chapter on the form and in
125.9 the manner prescribed by the commissioner at least 30 days before the change in ownership
125.10 is complete and must include documentation to support the upcoming change. The party
125.11 must comply with background study requirements under chapter 245C and shall pay the
125.12 application fee required under section 245A.10.

125.13 (c) The commissioner may streamline application procedures when the party is an existing
125.14 license holder under this chapter and is acquiring a program licensed under this chapter or
125.15 service in the same service class as one or more licensed programs or services the party
125.16 operates and those licenses are in substantial compliance. For purposes of this subdivision,
125.17 "substantial compliance" means within the previous 12 months the commissioner did not
125.18 (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make
125.19 a license held by the party conditional according to section 245A.06.

125.20 (d) Except when a temporary change in ownership license is issued pursuant to
125.21 subdivision 4, the existing license holder is solely responsible for operating the program
125.22 according to applicable laws and rules until a license under this chapter is issued to the
125.23 party.

125.24 (e) If a licensing inspection of the program or service was conducted within the previous
125.25 12 months and the existing license holder's license record demonstrates substantial
125.26 compliance with the applicable licensing requirements, the commissioner may waive the
125.27 party's inspection required by section 245A.04, subdivision 4. The party must submit to the
125.28 commissioner (1) proof that the premises was inspected by a fire marshal or that the fire
125.29 marshal deemed that an inspection was not warranted, and (2) proof that the premises was
125.30 inspected for compliance with the building code or that no inspection was deemed warranted.

125.31 (f) If the party is seeking a license for a program or service that has an outstanding action
125.32 under section 245A.06 or 245A.07, the party must submit a letter as part of the application
125.33 process identifying how the party has or will come into full compliance with the licensing
125.34 requirements.

(g) The commissioner shall evaluate the party's application according to section 245A.04, subdivision 6. If the commissioner determines that the party has remedied or demonstrates the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has determined that the program otherwise complies with all applicable laws and rules, the commissioner shall issue a license or conditional license under this chapter. The conditional license remains in effect until the commissioner determines that the grounds for the action are corrected or no longer exist.

(h) The commissioner may deny an application as provided in section 245A.05. An applicant whose application was denied by the commissioner may appeal the denial according to section 245A.05.

(i) This subdivision does not apply to a licensed program or service located in a home where the license holder resides.

Subd. 4. Temporary change in ownership license. (a) After receiving the party's application pursuant to subdivision 3, upon the written request of the existing license holder and the party, the commissioner may issue a temporary change in ownership license to the party while the commissioner evaluates the party's application. Until a decision is made to grant or deny a license under this chapter, the existing license holder and the party shall both be responsible for operating the program or service according to applicable laws and rules, and the sale or transfer of the existing license holder's ownership interest in the licensed program or service does not terminate the existing license.

(b) The commissioner may issue a temporary change in ownership license when a license holder's death, divorce, or other event affects the ownership of the program and an applicant seeks to assume operation of the program or service to ensure continuity of the program or service while a license application is evaluated.

(c) This subdivision applies to any program or service licensed under this chapter.

Sec. 7. [142B.12] FEES.

Subdivision 1. Application or license fee required, programs exempt from fee. (a) Unless exempt under paragraph (b), the commissioner shall charge a fee for evaluation of applications and inspection of programs that are licensed under this chapter.

(b) Except as provided under subdivision 2, no application or license fee shall be charged for child foster care or family and group family child care.

Subd. 2. County fees for applications and licensing inspections. (a) A county agency may charge a license fee to an applicant or license holder not to exceed \$50 for a one-year license or \$100 for a two-year license.

(b) Counties may allow providers to pay the applicant fee in paragraph (a) on an installment basis for up to one year. If the provider is receiving child care assistance payments from the state, the provider may have the fee under paragraph (a) deducted from the child care assistance payments for up to one year and the state shall reimburse the county for the county fees collected in this manner.

(c) For purposes of child foster care licensing under this chapter, a county agency may charge a fee to a corporate applicant or corporate license holder to recover the actual cost of licensing inspections, not to exceed \$500 annually.

(d) Counties may elect to reduce or waive the fees in paragraph (c) under the following circumstances:

(1) in cases of financial hardship;

(2) if the county has a shortage of providers in the county's area; or

(3) for new providers.

Subd. 3. Application fee for initial license. (a) For fees required under subdivision 1, an applicant for an initial license issued by the commissioner shall submit a \$500 application fee with each new application required under this subdivision. The application fee shall not be prorated, is nonrefundable, and is in lieu of the annual license fee that expires on December 31. The commissioner shall not process an application until the application fee is paid.

(b) An applicant shall apply for a license to provide services at a specific location, except an applicant for a license for a private agency to provide foster care or adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, shall submit a single application to provide services statewide.

Subd. 4. License fee for certain programs. (a) Child care centers shall pay an annual nonrefundable license fee based on the following schedule:

<u>Licensed Capacity</u>	<u>Child Care Center License Fee</u>
<u>1 to 24 persons</u>	<u>\$200</u>
<u>25 to 49 persons</u>	<u>\$300</u>
<u>50 to 74 persons</u>	<u>\$400</u>
<u>75 to 99 persons</u>	<u>\$500</u>

128.1	<u>100 to 124 persons</u>	<u>\$600</u>
128.2	<u>125 to 149 persons</u>	<u>\$700</u>
128.3	<u>150 to 174 persons</u>	<u>\$800</u>
128.4	<u>175 to 199 persons</u>	<u>\$900</u>
128.5	<u>200 to 224 persons</u>	<u>\$1,000</u>
128.6	<u>225 or more persons</u>	<u>\$1,100</u>

128.7 (b) A private agency licensed to provide foster care and adoption services under
 128.8 Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable license
 128.9 fee of \$875.

128.10 Subd. 5. **License not issued until license fee is paid.** The commissioner shall not issue
 128.11 or reissue a license until the license fee is paid. The commissioner shall send a bill for the
 128.12 license fee to the billing address identified by the license holder. If the license holder does
 128.13 not submit the license fee payment by the due date, the commissioner shall send the license
 128.14 holder a past due notice. If the license holder fails to pay the license fee by the due date on
 128.15 the past due notice, the commissioner shall send a final notice to the license holder informing
 128.16 the license holder that the program license will expire on December 31 unless the license
 128.17 fee is paid before December 31. If a license expires, the program is no longer licensed and,
 128.18 unless exempt from licensure under section 142B.05, subdivision 2, must not operate after
 128.19 the expiration date. After a license expires, if the former license holder wishes to provide
 128.20 licensed services, the former license holder must submit a new license application and
 128.21 application fee under subdivision 3.

128.22 Subd. 6. **Children, youth, and families licensing fees to recover**
 128.23 **expenditures.** Notwithstanding section 16A.1285, subdivision 2, related to activities for
 128.24 which the commissioner charges a fee, the commissioner must plan to fully recover direct
 128.25 expenditures for licensing activities under this chapter over a five-year period. The
 128.26 commissioner may have anticipated expenditures in excess of anticipated revenues in a
 128.27 biennium by using surplus revenues accumulated in previous bienniums.

128.28 Subd. 7. **Deposit of license fees.** A children, youth, and families licensing account is
 128.29 created in the state government special revenue fund. Fees collected under subdivisions 3
 128.30 and 4 must be deposited in the children, youth, and families licensing account and are
 128.31 annually appropriated to the commissioner for licensing activities authorized under this
 128.32 chapter.

128.33 Subd. 8. **License not reissued until outstanding debt is paid.** The commissioner shall
 128.34 not reissue a license until the license holder has paid all outstanding debts related to a
 128.35 licensing fine or settlement agreement for which payment is delinquent. If the payment is

129.1 past due, the commissioner shall send a past due notice informing the license holder that
129.2 the program license will expire on December 31 unless the outstanding debt is paid before
129.3 December 31. If a license expires, the program is no longer licensed and must not operate
129.4 after the expiration date. After a license expires, if the former license holder wishes to
129.5 provide licensed services, the former license holder must submit a new license application
129.6 and application fee under subdivision 3.

129.7 Sec. 8. **[142B.15] DENIAL OF APPLICATION.**

129.8 (a) The commissioner may deny a license if an applicant or controlling individual:

129.9 (1) fails to submit a substantially complete application after receiving notice from the
129.10 commissioner under section 142B.10, subdivision 1;

129.11 (2) fails to comply with applicable laws or rules;

129.12 (3) knowingly withholds relevant information from or gives false or misleading
129.13 information to the commissioner in connection with an application for a license or during
129.14 an investigation;

129.15 (4) has a disqualification that has not been set aside under section 245C.22 and no
129.16 variance has been granted;

129.17 (5) has an individual living in the household who received a background study under
129.18 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
129.19 has not been set aside under section 245C.22, and no variance has been granted;

129.20 (6) is associated with an individual who received a background study under section
129.21 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
129.22 children or vulnerable adults, and who has a disqualification that has not been set aside
129.23 under section 245C.22, and no variance has been granted;

129.24 (7) fails to comply with section 142B.10, subdivision 1, paragraph (f) or (g);

129.25 (8) fails to demonstrate competent knowledge as required by section 142B.10, subdivision
129.26 13;

129.27 (9) has a history of noncompliance as a license holder or controlling individual with
129.28 applicable laws or rules, including but not limited to this chapter and chapters 142E, 245A,
129.29 and 245C;

129.30 (10) is prohibited from holding a license according to section 142A.12 or 245.095; or

(11) for a family foster setting, has or has an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study who has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the applicant's ability to safely provide care to foster children.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 142B.20 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 9. [142B.16] CORRECTION ORDER AND CONDITIONAL LICENSE.

Subdivision 1. Contents of correction orders and conditional licenses. (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program. The correction order or conditional license must state the following in plain language:

(1) the conditions that constitute a violation of the law or rule;

(2) the specific law or rule violated;

(3) the time allowed to correct each violation; and

(4) if a license is made conditional, the length and terms of the conditional license, and the reasons for making the license conditional.

(b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 142B.18, prior to issuing a correction order or conditional license.

(c) The commissioner may issue a correction order and an order of conditional license to the applicant or license holder through the provider licensing and reporting hub.

Subd. 2. Reconsideration of correction orders. (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the Department of Children, Youth, and Families to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner within 20 calendar days after receipt of the correction order by the applicant or license holder or submitted in the provider licensing and reporting hub within 20 calendar days from the date the commissioner issued the order through the hub, and:

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

(2) explain why they are in error; and

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

Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

(b) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

(1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and

(2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

Subd. 3. Failure to comply. If the commissioner finds that the applicant or license holder has not corrected the violations specified in the correction order or conditional license, the commissioner may impose a fine and order other licensing sanctions pursuant to section 142B.18.

132.1 Subd. 4. **Notice of conditional license; reconsideration of conditional license.** (a) If

132.2 a license is made conditional, the license holder must be notified of the order by certified
132.3 mail, by personal service, or through the provider licensing and reporting hub. If mailed,
132.4 the notice must be mailed to the address shown on the application or the last known address
132.5 of the license holder. The notice must state the reasons the conditional license was ordered
132.6 and must inform the license holder of the right to request reconsideration of the conditional
132.7 license by the commissioner. The license holder may request reconsideration of the order
132.8 of conditional license by notifying the commissioner by certified mail, by personal service,
132.9 or through the provider licensing and reporting hub. The request must be made in writing.
132.10 If sent by certified mail, the request must be postmarked and sent to the commissioner within
132.11 ten calendar days after the license holder received the order. If a request is made by personal
132.12 service, it must be received by the commissioner within ten calendar days after the license
132.13 holder received the order. If the order is issued through the provider hub, the request must
132.14 be received by the commissioner within ten calendar days from the date the commissioner
132.15 issued the order through the hub. The license holder may submit with the request for
132.16 reconsideration written argument or evidence in support of the request for reconsideration.
132.17 A timely request for reconsideration shall stay imposition of the terms of the conditional
132.18 license until the commissioner issues a decision on the request for reconsideration. If the
132.19 commissioner issues a dual order of conditional license under this section and an order to
132.20 pay a fine under section 142B.18, subdivision 6, the license holder has a right to a contested
132.21 case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The
132.22 scope of the contested case hearing shall include the fine and the conditional license. In this
132.23 case, a reconsideration of the conditional license will not be conducted under this section.
132.24 If the license holder does not appeal the fine, the license holder does not have a right to a
132.25 contested case hearing and a reconsideration of the conditional license must be conducted
132.26 under this subdivision.

132.27 (b) The commissioner's disposition of a request for reconsideration is final and not
132.28 subject to appeal under chapter 14.

132.29 Sec. 10. **[142B.18] SANCTIONS.**

132.30 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
132.31 under section 142B.16, the commissioner may suspend or revoke the license, impose a fine,
132.32 or secure an injunction against the continuing operation of the program of a license holder
132.33 who:

132.34 (1) does not comply with applicable law or rule;

(2) has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children; or

(3) has an individual living in the household where the licensed services are provided or is otherwise subject to a background study, and the individual has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.

When applying sanctions authorized under this section, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(b) If a license holder appeals the suspension or revocation of a license and the license holder continues to operate the program pending a final order on the appeal, the commissioner shall issue the license holder a temporary provisional license. Unless otherwise specified by the commissioner, variances in effect on the date of the license sanction under appeal continue under the temporary provisional license. If a license holder fails to comply with applicable law or rule while operating under a temporary provisional license, the commissioner may impose additional sanctions under this section and section 142B.16 and may terminate any prior variance. If a temporary provisional license is set to expire, a new temporary provisional license shall be issued to the license holder upon payment of any fee required under section 142B.12. The temporary provisional license shall expire on the date the final order is issued. If the license holder prevails on the appeal, a new nonprovisional license shall be issued for the remainder of the current license period.

(c) If a license holder is under investigation and the license issued under this chapter is due to expire before completion of the investigation, the program shall be issued a new license upon completion of the reapplication requirements and payment of any applicable license fee. Upon completion of the investigation, a licensing sanction may be imposed against the new license under this section or section 142B.16 or 142B.20.

(d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

Subd. 2. Temporary immediate suspension. (a) The commissioner shall act immediately to temporarily suspend a license issued under this chapter if:

(1) the license holder's actions or failure to comply with applicable law or rule, or the actions of other individuals or conditions in the program, pose an imminent risk of harm to the health, safety, or rights of persons served by the program;

(2) while the program continues to operate pending an appeal of an order of revocation, the commissioner identifies one or more subsequent violations of law or rule that may adversely affect the health or safety of persons served by the program; or

(3) the license holder is criminally charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner.

(b) No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under this chapter while a license issued under this chapter is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612, must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail, personal service, or other means expressly set forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. If a request is made by personal service, it must be received by the commissioner within five calendar days after the license holder received the order. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

Subd. 3. **Immediate suspension expedited hearing.** (a) Within five working days of receipt of the license holder's timely appeal, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten working days before the hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary immediate suspension should remain in effect pending the commissioner's final order under section 142B.20, regarding a licensing sanction issued under subdivision 5 following the immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the burden of proof in expedited hearings under this subdivision shall be limited to the

135.1 commissioner's demonstration that reasonable cause exists to believe that the license holder's
135.2 actions or failure to comply with applicable law or rule poses, or the actions of other
135.3 individuals or conditions in the program poses an imminent risk of harm to the health, safety,
135.4 or rights of persons served by the program. "Reasonable cause" means there exist specific
135.5 articulable facts or circumstances that provide the commissioner with a reasonable suspicion
135.6 that there is an imminent risk of harm to the health, safety, or rights of persons served by
135.7 the program. When the commissioner has determined there is reasonable cause to order the
135.8 temporary immediate suspension of a license based on a violation of safe sleep requirements,
135.9 as defined in section 142B.46, the commissioner is not required to demonstrate that an infant
135.10 died or was injured as a result of the safe sleep violations. For suspensions under subdivision
135.11 2, paragraph (a), clause (2), the burden of proof in expedited hearings under this subdivision
135.12 shall be limited to the commissioner's demonstration by a preponderance of the evidence
135.13 that, since the license was revoked, the license holder committed additional violations of
135.14 law or rule that may adversely affect the health or safety of persons served by the program.

135.15 (b) The administrative law judge shall issue findings of fact, conclusions, and a
135.16 recommendation within ten working days from the date of hearing. The parties shall have
135.17 ten calendar days to submit exceptions to the administrative law judge's report. The record
135.18 shall close at the end of the ten-day period for submission of exceptions. The commissioner's
135.19 final order shall be issued within ten working days from the close of the record. When an
135.20 appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner
135.21 shall issue a final order affirming the temporary immediate suspension within ten calendar
135.22 days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days
135.23 after an immediate suspension has been issued and the license holder has not submitted a
135.24 timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final
135.25 order affirming an immediate suspension, the commissioner shall determine:

135.26 (1) whether a final licensing sanction shall be issued under subdivision 5, paragraph (a),
135.27 clauses (1) to (6). The license holder shall continue to be prohibited from operation of the
135.28 program during this 90-day period; or

135.29 (2) whether the outcome of related, ongoing investigations or judicial proceedings are
135.30 necessary to determine if a final licensing sanction under subdivision 5, paragraph (a),
135.31 clauses (1) to (6), will be issued and whether persons served by the program remain at an
135.32 imminent risk of harm during the investigation period or proceedings. If so, the commissioner
135.33 shall issue a suspension order under subdivision 5, paragraph (a), clause (7).

135.34 (c) When the final order under paragraph (b) affirms an immediate suspension, or the
135.35 license holder does not submit a timely appeal of the immediate suspension, and a final

136.1 licensing sanction is issued under subdivision 5 and the license holder appeals that sanction,
136.2 the license holder continues to be prohibited from operation of the program pending a final
136.3 commissioner's order under section 142B.20, subdivision 6, regarding the final licensing
136.4 sanction.

136.5 (d) The license holder shall continue to be prohibited from operation of the program
136.6 while a suspension order issued under paragraph (b), clause (2), remains in effect.

136.7 (e) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of proof
136.8 in expedited hearings under this subdivision shall be limited to the commissioner's
136.9 demonstration by a preponderance of the evidence that a criminal complaint and warrant
136.10 or summons was issued for the license holder that was not dismissed, and that the criminal
136.11 charge is an offense that involves fraud or theft against a program administered by the
136.12 commissioner.

136.13 Subd. 4. **Immediate suspension of residential programs.** For suspensions issued to a
136.14 licensed residential program as defined in section 142B.01, subdivision 24, the effective
136.15 date of the order may be delayed for up to 30 calendar days to provide for the continuity of
136.16 care of service recipients. The license holder must cooperate with the commissioner to
136.17 ensure service recipients receive continued care during the period of the delay and to facilitate
136.18 the transition of service recipients to new providers. In these cases, the suspension order
136.19 takes effect when all service recipients have been transitioned to a new provider or 30 days
136.20 after the suspension order was issued, whichever comes first.

136.21 Subd. 5. **License suspension, revocation, or fine.** (a) The commissioner may suspend
136.22 or revoke a license, or impose a fine if:

136.23 (1) a license holder fails to comply fully with applicable laws or rules including but not
136.24 limited to the requirements of this chapter and chapter 245C;

136.25 (2) a license holder, a controlling individual, or an individual living in the household
136.26 where the licensed services are provided or is otherwise subject to a background study has
136.27 been disqualified and the disqualification was not set aside and no variance has been granted;

136.28 (3) a license holder knowingly withholds relevant information from or gives false or
136.29 misleading information to the commissioner in connection with an application for a license,
136.30 in connection with the background study status of an individual, during an investigation,
136.31 or regarding compliance with applicable laws or rules;

136.32 (4) a license holder is excluded from any program administered by the commissioner
136.33 under section 142A.12;

137.1 (5) revocation is required under section 142B.10, subdivision 14, paragraph (d);

137.2 (6) for a family foster setting, a license holder, or an individual living in the household
137.3 where the licensed services are provided or who is otherwise subject to a background study,
137.4 has nondisqualifying background study information, as described in section 245C.05,
137.5 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
137.6 children; or

137.7 (7) suspension is necessary under subdivision 3, paragraph (b), clause (2).

137.8 A license holder who has had a license issued under this chapter suspended, revoked, or
137.9 has been ordered to pay a fine must be given notice of the action by certified mail, by
137.10 personal service, or through the provider licensing and reporting hub. If mailed, the notice
137.11 must be mailed to the address shown on the application or the last known address of the
137.12 license holder. The notice must state in plain language the reasons the license was suspended
137.13 or revoked, or a fine was ordered.

137.14 (b) If the license was suspended or revoked, the notice must inform the license holder
137.15 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
137.16 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
137.17 a license. The appeal of an order suspending or revoking a license must be made in writing
137.18 by certified mail, by personal service, or through the provider licensing and reporting hub.
137.19 If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar
137.20 days after the license holder receives notice that the license has been suspended or revoked.
137.21 If a request is made by personal service, it must be received by the commissioner within
137.22 ten calendar days after the license holder received the order. If the order is issued through
137.23 the provider hub, the appeal must be received by the commissioner within ten calendar days
137.24 from the date the commissioner issued the order through the hub. Except as provided in
137.25 subdivision 3, paragraph (c), if a license holder submits a timely appeal of an order
137.26 suspending or revoking a license, the license holder may continue to operate the program
137.27 as provided under section 142B.10, subdivision 14, paragraphs (i) and (j), until the
137.28 commissioner issues a final order on the suspension or revocation.

137.29 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
137.30 holder of the responsibility for payment of fines and the right to a contested case hearing
137.31 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
137.32 order to pay a fine must be made in writing by certified mail, by personal service, or through
137.33 the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent
137.34 to the commissioner within ten calendar days after the license holder receives notice that

the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of children, youth, and families, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail, by personal service, or through the provider licensing and reporting hub that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a child under chapter 260E for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit \$5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed \$1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and

139.1 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
139.2 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

139.3 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
139.4 selling, or otherwise transferring the licensed program to a third party. In such an event, the
139.5 license holder will be personally liable for payment. In the case of a corporation, each
139.6 controlling individual is personally and jointly liable for payment.

139.7 (d) Except for background study violations involving the failure to comply with an order
139.8 to immediately remove an individual or an order to provide continuous, direct supervision,
139.9 the commissioner shall not issue a fine under paragraph (c) relating to a background study
139.10 violation to a license holder who self-corrects a background study violation before the
139.11 commissioner discovers the violation. A license holder who has previously exercised the
139.12 provisions of this paragraph to avoid a fine for a background study violation may not avoid
139.13 a fine for a subsequent background study violation unless at least 365 days have passed
139.14 since the license holder self-corrected the earlier background study violation.

139.15 Subd. 6. **Appeal of multiple sanctions.** (a) When the license holder appeals more than
139.16 one licensing action or sanction that were simultaneously issued by the commissioner, the
139.17 license holder shall specify the actions or sanctions that are being appealed.

139.18 (b) If there are different timelines prescribed in statutes for the licensing actions or
139.19 sanctions being appealed, the license holder must submit the appeal within the longest of
139.20 those timelines specified in statutes.

139.21 (c) The appeal must be made in writing by certified mail or personal service. If mailed,
139.22 the appeal must be postmarked and sent to the commissioner within the prescribed timeline
139.23 with the first day beginning the day after the license holder receives the certified letter. If
139.24 a request is made by personal service, it must be received by the commissioner within the
139.25 prescribed timeline with the first day beginning the day after the license holder receives the
139.26 certified letter.

139.27 (d) When there are different timelines prescribed in statutes for the appeal of licensing
139.28 actions or sanctions simultaneously issued by the commissioner, the commissioner shall
139.29 specify in the notice to the license holder the timeline for appeal as specified under paragraph
139.30 (b).

139.31 Subd. 7. **Time frame for conducting hearing.** Within 15 working days of receipt of
139.32 the license holder's timely appeal of a sanction under this section other than a temporary
139.33 immediate suspension, the commissioner shall request assignment of an administrative law
139.34 judge. The commissioner's request must include a proposed date, time, and place of a hearing.

140.1 A hearing must be conducted by an administrative law judge within 90 calendar days of the
140.2 request for assignment, unless an extension is requested by either party and granted by the
140.3 administrative law judge for good cause or for purposes of discussing settlement. In no case
140.4 shall one or more extensions be granted for a total of more than 90 calendar days unless
140.5 there is a criminal or juvenile court action pending against the license holder or another
140.6 individual subject to a background study.

140.7 Sec. 11. **[142B.19] DISQUALIFIED INDIVIDUAL; DENIAL, CONDITIONAL**
140.8 **LICENSE, REVOCATION.**

140.9 (a) For the purpose of keeping a disqualified individual away from individuals receiving
140.10 services in a license holder's home, when the disqualified individual has not received a
140.11 set-aside and a variance has not been granted under chapter 245C, the commissioner may
140.12 issue:

140.13 (1) an order of denial of an application;

140.14 (2) an order of conditional license; or

140.15 (3) an order of revocation.

140.16 (b) An order issued by the commissioner under this section is subject to notice and appeal
140.17 rights provided under this chapter as follows:

140.18 (1) an order of denial of an application according to section 142B.15;

140.19 (2) an order of conditional license according to section 142B.16; and

140.20 (3) an order of revocation of a license according to section 142B.18.

140.21 Sec. 12. **[142B.20] HEARINGS.**

140.22 Subdivision 1. **Receipt of appeal; conduct of hearing.** Upon receiving a timely appeal
140.23 or petition pursuant to section 142B.15; 142B.18, subdivision 6; or 245C.28, the
140.24 commissioner shall issue a notice of and order for hearing to the appellant under chapter
140.25 14 and Minnesota Rules, parts 1400.8505 to 1400.8612.

140.26 Subd. 2. **Conduct of hearings.** At any hearing provided for by section 142B.15; 142B.18,
140.27 subdivision 6; or 245C.28, the appellant may be represented by counsel and has the right
140.28 to call, examine, and cross-examine witnesses. The administrative law judge may require
140.29 the presence of witnesses and evidence by subpoena on behalf of any party.

140.30 Subd. 3. **Consolidated contested case hearings.** (a) When a denial of a license under
140.31 section 142B.15 or a licensing sanction under section 142B.18, subdivision 6, is based on

141.1 a disqualification for which reconsideration was timely requested and which was not set
141.2 aside under section 245C.22, the scope of the contested case hearing shall include the
141.3 disqualification and the licensing sanction or denial of a license, unless otherwise specified
141.4 in this subdivision. When the licensing sanction or denial of a license is based on a
141.5 determination of maltreatment under section 626.557 or chapter 260E, or a disqualification
141.6 for serious or recurring maltreatment that was not set aside, the scope of the contested case
141.7 hearing shall include the maltreatment determination, disqualification, and the licensing
141.8 sanction or denial of a license, unless otherwise specified in this subdivision. In these cases,
141.9 a fair hearing under section 142A.20 shall not be conducted as provided in sections 245C.27,
141.10 260E.33, and 626.557, subdivision 9d.

141.11 (b) Except for family child care and child foster care, reconsideration of a maltreatment
141.12 determination under sections 260E.33 and 626.557, subdivision 9d, and reconsideration of
141.13 a disqualification under section 245C.22, shall not be conducted when:

141.14 (1) a denial of a license under section 142B.15, or a licensing sanction under section
141.15 142B.18, is based on a determination that the license holder is responsible for maltreatment
141.16 or the disqualification of a license holder is based on serious or recurring maltreatment;

141.17 (2) the denial of a license or licensing sanction is issued at the same time as the
141.18 maltreatment determination or disqualification; and

141.19 (3) the license holder appeals the maltreatment determination or disqualification, and
141.20 denial of a license or licensing sanction. In these cases, a fair hearing shall not be conducted
141.21 under sections 245C.27, 260E.33, and 626.557, subdivision 9d. The scope of the contested
141.22 case hearing must include the maltreatment determination, disqualification, and denial of
141.23 a license or licensing sanction.

141.24 Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment
141.25 determination or disqualification, but does not appeal the denial of a license or a licensing
141.26 sanction, reconsideration of the maltreatment determination shall be conducted under sections
141.27 260E.33 and 626.557, subdivision 9d, and reconsideration of the disqualification shall be
141.28 conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as
141.29 provided under sections 245C.27, 260E.33, and 626.557, subdivision 9d.

141.30 (c) In consolidated contested case hearings regarding sanctions issued in family child
141.31 care and child foster care, the county attorney shall defend the commissioner's orders in
141.32 accordance with section 142B.30, subdivision 4.

141.33 (d) The commissioner's final order under subdivision 6 is the final agency action on the
141.34 issue of maltreatment and disqualification, including for purposes of subsequent background

142.1 studies under chapter 245C and is the only administrative appeal of the final agency
142.2 determination, including a challenge to the accuracy and completeness of data under section
142.3 13.04.

142.4 (e) When consolidated hearings under this subdivision involve a licensing sanction based
142.5 on a previous maltreatment determination for which the commissioner has issued a final
142.6 order in an appeal of that determination under section 142A.20 or the individual failed to
142.7 exercise the right to appeal the previous maltreatment determination under section 260E.33
142.8 or 626.557, subdivision 9d, the commissioner's order is conclusive on the issue of
142.9 maltreatment. In such cases, the scope of the administrative law judge's review shall be
142.10 limited to the disqualification and the licensing sanction or denial of a license. In the case
142.11 of a denial of a license or a licensing sanction issued to a facility based on a maltreatment
142.12 determination regarding an individual who is not the license holder or a household member,
142.13 the scope of the administrative law judge's review includes the maltreatment determination.

142.14 (f) The hearings of all parties may be consolidated into a single contested case hearing
142.15 upon consent of all parties and the administrative law judge, if:

142.16 (1) a maltreatment determination or disqualification that was not set aside under section
142.17 245C.22 is the basis for a denial of a license under section 245A.05 or a licensing sanction
142.18 under section 245A.07;

142.19 (2) the disqualified subject is an individual other than the license holder and upon whom
142.20 a background study must be conducted under section 245C.03; and

142.21 (3) the individual has a hearing right under section 245C.27.

142.22 (g) When a denial of a license under section 142B.15 or a licensing sanction under
142.23 section 142B.18 is based on a disqualification for which reconsideration was requested and
142.24 was not set aside under section 245C.22, and the individual otherwise has no hearing right
142.25 under section 245C.27, the scope of the administrative law judge's review shall include the
142.26 denial or sanction and a determination whether the disqualification should be set aside,
142.27 unless section 245C.24 prohibits the set-aside of the disqualification. In determining whether
142.28 the disqualification should be set aside, the administrative law judge shall consider the
142.29 factors under section 245C.22, subdivision 4, to determine whether the individual poses a
142.30 risk of harm to any person receiving services from the license holder.

142.31 (h) Notwithstanding section 245C.30, subdivision 5, when a licensing sanction under
142.32 section 142B.18 is based on the termination of a variance under section 245C.30, subdivision
142.33 4, the scope of the administrative law judge's review shall include the sanction and a
142.34 determination whether the disqualification should be set aside, unless section 245C.24

prohibits the set-aside of the disqualification. In determining whether the disqualification should be set aside, the administrative law judge shall consider the factors under section 245C.22, subdivision 4, to determine whether the individual poses a risk of harm to any person receiving services from the license holder.

Subd. 4. **Burden of proof.** (a) At a hearing regarding a licensing sanction under section 142B.18, including consolidated hearings under subdivision 3, the commissioner may demonstrate reasonable cause for action taken by submitting statements, reports, or affidavits to substantiate the allegations that the license holder failed to comply fully with applicable law or rule. If the commissioner demonstrates that reasonable cause existed, the burden of proof shifts to the license holder to demonstrate by a preponderance of the evidence that the license holder was in full compliance with those laws or rules that the commissioner alleges the license holder violated, at the time that the commissioner alleges the violations of law or rules occurred.

(b) At a hearing on denial of an application, the applicant bears the burden of proof to demonstrate by a preponderance of the evidence that the appellant has complied fully with this chapter and other applicable law or rule and that the application should be approved and a license granted.

Subd. 5. **Recommendation of administrative law judge.** The administrative law judge shall recommend whether or not the commissioner's order should be affirmed. The recommendations must be consistent with this chapter and the rules of the commissioner. The recommendations must be in writing and accompanied by findings of fact and conclusions and must be mailed to the parties by certified mail to their last known addresses as shown on the license or application.

Subd. 6. **Notice of commissioner's final order.** After considering the findings of fact, conclusions, and recommendations of the administrative law judge, the commissioner shall issue a final order. The commissioner shall consider, but shall not be bound by, the recommendations of the administrative law judge. The appellant must be notified of the commissioner's final order as required by chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The notice must also contain information about the appellant's rights under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The institution of proceedings for judicial review of the commissioner's final order shall not stay the enforcement of the final order except as provided in section 14.65.

Subd. 7. **Granting subsequent license.** (a) A license holder and each controlling individual of a license holder whose license has been revoked under this chapter or chapter

144.1 245A because of noncompliance with applicable law or rule must not be granted a license
144.2 for five years following the revocation. Notwithstanding the five-year restriction, when a
144.3 license is revoked under this chapter or chapter 245A because a person, other than the license
144.4 holder, resides in the home where services are provided and that person has a disqualification
144.5 that is not set aside and no variance has been granted, the former license holder may reapply
144.6 for a license when:

144.7 (1) the person with a disqualification, who is not a minor child, is no longer residing in
144.8 the home and is prohibited from residing in or returning to the home; or

144.9 (2) the person with the disqualification is a minor child, the restriction applies until the
144.10 minor child becomes an adult and permanently moves away from the home or five years,
144.11 whichever is less.

144.12 (b) An applicant or controlling individual whose application was denied under this
144.13 chapter or chapter 245A must not be granted a license for two years following a denial,
144.14 unless the applicant's subsequent application contains new information which constitutes a
144.15 substantial change in the conditions that caused the previous denial. The addition of a new
144.16 co-applicant in a subsequent application does not constitute a substantial change. If an
144.17 applicant or controlling individual whose application was denied under this chapter or
144.18 chapter 245A is affiliated with a subsequent application, and two years have not passed
144.19 since the denial, the subsequent application must be denied.

144.20 Sec. 13. **[142B.21] SETTLEMENT AGREEMENT.**

144.21 (a) A license holder who has made a timely appeal pursuant to section 142B.16,
144.22 subdivision 4, or 142B.18, subdivision 6, or the commissioner may initiate a discussion
144.23 about a possible settlement agreement related to the licensing sanction. For the purposes of
144.24 this section, the following conditions apply to a settlement agreement reached by the parties:

144.25 (1) if the parties enter into a settlement agreement, the effect of the agreement shall be
144.26 that the appeal is withdrawn and the agreement shall constitute the full agreement between
144.27 the commissioner and the party who filed the appeal; and

144.28 (2) the settlement agreement must identify the agreed-upon actions the license holder
144.29 has taken and will take in order to achieve and maintain compliance with the licensing
144.30 requirements that the commissioner determined the license holder had violated.

144.31 (b) Neither the license holder nor the commissioner is required to initiate a settlement
144.32 discussion under this section.

(c) If a settlement discussion is initiated by the license holder, the commissioner shall respond to the license holder within 14 calendar days of receipt of the license holder's submission.

(d) If the commissioner agrees to engage in settlement discussions, the commissioner may decide at any time not to continue settlement discussions with a license holder.

Sec. 14. **[142B.22] CONSOLIDATION OF HEARINGS; RECONSIDERATION.**

Hearings authorized under this chapter, sections 142A.20 and 626.557, and chapters 245C and 260E pursuant to the commissioner's power under section 142A.09 must be consolidated if feasible and in accordance with other applicable statutes and rules.

Sec. 15. **[142B.25] CLOSING A LICENSE.**

Subdivision 1. **Inactive programs.** The commissioner may close a license if the commissioner determines that a licensed program has not been serving any client for a consecutive period of 12 months or longer. The license holder is not prohibited from reapplying for a license if the license holder's license was closed under this chapter.

Subd. 2. **Reconsideration of closure.** If a license is closed, the commissioner must notify the license holder of closure by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the notice of closure must be mailed to the last known address of the license holder and must inform the license holder why the license was closed and that the license holder has the right to request reconsideration of the closure. If the license holder believes that the license was closed in error, the license holder may ask the commissioner to reconsider the closure. The license holder's request for reconsideration must be made in writing and must include documentation that the licensed program has served a client in the previous 12 months. The request for reconsideration must be postmarked and sent to the commissioner or submitted through the provider licensing and reporting hub within 20 calendar days after the license holder receives the notice of closure. Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. If the order is issued through the provider hub, the reconsideration must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. A timely request for reconsideration stays imposition of the license closure until the commissioner issues a decision on the request for reconsideration.

Subd. 3. **Reconsideration final.** The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

Sec. 16. **[142B.30] STANDARDS FOR COUNTY AGENCIES AND PRIVATE AGENCIES.**

Subdivision 1. Delegation of authority to agencies. (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 142B.10 and background studies for family child care under chapter 245C; to recommend denial of applicants under section 142B.15; to issue correction orders, to issue variances, and to recommend a conditional license under section 142B.16; or to recommend suspending or revoking a license or issuing a fine under section 142B.18, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and family child foster care, dual licensure of family child foster care and family adult foster care, dual licensure of child foster residence setting and community residential setting, and dual licensure of family adult foster care and family child care;

(2) child foster care maximum age requirement;

(3) variances regarding disqualified individuals;

(4) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(5) variances to section 142B.74 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.

Except as provided in section 142B.41, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(c) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(d) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(e) A license issued under this section may be issued for up to two years.

(f) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

Subd. 2. **Investigations.** (a) The county or private agency shall conduct timely investigations of allegations of license violations in programs for which the county or private agency is the commissioner's designated representative and record a disposition of each complaint in accordance with applicable law or rule.

(b) If an investigation conducted under paragraph (a) results in evidence that the commissioner should deny an application or suspend, revoke, or make conditional a license, the county or private agency shall make that recommendation to the commissioner within ten working days.

Subd. 3. **Recommendations to commissioner.** The county or private agency shall not make recommendations to the commissioner regarding licensure without first conducting an inspection. The county or private agency must forward its recommendation to the commissioner regarding the appropriate licensing action within 20 working days of receipt of a completed application.

Subd. 4. **Enforcement of commissioner's orders.** The county or private agency shall enforce the orders of the commissioner of children, youth, and families under sections 142B.18 and 142B.20, subdivision 6, and the orders of the commissioner of human services under chapter 245C, according to the instructions of the commissioner of children, youth, and families. The county attorney shall assist the county agency in the enforcement and

defense of the orders of the commissioner of children, youth, and families under sections 142B.18 and 142B.20, subdivision 6, and the orders of the commissioner of human services under chapter 245C, according to the instructions of the commissioner of children, youth, and families, unless a conflict of interest exists between the county attorney and the commissioner. For purposes of this section, a conflict of interest means that the county attorney has a direct or shared financial interest with the license holder or has a personal relationship or family relationship with a party in the licensing action.

Subd. 5. **Instruction and technical assistance.** (a) The commissioner shall provide instruction and technical assistance to county and private agencies that are subject to this section. County and private agencies shall cooperate with the commissioner in carrying out this section by ensuring that affected employees participate in instruction and technical assistance provided by the commissioner.

(b) The commissioner shall provide training to county agencies that perform child care licensing functions on identifying and preventing fraud relating to provider reimbursement in the child care assistance program.

Subd. 6. **Certification by commissioner.** The commissioner shall ensure that rules are uniformly enforced throughout the state by reviewing each county and private agency for compliance with this section and other applicable laws and rules at least every four years. County agencies that comply with this section shall be certified by the commissioner. If a county agency fails to be certified by the commissioner, the commissioner shall certify a reduction of state administrative aids in an amount up to 20 percent of the county's state portion of Vulnerable Children and Adults Act funding.

Subd. 7. **Notice of county recommendation.** The county or private agency shall provide written notice to the license holder when the agency recommends a licensing action to the commissioner under subdivision 2 or 3. The written notice shall inform the license holder about the process for determining a licensing action and how the license holder will be notified of a licensing action determination. The notice shall include the following:

(1) that the county or private agency made a recommendation to the commissioner to deny an application or suspend, revoke, or make conditional a license;

(2) that the commissioner will review the recommendation from the county or private agency and then determine if a licensing action will be issued;

(3) that the license holder will receive written notice from the commissioner indicating the reasons for the licensing action issued; and

149.1 (4) instructions on how to request reconsideration or appeal, if a licensing action is
149.2 issued.

149.3 County or private agency recommendations under this section are classified as confidential
149.4 data under chapter 13 and may only be disclosed as permitted by law.

149.5 Subd. 8. **Licensing and reporting hub.** Upon implementation of the provider licensing
149.6 and reporting hub, county staff who perform licensing functions must use the hub in the
149.7 manner prescribed by the commissioner.

149.8 Sec. 17. **[142B.31] PUBLIC FUNDS PROGRAM INTEGRITY MONITORING.**

149.9 (a) An applicant or a license holder that has enrolled to receive public funding
149.10 reimbursement for services is required to comply with the registration or enrollment
149.11 requirements as licensing standards.

149.12 (b) Compliance with the licensing standards established under paragraph (a) may be
149.13 monitored during a licensing investigation or inspection. Noncompliance with these licensure
149.14 standards may result in:

149.15 (1) a correction order or a conditional license under section 142B.16, or sanctions under
149.16 section 142B.18;

149.17 (2) nonpayment of claims submitted by the license holder for public program
149.18 reimbursement according to the statute applicable to that program;

149.19 (3) recovery of payments made for the service according to the statute applicable to that
149.20 program;

149.21 (4) disenrollment in the public payment program according to the statute applicable to
149.22 that program; or

149.23 (5) a referral for other administrative, civil, or criminal penalties as provided by law.

149.24 Sec. 18. **[142B.40] SPECIAL CONDITIONS FOR RESIDENTIAL PROGRAMS.**

149.25 Subdivision 1. **Policy statement.** It is the policy of the state that persons shall not be
149.26 excluded by municipal zoning ordinances or other land use regulations from the benefits
149.27 of normal residential surroundings.

149.28 Subd. 2. **Permitted single-family residential use.** Residential programs with a licensed
149.29 capacity of six or fewer persons shall be considered a permitted single-family residential
149.30 use of property for the purposes of zoning and other land use regulations, except that a
149.31 residential program whose primary purpose is to treat juveniles who have violated criminal

150.1 statutes relating to sex offenses or have been adjudicated delinquent on the basis of conduct
150.2 in violation of criminal statutes relating to sex offenses shall not be considered a permitted
150.3 use. This exception shall not apply to residential programs licensed before July 1, 1995.
150.4 Programs otherwise allowed under this subdivision shall not be prohibited by operation of
150.5 restrictive covenants or similar restrictions, regardless of when entered into, that cannot be
150.6 met because of the nature of the licensed program, including provisions that require the
150.7 home's occupants be related, and that the home must be occupied by the owner, or similar
150.8 provisions.

150.9 Subd. 3. **License holder qualifications for child foster care.** (a) Child foster care
150.10 license holders must maintain the ability to care for a foster child and ensure a safe home
150.11 environment for children placed in their care. License holders must immediately notify the
150.12 licensing agency of:

150.13 (1) any changes to the license holder or household member's physical or behavioral
150.14 health that may affect the license holder's ability to care for a foster child or pose a risk to
150.15 a foster child's health; or

150.16 (2) changes related to the care of a child or vulnerable adult for whom the license holder
150.17 is a parent or legally responsible, including living out of the home for treatment for physical
150.18 or behavioral health, modified parenting time arrangements, legal custody, or placement in
150.19 foster care.

150.20 (b) The licensing agency may request a license holder or household member to undergo
150.21 an evaluation by a specialist in areas such as physical or behavioral health to evaluate the
150.22 license holder's ability to provide a safe environment for a foster child. Prior to assigning
150.23 a specialist to evaluate, the licensing agency must tell the license holder or household
150.24 member why the licensing agency has requested a specialist evaluation and request a release
150.25 of information from the license holder or household member.

150.26 Sec. 19. **[142B.41] SPECIAL CONDITIONS FOR NONRESIDENTIAL PROGRAMS.**

150.27 Subdivision 1. **Permitted single-family residential use.** A licensed nonresidential
150.28 program with a licensed capacity of 12 or fewer persons and a group family day care facility
150.29 licensed under Minnesota Rules, parts 9502.0315 to 9502.0445, to serve 14 or fewer children
150.30 shall be considered a permitted single-family residential use of property for the purposes
150.31 of zoning and other land use regulations.

150.32 Subd. 2. **Permitted multifamily use.** Except as otherwise provided in subdivision 1 or
150.33 in a town, municipal, or county regulation, a licensed nonresidential program with a licensed

151.1 capacity of 13 to 16 persons shall be considered a permitted multifamily residential use of
151.2 property for purposes of zoning. A town, municipal, or county zoning authority may require
151.3 a conditional use or special use permit in order to assure proper maintenance and operation
151.4 of the program. Conditions imposed on the nonresidential program must not be more
151.5 restrictive than those imposed on other conditional uses or special uses of residential property
151.6 in the same zones unless the additional conditions are necessary to protect the health and
151.7 safety of the persons being served by the nonresidential program. Nothing in this chapter
151.8 shall be construed to exclude or prohibit nonresidential programs from single-family zones
151.9 if otherwise permitted by local zoning regulations.

151.10 Subd. 3. **Attendance records for publicly funded services.** (a) A child care center
151.11 licensed under this chapter and according to Minnesota Rules, chapter 9503, must maintain
151.12 documentation of actual attendance for each child receiving care for which the license holder
151.13 is reimbursed by a governmental program. The records must be accessible to the
151.14 commissioner during the program's hours of operation, they must be completed on the actual
151.15 day of attendance, and they must include:

151.16 (1) the first and last name of the child;

151.17 (2) the time of day that the child was dropped off; and

151.18 (3) the time of day that the child was picked up.

151.19 (b) A family child care provider licensed under this chapter and according to Minnesota
151.20 Rules, chapter 9502, must maintain documentation of actual attendance for each child
151.21 receiving care for which the license holder is reimbursed for the care of that child by a
151.22 governmental program. The records must be accessible to the commissioner during the
151.23 program's hours of operation, they must be completed on the actual day of attendance, and
151.24 they must include:

151.25 (1) the first and last name of the child;

151.26 (2) the time of day that the child was dropped off; and

151.27 (3) the time of day that the child was picked up.

151.28 Sec. 20. **[142B.42] VOLUNTARY RECEIVERSHIP FOR RESIDENTIAL OR**
151.29 **NONRESIDENTIAL PROGRAMS.**

151.30 Subdivision 1. **Definitions.** For purposes of this section and section 142B.43, the
151.31 following terms have the meanings given.

(a) "Controlling individual" has the meaning in section 142B.01, subdivision 8. When used in this section and section 142B.43, it means only those individuals controlling the residential or nonresidential program prior to the commencement of the receivership period.

(b) "Physical plant" means the building or buildings in which a residential or nonresidential program is located; all equipment affixed to the building and not easily subject to transfer as specified in the building and fixed equipment tables of the depreciation guidelines; and auxiliary buildings in the nature of sheds, garages, and storage buildings located on the same site if used for purposes related to resident or client care.

(c) "Related party" means a person who is a close relative of a provider or a provider group; an affiliate of a provider or a provider group; a close relative of an affiliate of a provider or provider group; or an affiliate of a close relative of an affiliate of a provider or provider group. For the purposes of this paragraph, the following terms have the meanings given them.

(1) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with another person.

(2) "Person" means an individual, a corporation, a partnership, an association, a trust, an unincorporated organization, or a government or political subdivision.

(3) "Close relative of an affiliate of a provider or provider group" means an individual whose relationship by blood, marriage, or adoption to an individual who is an affiliate to a provider or a provider group is no more remote than first cousin.

(4) "Control" includes the terms "controlling," "controlled by," and "under common control with" and means the possession, direct or indirect, of the power to direct or cause the direction of the management, operations, or policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(5) "Provider or provider group" means the license holder or controlling individual prior to the effective date of the receivership.

Subd. 2. **Receivership agreement.** A majority of controlling individuals of a residential or nonresidential program licensed or certified by the commissioner may at any time ask the commissioner to assume operation of the program through appointment of a receiver. On receiving the request for a receiver, the commissioner may enter into an agreement with a majority of controlling individuals and become the receiver and operate the residential or nonresidential program under conditions acceptable to both the commissioner and the majority of controlling individuals. The agreement must specify the terms and conditions

153.1 of the receivership and preserve the rights of the persons being served by the program. A
153.2 receivership set up under this section terminates at the time specified by the parties to the
153.3 agreement.

153.4 Subd. 3. **Management agreement.** When the commissioner agrees to become the
153.5 receiver of a residential or nonresidential program, the commissioner may enter into a
153.6 management agreement with another entity or group to act as the managing agent during
153.7 the receivership period. The managing agent will be responsible for the day-to-day operations
153.8 of the program subject at all times to the review and approval of the commissioner. A
153.9 reasonable fee may be paid to the managing agent for the performance of these services.

153.10 Subd. 4. **Controlling individuals; restrictions on licensure.** No controlling individual
153.11 of a residential or nonresidential program placed into receivership under this section shall
153.12 apply for or receive a license or certification from the commissioner to operate a residential
153.13 or nonresidential program for five years from the commencement of the receivership period.
153.14 This subdivision does not apply to residential programs that are owned or operated by
153.15 controlling individuals, that were in existence prior to the date of the receivership agreement,
153.16 and that have not been placed into receivership.

153.17 Subd. 5. **Liability.** The controlling individuals of a residential or nonresidential program
153.18 placed into receivership remain liable for any claims made against the program that arose
153.19 from incidents or events that occurred prior to the commencement of the receivership period.
153.20 Neither the commissioner nor the managing agent of the commissioner assumes this liability.

153.21 Subd. 6. **Liability for financial obligations.** Neither the commissioner nor the managing
153.22 agent of the commissioner shall be liable for payment of any financial obligations of the
153.23 residential or nonresidential program or of its controlling individuals incurred prior to the
153.24 commencement of the receivership period unless such liability is expressly assumed in the
153.25 receivership agreement. Those financial obligations remain the liability of the program and
153.26 its controlling individuals. Financial obligations of the program incurred after the
153.27 commencement of the receivership period are the responsibility of the commissioner or the
153.28 managing agent of the commissioner to the extent such obligations are expressly assumed
153.29 by each in the receivership or management agreements. The controlling individuals of the
153.30 residential or nonresidential program remain liable for any financial obligations incurred
153.31 after the commencement of the receivership period to the extent these obligations are not
153.32 reimbursed in the rate paid to the program and are reasonable and necessary to the operation
153.33 of the program. These financial obligations, or any other financial obligations incurred by
153.34 the program prior to the commencement of the receivership period that are necessary to the

154.1 continued operation of the program, may be deducted from any rental payments owed to
154.2 the controlling individuals of the program as part of the receivership agreement.

154.3 Subd. 7. **Physical plant of the residential or nonresidential program.** Occupation of
154.4 the physical plant after commencement of the receivership period shall be controlled by
154.5 paragraphs (a) and (b).

154.6 (a) If the physical plant of a residential or nonresidential program placed in receivership
154.7 is owned by a controlling individual or related party, the physical plant may be used by the
154.8 commissioner or the managing agent for purposes of the receivership as long as the
154.9 receivership period continues. A fair monthly rental for the physical plant shall be paid by
154.10 the commissioner or managing agent to the owner of the physical plant. This fair monthly
154.11 rental shall be determined by considering all relevant factors necessary to meet required
154.12 arm's-length obligations of controlling individuals such as the mortgage payments owed on
154.13 the physical plant, the real estate taxes, and special assessments. This rental shall not include
154.14 any allowance for profit or be based on any formula that includes an allowance for profit.

154.15 (b) If the owner of the physical plant of a residential or nonresidential program placed
154.16 in receivership is not a related party, the controlling individual shall continue as the lessee
154.17 of the property. However, during the receivership period, rental payments shall be made to
154.18 the owner of the physical plant by the commissioner or the managing agent on behalf of
154.19 the controlling individual. Neither the commissioner nor the managing agent assumes the
154.20 obligations of the lease unless expressly stated in the receivership agreement. Should the
154.21 lease expire during the receivership, the commissioner or the managing agent may negotiate
154.22 a new lease for the term of the receivership period.

154.23 Subd. 8. **Receivership accounting.** The commissioner may use the medical assistance
154.24 account and funds for receivership cash flow and accounting purposes.

154.25 Subd. 9. **Receivership costs.** The commissioner may use the accounts and funds that
154.26 would have been available for the room and board, services, and program costs of persons
154.27 in the program for costs, cash flow, and accounting purposes related to the receivership.

154.28 Sec. 21. **[142B.43] INVOLUNTARY RECEIVERSHIP FOR RESIDENTIAL OR**
154.29 **NONRESIDENTIAL PROGRAMS.**

154.30 Subdivision 1. **Application.** (a) In addition to any other remedy provided by law, the
154.31 commissioner may petition the district court in Ramsey County for an order directing the
154.32 controlling individuals of a residential or nonresidential program licensed or certified by
154.33 the commissioner to show cause why the commissioner should not be appointed receiver

155.1 to operate the program. The petition to the district court must contain proof by affidavit that
155.2 one or more of the following circumstances exists:

155.3 (1) the commissioner has commenced proceedings to suspend or revoke the program's
155.4 license or refused to renew the program's license;

155.5 (2) there is a threat of imminent abandonment by the program or its controlling
155.6 individuals;

155.7 (3) the program has shown a pattern of failure to meet ongoing financial obligations
155.8 such as failing to pay for food, pharmaceuticals, personnel costs, or required insurance;

155.9 (4) the health, safety, or rights of the residents or persons receiving care from the program
155.10 appear to be in jeopardy due to the manner in which the program may close, the program's
155.11 financial condition, or violations of federal or state law or rules committed by the program;
155.12 or

155.13 (5) the commissioner has notified the program or its controlling individuals that the
155.14 program's federal Medicare or Medicaid provider agreement will be terminated, revoked,
155.15 canceled, or not renewed.

155.16 (b) If the license holder, applicant, or controlling individual operates more than one
155.17 program, the commissioner's petition must specify and be limited to the program for which
155.18 it seeks receivership.

155.19 (c) The order to show cause must be personally served on the program through its
155.20 authorized agent or, in the event the authorized agent cannot be located, on any controlling
155.21 individual for the program.

155.22 Subd. 2. **Appointment of receiver.** (a) If the court finds that involuntary receivership
155.23 is necessary as a means of protecting the health, safety, or rights of persons being served
155.24 by the program, the court shall appoint the commissioner as receiver to operate the program.
155.25 The commissioner as receiver may contract with another entity or group to act as the
155.26 managing agent during the receivership period. The managing agent will be responsible for
155.27 the day-to-day operations of the program subject at all times to the review and approval of
155.28 the commissioner. A managing agent shall not:

155.29 (1) be the license holder or controlling individual of the program;

155.30 (2) have a financial interest in the program at the time of the receivership;

155.31 (3) be otherwise affiliated with the program; or

155.32 (4) have had a licensed program that has been ordered into receivership.

(b) Notwithstanding state contracting requirements in chapter 16C, the commissioner shall establish and maintain a list of qualified persons or entities with experience in delivering services and with winding down programs under this chapter. The list shall be a resource for selecting a managing agent, and the commissioner may update the list at any time.

Subd. 3. **Powers and duties of receiver.** (a) A receiver appointed pursuant to this section shall, within 18 months after the receivership order, determine whether to close the program or to make other provisions with the intent to keep the program open. If the receiver determines that program closure is appropriate, the commissioner shall provide for the orderly transfer of individuals served by the program to other programs or make other provisions to protect the health, safety, and rights of individuals served by the program.

(b) During the receivership, the receiver or the managing agent shall correct or eliminate deficiencies in the program that the commissioner determines endanger the health, safety, or welfare of the persons being served by the program unless the correction or elimination of deficiencies at a residential program involves major alteration in the structure of the physical plant. If the correction or elimination of the deficiencies at a residential program requires major alterations in the structure of the physical plant, the receiver shall take actions designed to result in the immediate transfer of persons served by the residential program. During the period of the receivership, the receiver and the managing agent shall operate the residential or nonresidential program in a manner designed to preserve the health, safety, rights, adequate care, and supervision of the persons served by the program.

(c) The receiver or the managing agent may make contracts and incur lawful expenses.

(d) The receiver or the managing agent shall use the building, fixtures, furnishings, and any accompanying consumable goods in the provision of care and services to the clients during the receivership period. The receiver shall take action as is reasonably necessary to protect or conserve the tangible assets or property during receivership.

(e) The receiver or the managing agent shall collect incoming payments from all sources and apply them to the cost incurred in the performance of the functions of the receivership, including the fee set under subdivision 7. No security interest in any real or personal property comprising the program or contained within it, or in any fixture of the physical plant, shall be impaired or diminished in priority by the receiver or the managing agent.

(f) The receiver has authority to hire, direct, manage, and discharge any employees of the program, including management-level staff for the program.

(g) The commissioner, as the receiver appointed by the court, may hire a managing agent to work on the commissioner's behalf to operate the program during the receivership. The

157.1 managing agent is entitled to a reasonable fee. The receiver and managing agent shall be
157.2 liable only in an official capacity for injury to persons and property by reason of the
157.3 conditions of the program. The receiver and managing agent shall not be personally liable,
157.4 except for gross negligence or intentional acts. The commissioner shall assist the managing
157.5 agent in carrying out the managing agent's duties.

157.6 Subd. 4. **Liability.** The provisions contained in section 142B.42, subdivision 5, shall
157.7 also apply to receiverships ordered according to this section.

157.8 Subd. 5. **Liability for financial obligations.** The provisions contained in section 142B.42,
157.9 subdivision 6, also apply to receiverships ordered according to this section.

157.10 Subd. 6. **Physical plant of the program.** Occupation of the physical plant under an
157.11 involuntary receivership shall be governed by paragraphs (a) and (b).

157.12 (a) The physical plant owned by a controlling individual of the program or related party
157.13 must be made available for the use of the program throughout the receivership period. The
157.14 court shall determine a fair monthly rental for the physical plant, taking into account all
157.15 relevant factors necessary to meet required arm's-length obligations of controlling individuals
157.16 such as mortgage payments, real estate taxes, and special assessments. The rental fee must
157.17 be paid by the receiver to the appropriate controlling individuals or related parties for each
157.18 month that the receivership remains in effect. No payment made to a controlling individual
157.19 or related party by the receiver or the managing agent or any state agency during a period
157.20 of the receivership shall include any allowance for profit or be based on any formula that
157.21 includes an allowance for profit.

157.22 (b) If the owner of the physical plant of a program is not a related party, the court shall
157.23 order the controlling individual to continue as the lessee of the property during the
157.24 receivership period. Rental payments during the receivership period shall be made to the
157.25 owner of the physical plant by the commissioner or the managing agent on behalf of the
157.26 controlling individual.

157.27 Subd. 7. **Fee.** A receiver appointed under an involuntary receivership or the managing
157.28 agent is entitled to a reasonable fee as determined by the court.

157.29 Subd. 8. **Termination.** An involuntary receivership terminates 18 months after the date
157.30 on which it was ordered or at any other time designated by the court or when any of the
157.31 following events occurs:

157.32 (1) the commissioner determines that the program's license or certification application
157.33 should be granted or should not be suspended or revoked;

158.1 (2) a new license or certification is granted to the program;

158.2 (3) the commissioner determines that all persons residing in a residential program have
158.3 been provided with alternative residential programs or that all persons receiving services
158.4 in a nonresidential program have been referred to other programs; or

158.5 (4) the court determines that the receivership is no longer necessary because the conditions
158.6 that gave rise to the receivership no longer exist.

158.7 Subd. 9. **Emergency procedure.** (a) If it appears from the petition filed under subdivision
158.8 1, from an affidavit or affidavits filed with the petition, or from testimony of witnesses
158.9 under oath if the court determines it necessary, that there is probable cause to believe that
158.10 an emergency exists in a residential or nonresidential program, the court shall issue a
158.11 temporary order for appointment of a receiver within two days after receipt of the petition.

158.12 (b) Notice of the petition must be served on the authorized agent of the program that is
158.13 subject to the receivership petition or, if the authorized agent is not immediately available
158.14 for service, on at least one of the controlling individuals for the program. A hearing on the
158.15 petition must be held within five days after notice is served unless the authorized agent or
158.16 other controlling individual consents to a later date. After the hearing, the court may continue,
158.17 modify, or terminate the temporary order.

158.18 Subd. 10. **Receivership costs.** The commissioner may use the accounts and funds that
158.19 would have been available for the room and board, services, and program costs of persons
158.20 in the program for costs, cash flow, and accounting purposes related to the receivership.

158.21 Subd. 11. **Controlling individuals; restrictions on licensure.** No controlling individual
158.22 of a program placed into receivership under this section may apply for or receive a license
158.23 or certification to operate a residential or nonresidential program for five years from the
158.24 commencement of the receivership period. This subdivision does not apply to programs
158.25 that are owned or operated by controlling individuals that were in existence before the date
158.26 of the receivership agreement, and that have not been placed into receivership.

158.27 Sec. 22. **[142B.44] FIRE MARSHAL INSPECTION.**

158.28 When licensure under this chapter or certification under chapter 142C requires an
158.29 inspection by a fire marshal to determine compliance with the State Fire Code under section
158.30 299F.011, a local fire code inspector approved by the state fire marshal may conduct the
158.31 inspection. If a community does not have a local fire code inspector or if the local fire code
158.32 inspector does not perform the inspection, the state fire marshal must conduct the inspection.
158.33 A local fire code inspector or the state fire marshal may recover the cost of these inspections

159.1 through a fee of no more than \$50 per inspection charged to the applicant or license holder
159.2 or license-exempt child care center certification holder. The fees collected by the state fire
159.3 marshal under this section are appropriated to the commissioner of public safety for the
159.4 purpose of conducting the inspections.

159.5 Sec. 23. **[142B.45] CRIB SAFETY REQUIREMENTS.**

159.6 Subdivision 1. Consumer product safety web link. The commissioners of children,
159.7 youth, and families and human services shall maintain a link from the licensing division
159.8 website to the United States Consumer Product Safety Commission website that addresses
159.9 crib safety information.

159.10 Sec. 24. **[142B.46] REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT**
159.11 **DEATH IN LICENSED PROGRAMS.**

159.12 (a) When a license holder is placing an infant to sleep, the license holder must place the
159.13 infant on the infant's back, unless the license holder has documentation from the infant's
159.14 physician, advanced practice registered nurse, or physician assistant directing an alternative
159.15 sleeping position for the infant. The physician, advanced practice registered nurse, or
159.16 physician assistant directive must be on a form developed by the commissioner and must
159.17 remain on file at the licensed location. An infant who independently rolls onto its stomach
159.18 after being placed to sleep on its back may be allowed to remain sleeping on its stomach if
159.19 the infant is at least six months of age or the license holder has a signed statement from the
159.20 parent indicating that the infant regularly rolls over at home.

159.21 (b) The license holder must place the infant in a crib directly on a firm mattress with a
159.22 fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and
159.23 overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of
159.24 the sheet with reasonable effort. The license holder must not place anything in the crib with
159.25 the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title
159.26 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of
159.27 this section apply to license holders serving infants younger than one year of age. Licensed
159.28 child care providers must meet the crib requirements under section 245A.146. A correction
159.29 order shall not be issued under this paragraph unless there is evidence that a violation
159.30 occurred when an infant was present in the license holder's care.

159.31 (c) If an infant falls asleep before being placed in a crib, the license holder must move
159.32 the infant to a crib as soon as practicable, and must keep the infant within sight of the license
159.33 holder until the infant is placed in a crib. When an infant falls asleep while being held, the

license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

(d) When a license holder places an infant under one year of age down to sleep, the infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

(e) A license holder may place an infant under one year of age down to sleep wearing a helmet if the license holder has signed documentation by a physician, advanced practice registered nurse, physician assistant, licensed occupational therapist, or licensed physical therapist on a form developed by the commissioner.

(f) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this paragraph, a license holder may place the infant who has not yet begun to roll over on its own down to sleep in a swaddle. A swaddle is defined as a one-piece sleepwear that wraps over the infant's arms, fastens securely only across the infant's upper torso, and does not constrict the infant's hips or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use of swaddling for sleep by a provider licensed under this chapter, the license holder must obtain informed written consent for the use of swaddling from the parent or guardian of the infant on a form developed by the commissioner.

(g) A license holder may request a variance to this section to permit the use of a cradleboard when requested by a parent or guardian for a cultural accommodation. A variance for the use of a cradleboard may be issued only by the commissioner licensing the program. The variance request must be submitted on a form developed by the commissioner in partnership with Tribal welfare agencies and the Department of Health.

Sec. 25. [142B.49] CARE OF INDIVIDUALS ON MEDICAL MONITORING EQUIPMENT.

Subdivision 1. **Licensed foster care and respite care.** This section applies to foster care agencies and licensed foster care providers who place, supervise, or care for individuals who rely on medical monitoring equipment to sustain life or monitor a medical condition that could become life-threatening without proper use of the medical equipment in respite care or foster care.

Subd. 2. Foster care agency requirements. In order for an agency to place an individual who relies on medical equipment to sustain life or monitor a medical condition that could become life-threatening without proper use of the medical equipment with a foster care provider, the agency must ensure that the foster care provider has received the training to operate such equipment as observed and confirmed by a qualified source, and that the provider:

(1) is currently caring for an individual who is using the same equipment in the foster home; or

(2) has written documentation that the foster care provider has cared for an individual who relied on such equipment within the past six months; or

(3) has successfully completed training with the individual being placed with the provider.

Subd. 3. Foster care provider requirements. A foster care provider shall not care for an individual who relies on medical equipment to sustain life or monitor a medical condition unless the provider has received the training to operate such equipment as observed and confirmed by a qualified source, and:

(1) is currently caring for an individual who is using the same equipment in the foster home; or

(2) has written documentation that the foster care provider has cared for an individual who relied on such equipment within the past six months; or

(3) has successfully completed training with the individual being placed with the provider.

Subd. 4. Qualified source definition. For purposes of this section, a "qualified source" includes a health care professional or an individual who provides training on such equipment.

Subd. 5. Foster care provider training and skills form. The agency supervising the foster care provider shall keep a training and skills form on file for each foster care provider and update the form annually. The agency placing the individual shall obtain a copy of the training and skills form from the foster care provider or the agency supervising the foster care provider and shall keep it and any updated information on file for the duration of the placement. The form must be made available to the parents or the primary caregiver and social worker of the individual, or the individual, whichever is applicable, in order to make an informed placement decision. The agency shall use the training and skills form developed by the commissioner of children, youth, and families.

Sec. 26. **[142B.50] DISCLOSURE OF COMMUNICABLE DISEASE.**

Subdivision 1. Licensed foster care. This section applies to county agencies, private child-placing agencies, and individuals who place children or youth who have a known communicable disease, as defined in section 144.4172, subdivision 2, in foster care settings licensed under this chapter.

Subd. 2. Placing agency's or individual's duties. Notwithstanding sections 144.291 to 144.298, before a county agency, private child-placing agency, or individual places a child or youth with a known communicable disease with a licensed foster care provider, the agency or individual must:

(1) disclose to the foster care license holder the child's communicable disease; and

(2) determine that the foster care provider has the ability to provide care to the child or youth.

Sec. 27. **[142B.51] CHILD PASSENGER RESTRAINT SYSTEMS.**

Subdivision 1. Seat belt and child passenger restraint system use. When a child is transported, a license holder must comply with all seat belt and child passenger restraint system requirements under sections 169.685 and 169.686.

Subd. 2. Child passenger restraint systems; training requirement. (a) Programs licensed by the Department of Human Services under chapter 245A or the Department of Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

Sec. 28. **[142B.52] PRONE RESTRAINT PROHIBITION.**

Programs licensed under this chapter must comply with the requirements of section 245A.211.

Sec. 29. **[142B.53] MANDATORY REPORTING.**

Any individual engaging in licensing functions and activities under this chapter, including authorities delegated under section 142B.30, must immediately report any suspected fraud to county children, youth, and families investigators or the Department of Children, Youth, and Families Office of Inspector General.

Sec. 30. **[142B.54] REQUIREMENTS; MALTREATMENT OF MINORS OR VULNERABLE ADULTS.**

Subdivision 1. **Internal review.** Except for family child care settings and foster care for children in the license holder's residence, license holders serving children shall:

(1) establish and maintain policies and procedures to ensure that an internal review is completed within 30 calendar days and that corrective action is taken if necessary to protect the health and safety of children in care when the facility has reason to know that an internal

164.1 or external report of alleged or suspected maltreatment has been made. The review must
164.2 include an evaluation of whether:

164.3 (i) related policies and procedures were followed;

164.4 (ii) the policies and procedures were adequate;

164.5 (iii) there is a need for additional staff training;

164.6 (iv) the reported event is similar to past events with the children or the services involved;

164.7 and

164.8 (v) there is a need for corrective action by the license holder to protect the health and
164.9 safety of children in care.

164.10 Based on the results of this review, the license holder must develop, document, and
164.11 implement a corrective action plan designed to correct current lapses and prevent future
164.12 lapses in performance by individuals or the license holder, if any;

164.13 (2) identify the primary and secondary person or position who will ensure that, when
164.14 required, internal reviews are completed. The secondary person shall be involved when
164.15 there is reason to believe that the primary person was involved in the alleged or suspected
164.16 maltreatment; and

164.17 (3) document and make internal reviews accessible to the commissioner immediately
164.18 upon the commissioner's request. For the purposes of this section, the documentation provided
164.19 to the commissioner by the license holder may consist of a completed checklist that verifies
164.20 completion of each of the requirements of the review.

164.21 Subd. 2. **Vulnerable adults.** License holders serving vulnerable adults are subject to
164.22 the requirements of section 245A.65.

164.23 Subd. 3. **Ongoing training requirement.** (a) In addition to the orientation training
164.24 required by the applicable licensing rules and statutes, private child-placing agency license
164.25 holders must provide a training annually on the maltreatment of minors reporting
164.26 requirements and definitions in chapter 260E to each mandatory reporter, as described in
164.27 section 260E.06, subdivision 1.

164.28 (b) In addition to the orientation training required by the applicable licensing rules and
164.29 statutes, all family child foster care license holders, caregivers, foster residence setting staff,
164.30 and volunteers who are mandatory reporters as described in section 260E.06, subdivision
164.31 1, must complete training each year on the maltreatment of minors reporting requirements
164.32 and definitions in chapter 260E.

Sec. 31. **[142B.80] CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.**

Prior to a nonemergency placement of a child in a foster care home, the child foster care license holder and caregivers in foster family and treatment foster care settings, and all staff providing care in foster residence settings must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches for dealing with a child's behaviors. At least one hour of the annual training requirement for the foster family license holder and caregivers, and foster residence staff must be on children's mental health issues and treatment. Except for providers and services under chapter 245D, the annual training must also include at least one hour of training on fetal alcohol spectrum disorders, which must be counted toward the 12 hours of required in-service training per year. Short-term substitute caregivers are exempt from these requirements. Training curriculum shall be approved by the commissioner of children, youth, and families.

Sec. 32. Minnesota Statutes 2023 Supplement, section 245A.02, subdivision 5a, is amended to read:

Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 245A.04, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section 256B.04, subdivision 21, paragraph (g);

(4) each managerial official whose responsibilities include the direction of the management or policies of a program; and

~~(5) the individual designated as the primary provider of care for a special family child care program under section 245A.14, subdivision 4, paragraph (d); and~~

~~(6)~~ (5) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program, receives remuneration from the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

Sec. 33. Minnesota Statutes 2022, section 245A.02, subdivision 6e, is amended to read:

Subd. 6e. **Foster residence setting.** "Foster residence setting" has the meaning given in Minnesota Rules, part 2960.3010, subpart 26, and includes settings licensed by the commissioner of ~~human services~~ children, youth, and families or the commissioner of corrections.

167.1 Sec. 34. Minnesota Statutes 2022, section 245A.02, subdivision 12, is amended to read:

167.2 Subd. 12. **Private agency.** "Private agency" means an organization, other than a county
167.3 agency, or a court with jurisdiction, that places persons who cannot remain in their own
167.4 homes in residential programs, or foster care, ~~or adoptive homes~~. A private agency is
167.5 designated to perform the commissioner's licensing functions under section 245A.16.

167.6 Sec. 35. Minnesota Statutes 2022, section 245A.03, subdivision 1, is amended to read:

167.7 Subdivision 1. **License required.** Unless licensed by the commissioner under this chapter,
167.8 an individual, organization, or government entity must not:

167.9 (1) operate a residential or a nonresidential program;

167.10 (2) receive a child or adult for care, supervision, or placement in foster care ~~or adoption~~;
167.11 or

167.12 ~~(3) help plan the placement of a child or adult in foster care or adoption or engage in~~
167.13 ~~placement activities as defined in section 259.21, subdivision 9, in this state, whether or not~~
167.14 ~~the adoption occurs in this state; or~~

167.15 ~~(4)~~ (3) advertise a residential or nonresidential program.

167.16 Sec. 36. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 2, is amended
167.17 to read:

167.18 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

167.19 (1) residential or nonresidential programs that are provided to a person by an individual
167.20 who is related ~~unless the residential program is a child foster care placement made by a~~
167.21 ~~local social services agency or a licensed child-placing agency, except as provided in~~
167.22 ~~subdivision 2a;~~

167.23 (2) nonresidential programs that are provided by an unrelated individual to persons from
167.24 a single related family;

167.25 (3) residential or nonresidential programs that are provided to adults who do not misuse
167.26 substances or have a substance use disorder, a mental illness, a developmental disability, a
167.27 functional impairment, or a physical disability;

167.28 (4) sheltered workshops or work activity programs that are certified by the commissioner
167.29 of employment and economic development;

167.30 (5) programs operated by a public school for children 33 months or older;

(6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that do not provide children's residential services under Minnesota Rules, chapter 2960, mental health or substance use disorder treatment;

~~(9) homes providing programs for persons placed by a county or a licensed agency for legal adoption, unless the adoption is not completed within two years;~~

~~(10)~~ (9) programs licensed by the commissioner of corrections;

~~(11)~~ (10) recreation programs for children or adults that are operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities;

~~(12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in section 315.51, whose primary purpose is to provide child care or services to school-age children;~~

~~(13) Head Start nonresidential programs which operate for less than 45 days in each calendar year;~~

~~(14)~~ (11) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or a developmental disability;

~~(15)~~ (12) programs for children such as scouting, boys clubs, girls clubs, and sports and art programs, and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period;

~~(16)~~ (13) residential programs for persons with mental illness, that are located in hospitals;

~~(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;~~

~~(18)~~ (14) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

169.1 ~~(19)~~ (15) mental health outpatient services for adults with mental illness or children with
169.2 emotional disturbance;

169.3 ~~(20)~~ (16) residential programs serving school-age children whose sole purpose is cultural
169.4 or educational exchange, until the commissioner adopts appropriate rules;

169.5 ~~(21)~~ (17) community support services programs as defined in section 245.462, subdivision
169.6 6, and family community support services as defined in section 245.4871, subdivision 17;

169.7 ~~(22) the placement of a child by a birth parent or legal guardian in a preadoptive home~~
169.8 ~~for purposes of adoption as authorized by section 259.47;~~

169.9 ~~(23)~~ (18) settings registered under chapter 144D which provide home care services
169.10 licensed by the commissioner of health to fewer than seven adults;

169.11 ~~(24)~~ (19) substance use disorder treatment activities of licensed professionals in private
169.12 practice as defined in section 245G.01, subdivision 17;

169.13 ~~(25)~~ (20) consumer-directed community support service funded under the Medicaid
169.14 waiver for persons with developmental disabilities when the individual who provided the
169.15 service is:

169.16 (i) the same individual who is the direct payee of these specific waiver funds or paid by
169.17 a fiscal agent, fiscal intermediary, or employer of record; and

169.18 (ii) not otherwise under the control of a residential or nonresidential program that is
169.19 required to be licensed under this chapter when providing the service;

169.20 ~~(26) a program serving only children who are age 33 months or older, that is operated~~
169.21 ~~by a nonpublic school, for no more than four hours per day per child, with no more than 20~~
169.22 ~~children at any one time, and that is accredited by:~~

169.23 ~~(i) an accrediting agency that is formally recognized by the commissioner of education~~
169.24 ~~as a nonpublic school accrediting organization; or~~

169.25 ~~(ii) an accrediting agency that requires background studies and that receives and~~
169.26 ~~investigates complaints about the services provided.~~

169.27 ~~A program that asserts its exemption from licensure under item (ii) shall, upon request~~
169.28 ~~from the commissioner, provide the commissioner with documentation from the accrediting~~
169.29 ~~agency that verifies: that the accreditation is current; that the accrediting agency investigates~~
169.30 ~~complaints about services; and that the accrediting agency's standards require background~~
169.31 ~~studies on all people providing direct contact services;~~

170.1 ~~(27) a program operated by a nonprofit organization incorporated in Minnesota or another~~
170.2 ~~state that serves youth in kindergarten through grade 12; provides structured, supervised~~
170.3 ~~youth development activities; and has learning opportunities take place before or after~~
170.4 ~~school, on weekends, or during the summer or other seasonal breaks in the school calendar.~~

170.5 ~~A program exempt under this clause is not eligible for child care assistance under chapter~~
170.6 ~~119B. A program exempt under this clause must:~~

170.7 ~~(i) have a director or supervisor on site who is responsible for overseeing written policies~~
170.8 ~~relating to the management and control of the daily activities of the program, ensuring the~~
170.9 ~~health and safety of program participants, and supervising staff and volunteers;~~

170.10 ~~(ii) have obtained written consent from a parent or legal guardian for each youth~~
170.11 ~~participating in activities at the site; and~~

170.12 ~~(iii) have provided written notice to a parent or legal guardian for each youth at the site~~
170.13 ~~that the program is not licensed or supervised by the state of Minnesota and is not eligible~~
170.14 ~~to receive child care assistance payments;~~

170.15 ~~(28)~~ (21) a county that is an eligible vendor under section 254B.05 to provide care
170.16 coordination and comprehensive assessment services;

170.17 ~~(29)~~ (22) a recovery community organization that is an eligible vendor under section
170.18 254B.05 to provide peer recovery support services; or

170.19 ~~(30) Head Start programs that serve only children who are at least three years old but~~
170.20 ~~not yet six years old.~~

170.21 (23) programs licensed by the commissioner of children, youth, and families in chapter
170.22 142B.

170.23 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
170.24 building in which a nonresidential program is located if it shares a common wall with the
170.25 building in which the nonresidential program is located or is attached to that building by
170.26 skyway, tunnel, atrium, or common roof.

170.27 ~~(e)~~ (b) Except for the home and community-based services identified in section 245D.03,
170.28 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
170.29 provided and funded according to an approved federal waiver plan where licensure is
170.30 specifically identified as not being a condition for the services and funding.

171.1 Sec. 37. Minnesota Statutes 2022, section 245A.03, subdivision 4, is amended to read:

171.2 Subd. 4. **Excluded child care programs; right to seek licensure.** Nothing in this section
171.3 shall prohibit a child care program that is excluded from licensure under subdivision 2,
171.4 paragraph (a), clause (2), ~~or under Laws 1997, chapter 248, section 46, as amended by Laws~~
171.5 ~~1997, First Special Session chapter 5, section 10,~~ from seeking a license under this chapter.
171.6 The commissioner shall ensure that any application received from such an excluded provider
171.7 is processed in the same manner as all other applications for licensed family day care.

171.8 Sec. 38. Minnesota Statutes 2022, section 245A.035, subdivision 4, is amended to read:

171.9 Subd. 4. **Applicant study.** When the county agency has received the information required
171.10 by section 245C.05, the county agency shall submit the information to the commissioner
171.11 of human services according to section 245C.05.

171.12 Sec. 39. Minnesota Statutes 2023 Supplement, section 245A.04, subdivision 7, is amended
171.13 to read:

171.14 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
171.15 the program complies with all applicable rules and laws, the commissioner shall issue a
171.16 license consistent with this section or, if applicable, a temporary change of ownership license
171.17 under section 245A.043. At minimum, the license shall state:

171.18 (1) the name of the license holder;

171.19 (2) the address of the program;

171.20 (3) the effective date and expiration date of the license;

171.21 (4) the type of license;

171.22 (5) the maximum number and ages of persons that may receive services from the program;

171.23 and

171.24 (6) any special conditions of licensure.

171.25 (b) The commissioner may issue a license for a period not to exceed two years if:

171.26 (1) the commissioner is unable to conduct the observation required by subdivision 4,
171.27 paragraph (a), clause (3), because the program is not yet operational;

171.28 (2) certain records and documents are not available because persons are not yet receiving
171.29 services from the program; and

171.30 (3) the applicant complies with applicable laws and rules in all other respects.

172.1 (c) A decision by the commissioner to issue a license does not guarantee that any person
172.2 or persons will be placed or cared for in the licensed program.

172.3 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a
172.4 license if the applicant, license holder, or an affiliated controlling individual has:

172.5 (1) been disqualified and the disqualification was not set aside and no variance has been
172.6 granted;

172.7 (2) been denied a license under this chapter, or chapter 142B within the past two years;

172.8 (3) had a license issued under this chapter or chapter 142B revoked within the past five
172.9 years; or

172.10 (4) failed to submit the information required of an applicant under subdivision 1,
172.11 paragraph (f), (g), or (h), after being requested by the commissioner.

172.12 When a license issued under this chapter or chapter 142B is revoked, the license holder
172.13 and each affiliated controlling individual with a revoked license may not hold any license
172.14 under chapter 245A for five years following the revocation, and other licenses held by the
172.15 applicant or license holder or licenses affiliated with each controlling individual shall also
172.16 be revoked.

172.17 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
172.18 affiliated with a license holder or controlling individual that had a license revoked within
172.19 the past five years if the commissioner determines that (1) the license holder or controlling
172.20 individual is operating the program in substantial compliance with applicable laws and rules
172.21 and (2) the program's continued operation is in the best interests of the community being
172.22 served.

172.23 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
172.24 to an application that is affiliated with an applicant, license holder, or controlling individual
172.25 that had an application denied within the past two years or a license revoked within the past
172.26 five years if the commissioner determines that (1) the applicant or controlling individual
172.27 has operated one or more programs in substantial compliance with applicable laws and rules
172.28 and (2) the program's operation would be in the best interests of the community to be served.

172.29 (g) In determining whether a program's operation would be in the best interests of the
172.30 community to be served, the commissioner shall consider factors such as the number of
172.31 persons served, the availability of alternative services available in the surrounding
172.32 community, the management structure of the program, whether the program provides
172.33 culturally specific services, and other relevant factors.

173.1 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
173.2 living in the household where the services will be provided as specified under section
173.3 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
173.4 and no variance has been granted.

173.5 (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
173.6 under this chapter has been suspended or revoked and the suspension or revocation is under
173.7 appeal, the program may continue to operate pending a final order from the commissioner.
173.8 If the license under suspension or revocation will expire before a final order is issued, a
173.9 temporary provisional license may be issued provided any applicable license fee is paid
173.10 before the temporary provisional license is issued.

173.11 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
173.12 a controlling individual or license holder, and the controlling individual or license holder
173.13 is ordered under section 245C.17 to be immediately removed from direct contact with
173.14 persons receiving services or is ordered to be under continuous, direct supervision when
173.15 providing direct contact services, the program may continue to operate only if the program
173.16 complies with the order and submits documentation demonstrating compliance with the
173.17 order. If the disqualified individual fails to submit a timely request for reconsideration, or
173.18 if the disqualification is not set aside and no variance is granted, the order to immediately
173.19 remove the individual from direct contact or to be under continuous, direct supervision
173.20 remains in effect pending the outcome of a hearing and final order from the commissioner.

173.21 ~~(k) For purposes of reimbursement for meals only, under the Child and Adult Care Food~~
173.22 ~~Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226,~~
173.23 ~~relocation within the same county by a licensed family day care provider, shall be considered~~
173.24 ~~an extension of the license for a period of no more than 30 calendar days or until the new~~
173.25 ~~license is issued, whichever occurs first, provided the county agency has determined the~~
173.26 ~~family day care provider meets licensure requirements at the new location.~~

173.27 ~~(k)~~ (k) Unless otherwise specified by statute, all licenses issued under this chapter expire
173.28 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
173.29 apply for and be granted a new license to operate the program or the program must not be
173.30 operated after the expiration date.

173.31 ~~(m)~~ (l) The commissioner shall not issue or reissue a license under this chapter if it has
173.32 been determined that a Tribal licensing authority has established jurisdiction to license the
173.33 program or service.

174.1 (m) The commissioner of human services may coordinate and share data with the
174.2 commissioner of children, youth, and families to enforce this section.

174.3 Sec. 40. Minnesota Statutes 2022, section 245A.04, subdivision 9, is amended to read:

174.4 Subd. 9. **Variances.** ~~(a)~~ The commissioner may grant variances to rules that do not affect
174.5 the health or safety of persons in a licensed program if the following conditions are met:

174.6 (1) the variance must be requested by an applicant or license holder on a form and in a
174.7 manner prescribed by the commissioner;

174.8 (2) the request for a variance must include the reasons that the applicant or license holder
174.9 cannot comply with a requirement as stated in the rule and the alternative equivalent measures
174.10 that the applicant or license holder will follow to comply with the intent of the rule; and

174.11 (3) the request must state the period of time for which the variance is requested.

174.12 The commissioner may grant a permanent variance when conditions under which the
174.13 variance is requested do not affect the health or safety of persons being served by the licensed
174.14 program, nor compromise the qualifications of staff to provide services. The permanent
174.15 variance shall expire as soon as the conditions that warranted the variance are modified in
174.16 any way. Any applicant or license holder must inform the commissioner of any changes or
174.17 modifications that have occurred in the conditions that warranted the permanent variance.
174.18 Failure to advise the commissioner shall result in revocation of the permanent variance and
174.19 may be cause for other sanctions under sections 245A.06 and 245A.07.

174.20 The commissioner's decision to grant or deny a variance request is final and not subject
174.21 to appeal under the provisions of chapter 14.

174.22 ~~(b) The commissioner shall consider variances for child care center staff qualification~~
174.23 ~~requirements under Minnesota Rules, parts 9503.0032 and 9503.0033, that do not affect~~
174.24 ~~the health and safety of children served by the center. A variance request must be submitted~~
174.25 ~~to the commissioner in accordance with paragraph (a) and must include a plan for the staff~~
174.26 ~~person to gain additional experience, education, or training, as requested by the commissioner.~~
174.27 ~~When reviewing a variance request under this section, the commissioner shall consider the~~
174.28 ~~staff person's level of professional development, including but not limited to steps completed~~
174.29 ~~on the Minnesota career lattice.~~

174.30 ~~(c) Beginning January 1, 2021, counties shall use a uniform application form developed~~
174.31 ~~by the commissioner for variance requests by family child care license holders.~~

175.1 Sec. 41. Minnesota Statutes 2023 Supplement, section 245A.041, subdivision 6, is amended
175.2 to read:

175.3 Subd. 6. **First date of direct contact; documentation requirements.** Except for family
175.4 ~~child care, family foster care for children, and~~ family adult day services that the license
175.5 holder provides in the license holder's residence, license holders must document the first
175.6 date that a background study subject has direct contact, as defined in section 245C.02,
175.7 subdivision 11, with a person served by the license holder's program. Unless this chapter
175.8 otherwise requires, if the license holder does not maintain the documentation required by
175.9 this subdivision in the license holder's personnel files, the license holder must provide the
175.10 documentation to the commissioner upon the commissioner's request.

175.11 Sec. 42. Minnesota Statutes 2023 Supplement, section 245A.05, is amended to read:

175.12 **245A.05 DENIAL OF APPLICATION.**

175.13 (a) The commissioner may deny a license if an applicant or controlling individual:

175.14 (1) fails to submit a substantially complete application after receiving notice from the
175.15 commissioner under section 245A.04, subdivision 1;

175.16 (2) fails to comply with applicable laws or rules;

175.17 (3) knowingly withholds relevant information from or gives false or misleading
175.18 information to the commissioner in connection with an application for a license or during
175.19 an investigation;

175.20 (4) has a disqualification that has not been set aside under section 245C.22 and no
175.21 variance has been granted;

175.22 (5) has an individual living in the household who received a background study under
175.23 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
175.24 has not been set aside under section 245C.22, and no variance has been granted;

175.25 (6) is associated with an individual who received a background study under section
175.26 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
175.27 children or vulnerable adults, and who has a disqualification that has not been set aside
175.28 under section 245C.22, and no variance has been granted;

175.29 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

175.30 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
175.31 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 119B and 245C; or

(10) is prohibited from holding a license according to section 245.095; or

~~(11) for a family foster setting, has or has an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study who has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the applicant's ability to safely provide care to foster children.~~

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 43. Minnesota Statutes 2023 Supplement, section 245A.07, subdivision 1, is amended to read:

Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional under section 245A.06, the commissioner may suspend or revoke the license, impose a fine, or secure an injunction against the continuing operation of the program of a license holder who:

~~(1) does not comply with applicable law or rule;~~

~~(2) has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children; or~~

~~(3) has an individual living in the household where the licensed services are provided or is otherwise subject to a background study, and the individual has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.~~

When applying sanctions authorized under this section, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(b) If a license holder appeals the suspension or revocation of a license and the license holder continues to operate the program pending a final order on the appeal, the commissioner shall issue the license holder a temporary provisional license. Unless otherwise specified by the commissioner, variances in effect on the date of the license sanction under appeal continue under the temporary provisional license. If a license holder fails to comply with applicable law or rule while operating under a temporary provisional license, the commissioner may impose additional sanctions under this section and section 245A.06, and may terminate any prior variance. If a temporary provisional license is set to expire, a new temporary provisional license shall be issued to the license holder upon payment of any fee required under section 245A.10. The temporary provisional license shall expire on the date the final order is issued. If the license holder prevails on the appeal, a new nonprovisional license shall be issued for the remainder of the current license period.

(c) If a license holder is under investigation and the license issued under this chapter is due to expire before completion of the investigation, the program shall be issued a new license upon completion of the reapplication requirements and payment of any applicable license fee. Upon completion of the investigation, a licensing sanction may be imposed against the new license under this section, section 245A.06, or 245A.08.

(d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

Sec. 44. Minnesota Statutes 2023 Supplement, section 245A.07, subdivision 3, is amended to read:

Subd. 3. License suspension, revocation, or fine. (a) The commissioner may suspend or revoke a license, or impose a fine if:

178.1 (1) a license holder fails to comply fully with applicable laws or rules including but not
178.2 limited to the requirements of this chapter and chapter 245C;

178.3 (2) a license holder, a controlling individual, or an individual living in the household
178.4 where the licensed services are provided or is otherwise subject to a background study has
178.5 been disqualified and the disqualification was not set aside and no variance has been granted;

178.6 (3) a license holder knowingly withholds relevant information from or gives false or
178.7 misleading information to the commissioner in connection with an application for a license,
178.8 in connection with the background study status of an individual, during an investigation,
178.9 or regarding compliance with applicable laws or rules;

178.10 (4) a license holder is excluded from any program administered by the commissioner
178.11 under section 245.095;

178.12 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

178.13 ~~(6) for a family foster setting, a license holder, or an individual living in the household~~
178.14 ~~where the licensed services are provided or who is otherwise subject to a background study,~~
178.15 ~~has nondisqualifying background study information, as described in section 245C.05,~~
178.16 ~~subdivision 4, that reflects on the license holder's ability to safely provide care to foster~~
178.17 ~~children; or~~

178.18 ~~(7)~~ (6) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

178.19 A license holder who has had a license issued under this chapter suspended, revoked,
178.20 or has been ordered to pay a fine must be given notice of the action by certified mail, by
178.21 personal service, or through the provider licensing and reporting hub. If mailed, the notice
178.22 must be mailed to the address shown on the application or the last known address of the
178.23 license holder. The notice must state in plain language the reasons the license was suspended
178.24 or revoked, or a fine was ordered.

178.25 (b) If the license was suspended or revoked, the notice must inform the license holder
178.26 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
178.27 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
178.28 a license. The appeal of an order suspending or revoking a license must be made in writing
178.29 by certified mail, by personal service, or through the provider licensing and reporting hub.
178.30 If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar
178.31 days after the license holder receives notice that the license has been suspended or revoked.
178.32 If a request is made by personal service, it must be received by the commissioner within
178.33 ten calendar days after the license holder received the order. If the order is issued through

179.1 the provider hub, the appeal must be received by the commissioner within ten calendar days
179.2 from the date the commissioner issued the order through the hub. Except as provided in
179.3 subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order
179.4 suspending or revoking a license, the license holder may continue to operate the program
179.5 as provided in section 245A.04, subdivision 7, paragraphs (i) and (j), until the commissioner
179.6 issues a final order on the suspension or revocation.

179.7 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
179.8 holder of the responsibility for payment of fines and the right to a contested case hearing
179.9 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
179.10 order to pay a fine must be made in writing by certified mail, by personal service, or through
179.11 the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent
179.12 to the commissioner within ten calendar days after the license holder receives notice that
179.13 the fine has been ordered. If a request is made by personal service, it must be received by
179.14 the commissioner within ten calendar days after the license holder received the order. If the
179.15 order is issued through the provider hub, the appeal must be received by the commissioner
179.16 within ten calendar days from the date the commissioner issued the order through the hub.

179.17 (2) The license holder shall pay the fines assessed on or before the payment date specified.
179.18 If the license holder fails to fully comply with the order, the commissioner may issue a
179.19 second fine or suspend the license until the license holder complies. If the license holder
179.20 receives state funds, the state, county, or municipal agencies or departments responsible for
179.21 administering the funds shall withhold payments and recover any payments made while the
179.22 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
179.23 until the commissioner issues a final order.

179.24 (3) A license holder shall promptly notify the commissioner of human services, in writing,
179.25 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
179.26 commissioner determines that a violation has not been corrected as indicated by the order
179.27 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
179.28 the license holder by certified mail, by personal service, or through the provider licensing
179.29 and reporting hub that a second fine has been assessed. The license holder may appeal the
179.30 second fine as provided under this subdivision.

179.31 (4) Fines shall be assessed as follows:

179.32 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
179.33 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557

180.1 for which the license holder is determined responsible for the maltreatment under section
180.2 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

180.3 (ii) if the commissioner determines that a determination of maltreatment for which the
180.4 license holder is responsible is the result of maltreatment that meets the definition of serious
180.5 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
180.6 \$5,000;

180.7 ~~(iii) for a program that operates out of the license holder's home and a program licensed~~
180.8 ~~under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license~~
180.9 ~~holder shall not exceed \$1,000 for each determination of maltreatment;~~

180.10 ~~(iv)~~ (iii) the license holder shall forfeit \$200 for each occurrence of a violation of law
180.11 or rule governing matters of health, safety, or supervision, including but not limited to the
180.12 provision of adequate staff-to-child or adult ratios, and failure to comply with background
180.13 study requirements under chapter 245C; and

180.14 ~~(v)~~ (iv) the license holder shall forfeit \$100 for each occurrence of a violation of law or
180.15 rule other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

180.16 For purposes of this section, "occurrence" means each violation identified in the
180.17 commissioner's fine order. Fines assessed against a license holder that holds a license to
180.18 provide home and community-based services, as identified in section 245D.03, subdivision
180.19 1, and a community residential setting or day services facility license under chapter 245D
180.20 where the services are provided, may be assessed against both licenses for the same
180.21 occurrence, but the combined amount of the fines shall not exceed the amount specified in
180.22 this clause for that occurrence.

180.23 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
180.24 selling, or otherwise transferring the licensed program to a third party. In such an event, the
180.25 license holder will be personally liable for payment. In the case of a corporation, each
180.26 controlling individual is personally and jointly liable for payment.

180.27 (d) Except for background study violations involving the failure to comply with an order
180.28 to immediately remove an individual or an order to provide continuous, direct supervision,
180.29 the commissioner shall not issue a fine under paragraph (c) relating to a background study
180.30 violation to a license holder who self-corrects a background study violation before the
180.31 commissioner discovers the violation. A license holder who has previously exercised the
180.32 provisions of this paragraph to avoid a fine for a background study violation may not avoid
180.33 a fine for a subsequent background study violation unless at least 365 days have passed
180.34 since the license holder self-corrected the earlier background study violation.

181.1 Sec. 45. Minnesota Statutes 2022, section 245A.08, subdivision 2a, is amended to read:

181.2 Subd. 2a. **Consolidated contested case hearings.** (a) When a denial of a license under
181.3 section 245A.05 or a licensing sanction under section 245A.07, subdivision 3, is based on
181.4 a disqualification for which reconsideration was timely requested and which was not set
181.5 aside under section 245C.22, the scope of the contested case hearing shall include the
181.6 disqualification and the licensing sanction or denial of a license, unless otherwise specified
181.7 in this subdivision. When the licensing sanction or denial of a license is based on a
181.8 determination of maltreatment under section 626.557 or chapter 260E, or a disqualification
181.9 for serious or recurring maltreatment which was not set aside, the scope of the contested
181.10 case hearing shall include the maltreatment determination, disqualification, and the licensing
181.11 sanction or denial of a license, unless otherwise specified in this subdivision. In such cases,
181.12 a fair hearing under section 256.045 shall not be conducted as provided for in sections
181.13 245C.27, 260E.33, and 626.557, subdivision 9d.

181.14 (b) ~~Except for family child care and child foster care,~~ Reconsideration of a maltreatment
181.15 determination under sections 260E.33 and 626.557, subdivision 9d, and reconsideration of
181.16 a disqualification under section 245C.22, shall not be conducted when:

181.17 (1) a denial of a license under section 245A.05, or a licensing sanction under section
181.18 245A.07, is based on a determination that the license holder is responsible for maltreatment
181.19 or the disqualification of a license holder is based on serious or recurring maltreatment;

181.20 (2) the denial of a license or licensing sanction is issued at the same time as the
181.21 maltreatment determination or disqualification; and

181.22 (3) the license holder appeals the maltreatment determination or disqualification, and
181.23 denial of a license or licensing sanction. In these cases, a fair hearing shall not be conducted
181.24 under sections 245C.27, 260E.33, and 626.557, subdivision 9d. The scope of the contested
181.25 case hearing must include the maltreatment determination, disqualification, and denial of
181.26 a license or licensing sanction.

181.27 Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment
181.28 determination or disqualification, but does not appeal the denial of a license or a licensing
181.29 sanction, reconsideration of the maltreatment determination shall be conducted under sections
181.30 260E.33 and 626.557, subdivision 9d, and reconsideration of the disqualification shall be
181.31 conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as
181.32 provided under sections 245C.27, 260E.33, and 626.557, subdivision 9d.

181.33 (c) In consolidated contested case hearings regarding sanctions issued in ~~family child~~
181.34 ~~care, child foster care,~~ family adult day services, adult foster care, and community residential

182.1 settings, the county attorney shall defend the commissioner's orders in accordance with
182.2 section 245A.16, subdivision 4.

182.3 (d) The commissioner's final order under subdivision 5 is the final agency action on the
182.4 issue of maltreatment and disqualification, including for purposes of subsequent background
182.5 studies under chapter 245C and is the only administrative appeal of the final agency
182.6 determination, specifically, including a challenge to the accuracy and completeness of data
182.7 under section 13.04.

182.8 (e) When consolidated hearings under this subdivision involve a licensing sanction based
182.9 on a previous maltreatment determination for which the commissioner has issued a final
182.10 order in an appeal of that determination under section 256.045, or the individual failed to
182.11 exercise the right to appeal the previous maltreatment determination under section 260E.33
182.12 or 626.557, subdivision 9d, the commissioner's order is conclusive on the issue of
182.13 maltreatment. In such cases, the scope of the administrative law judge's review shall be
182.14 limited to the disqualification and the licensing sanction or denial of a license. In the case
182.15 of a denial of a license or a licensing sanction issued to a facility based on a maltreatment
182.16 determination regarding an individual who is not the license holder or a household member,
182.17 the scope of the administrative law judge's review includes the maltreatment determination.

182.18 (f) The hearings of all parties may be consolidated into a single contested case hearing
182.19 upon consent of all parties and the administrative law judge, if:

182.20 (1) a maltreatment determination or disqualification, which was not set aside under
182.21 section 245C.22, is the basis for a denial of a license under section 245A.05 or a licensing
182.22 sanction under section 245A.07;

182.23 (2) the disqualified subject is an individual other than the license holder and upon whom
182.24 a background study must be conducted under section 245C.03; and

182.25 (3) the individual has a hearing right under section 245C.27.

182.26 (g) When a denial of a license under section 245A.05 or a licensing sanction under
182.27 section 245A.07 is based on a disqualification for which reconsideration was requested and
182.28 was not set aside under section 245C.22, and the individual otherwise has no hearing right
182.29 under section 245C.27, the scope of the administrative law judge's review shall include the
182.30 denial or sanction and a determination whether the disqualification should be set aside,
182.31 unless section 245C.24 prohibits the set-aside of the disqualification. In determining whether
182.32 the disqualification should be set aside, the administrative law judge shall consider the
182.33 factors under section 245C.22, subdivision 4, to determine whether the individual poses a
182.34 risk of harm to any person receiving services from the license holder.

(h) Notwithstanding section 245C.30, subdivision 5, when a licensing sanction under section 245A.07 is based on the termination of a variance under section 245C.30, subdivision 4, the scope of the administrative law judge's review shall include the sanction and a determination whether the disqualification should be set aside, unless section 245C.24 prohibits the set-aside of the disqualification. In determining whether the disqualification should be set aside, the administrative law judge shall consider the factors under section 245C.22, subdivision 4, to determine whether the individual poses a risk of harm to any person receiving services from the license holder.

Sec. 46. Minnesota Statutes 2022, section 245A.09, subdivision 7, is amended to read:

Subd. 7. **Regulatory methods.** (a) Where appropriate and feasible the commissioner shall identify and implement alternative methods of regulation and enforcement to the extent authorized in this subdivision. These methods shall include:

(1) expansion of the types and categories of licenses that may be granted;

(2) when the standards of another state or federal governmental agency or an independent accreditation body have been shown to require the same standards, methods, or alternative methods to achieve substantially the same intended outcomes as the licensing standards, the commissioner shall consider compliance with the governmental or accreditation standards to be equivalent to partial compliance with the licensing standards; and

(3) use of an abbreviated inspection that employs key standards that have been shown to predict full compliance with the rules.

(b) If the commissioner accepts accreditation as documentation of compliance with a licensing standard under paragraph (a), the commissioner shall continue to investigate complaints related to noncompliance with all licensing standards. The commissioner may take a licensing action for noncompliance under this chapter and shall recognize all existing appeal rights regarding any licensing actions taken under this chapter.

(c) The commissioner shall work with the commissioners of health; public safety; administration; children, youth, and families; and education in consolidating duplicative licensing and certification rules and standards if the commissioner determines that consolidation is administratively feasible, would significantly reduce the cost of licensing, and would not reduce the protection given to persons receiving services in licensed programs. Where administratively feasible and appropriate, the commissioner shall work with the commissioners of health, public safety, administration, and education in conducting joint agency inspections of programs.

(d) The commissioner shall work with the commissioners of health; public safety; administration; children, youth, and families; and education in establishing a single point of application for applicants who are required to obtain concurrent licensure from more than one of the commissioners listed in this clause.

(e) Unless otherwise specified in statute, the commissioner may conduct routine inspections biennially.

~~(f) For a licensed child care center, the commissioner shall conduct one unannounced licensing inspection at least annually.~~

Sec. 47. Minnesota Statutes 2022, section 245A.10, subdivision 1, is amended to read:

Subdivision 1. **Application or license fee required, programs exempt from fee.** (a) Unless exempt under paragraph (b), the commissioner shall charge a fee for evaluation of applications and inspection of programs which are licensed under this chapter.

(b) Except as provided under subdivision 2, no application or license fee shall be charged for ~~child foster care~~, adult foster care, ~~family and group family child care~~, or a community residential setting.

Sec. 48. Minnesota Statutes 2022, section 245A.10, subdivision 2, is amended to read:

Subd. 2. **County fees for background studies applications and licensing inspections.** ~~(a) Before the implementation of NETStudy 2.0, for purposes of family and group family child care licensing under this chapter, a county agency may charge a fee to an applicant or license holder to recover the actual cost of background studies, but in any case not to exceed \$100 annually. A county agency may also charge a license fee to an applicant or license holder not to exceed \$50 for a one-year license or \$100 for a two-year license.~~

~~(b) Before the implementation of NETStudy 2.0, a county agency may charge a fee to a legal nonlicensed child care provider or applicant for authorization to recover the actual cost of background studies completed under section 119B.125, but in any case not to exceed \$100 annually.~~

~~(c) Counties may elect to reduce or waive the fees in paragraph (a) or (b):~~

~~(1) in cases of financial hardship;~~

~~(2) if the county has a shortage of providers in the county's area;~~

~~(3) for new providers; or~~

185.1 ~~(4) for providers who have attained at least 16 hours of training before seeking initial~~
185.2 ~~licensure.~~

185.3 ~~(d) Counties may allow providers to pay the applicant fees in paragraph (a) or (b) on an~~
185.4 ~~installment basis for up to one year. If the provider is receiving child care assistance payments~~
185.5 ~~from the state, the provider may have the fees under paragraph (a) or (b) deducted from the~~
185.6 ~~child care assistance payments for up to one year and the state shall reimburse the county~~
185.7 ~~for the county fees collected in this manner.~~

185.8 ~~(e)~~ (a) For purposes of adult foster care and child foster care licensing, and licensing the
185.9 physical plant of a community residential setting, under this chapter, a county agency may
185.10 charge a fee to a corporate applicant or corporate license holder to recover the actual cost
185.11 of licensing inspections, not to exceed \$500 annually.

185.12 ~~(f)~~ (b) Counties may elect to reduce or waive the fees in paragraph ~~(e)~~ (a) under the
185.13 following circumstances:

185.14 (1) in cases of financial hardship;

185.15 (2) if the county has a shortage of providers in the county's area; or

185.16 (3) for new providers.

185.17 Sec. 49. Minnesota Statutes 2023 Supplement, section 245A.10, subdivision 3, is amended
185.18 to read:

185.19 Subd. 3. **Application fee for initial license or certification.** (a) For fees required under
185.20 subdivision 1, an applicant for an initial license or certification issued by the commissioner
185.21 shall submit a \$500 application fee with each new application required under this subdivision.
185.22 An applicant for an initial day services facility license under chapter 245D shall submit a
185.23 \$250 application fee with each new application. The application fee shall not be prorated,
185.24 is nonrefundable, and is in lieu of the annual license or certification fee that expires on
185.25 December 31. The commissioner shall not process an application until the application fee
185.26 is paid.

185.27 (b) Except as provided in ~~clauses (1) and (2)~~ paragraph (c), an applicant shall apply for
185.28 a license to provide services at a specific location.

185.29 ~~(1)~~ (c) For a license to provide home and community-based services to persons with
185.30 disabilities or age 65 and older under chapter 245D, an applicant shall submit an application
185.31 to provide services statewide. ~~Notwithstanding paragraph (a), applications received by the~~
185.32 ~~commissioner between July 1, 2013, and December 31, 2013, for licensure of services~~

186.1 ~~provided under chapter 245D must include an application fee that is equal to the annual~~
186.2 ~~license renewal fee under subdivision 4, paragraph (b), or \$500, whichever is less.~~
186.3 ~~Applications received by the commissioner after January 1, 2014, must include the application~~
186.4 ~~fee required under paragraph (a). Applicants who meet the modified application criteria~~
186.5 ~~identified in section 245A.042, subdivision 2, are exempt from paying an application fee.~~

186.6 ~~(2) For a license for a private agency to provide foster care or adoption services under~~
186.7 ~~Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application~~
186.8 ~~to provide services statewide.~~

186.9 ~~(c) The initial application fee charged under this subdivision does not include the~~
186.10 ~~temporary license surcharge under section 16E.22.~~

186.11 Sec. 50. Minnesota Statutes 2023 Supplement, section 245A.10, subdivision 4, is amended
186.12 to read:

186.13 Subd. 4. **License or certification fee for certain programs.** ~~(a) Child care centers shall~~
186.14 ~~pay an annual nonrefundable license fee based on the following schedule:~~

	Child Care Center
Licensed Capacity	License Fee
1 to 24 persons	\$200
25 to 49 persons	\$300
50 to 74 persons	\$400
75 to 99 persons	\$500
100 to 124 persons	\$600
125 to 149 persons	\$700
150 to 174 persons	\$800
175 to 199 persons	\$900
200 to 224 persons	\$1,000
225 or more persons	\$1,100

186.27 ~~(b)~~ (a)(1) A program licensed to provide one or more of the home and community-based
186.28 services and supports identified under chapter 245D to persons with disabilities or age 65
186.29 and older, shall pay an annual nonrefundable license fee based on revenues derived from
186.30 the provision of services that would require licensure under chapter 245D during the calendar
186.31 year immediately preceding the year in which the license fee is paid, according to the
186.32 following schedule:

License Holder Annual Revenue	License Fee
less than or equal to \$10,000	\$200

187.1	greater than \$10,000 but less than or	
187.2	equal to \$25,000	\$300
187.3	greater than \$25,000 but less than or	
187.4	equal to \$50,000	\$400
187.5	greater than \$50,000 but less than or	
187.6	equal to \$100,000	\$500
187.7	greater than \$100,000 but less than or	
187.8	equal to \$150,000	\$600
187.9	greater than \$150,000 but less than or	
187.10	equal to \$200,000	\$800
187.11	greater than \$200,000 but less than or	
187.12	equal to \$250,000	\$1,000
187.13	greater than \$250,000 but less than or	
187.14	equal to \$300,000	\$1,200
187.15	greater than \$300,000 but less than or	
187.16	equal to \$350,000	\$1,400
187.17	greater than \$350,000 but less than or	
187.18	equal to \$400,000	\$1,600
187.19	greater than \$400,000 but less than or	
187.20	equal to \$450,000	\$1,800
187.21	greater than \$450,000 but less than or	
187.22	equal to \$500,000	\$2,000
187.23	greater than \$500,000 but less than or	
187.24	equal to \$600,000	\$2,250
187.25	greater than \$600,000 but less than or	
187.26	equal to \$700,000	\$2,500
187.27	greater than \$700,000 but less than or	
187.28	equal to \$800,000	\$2,750
187.29	greater than \$800,000 but less than or	
187.30	equal to \$900,000	\$3,000
187.31	greater than \$900,000 but less than or	
187.32	equal to \$1,000,000	\$3,250
187.33	greater than \$1,000,000 but less than or	
187.34	equal to \$1,250,000	\$3,500
187.35	greater than \$1,250,000 but less than or	
187.36	equal to \$1,500,000	\$3,750
187.37	greater than \$1,500,000 but less than or	
187.38	equal to \$1,750,000	\$4,000
187.39	greater than \$1,750,000 but less than or	
187.40	equal to \$2,000,000	\$4,250
187.41	greater than \$2,000,000 but less than or	
187.42	equal to \$2,500,000	\$4,500
187.43	greater than \$2,500,000 but less than or	
187.44	equal to \$3,000,000	\$4,750
187.45	greater than \$3,000,000 but less than or	
187.46	equal to \$3,500,000	\$5,000

188.1	greater than \$3,500,000 but less than or	
188.2	equal to \$4,000,000	\$5,500
188.3	greater than \$4,000,000 but less than or	
188.4	equal to \$4,500,000	\$6,000
188.5	greater than \$4,500,000 but less than or	
188.6	equal to \$5,000,000	\$6,500
188.7	greater than \$5,000,000 but less than or	
188.8	equal to \$7,500,000	\$7,000
188.9	greater than \$7,500,000 but less than or	
188.10	equal to \$10,000,000	\$8,500
188.11	greater than \$10,000,000 but less than or	
188.12	equal to \$12,500,000	\$10,000
188.13	greater than \$12,500,000 but less than or	
188.14	equal to \$15,000,000	\$14,000
188.15	greater than \$15,000,000	\$18,000

188.16 (2) If requested, the license holder shall provide the commissioner information to verify
188.17 the license holder's annual revenues or other information as needed, including copies of
188.18 documents submitted to the Department of Revenue.

188.19 (3) At each annual renewal, a license holder may elect to pay the highest renewal fee,
188.20 and not provide annual revenue information to the commissioner.

188.21 (4) A license holder that knowingly provides the commissioner incorrect revenue amounts
188.22 for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount
188.23 of double the fee the provider should have paid.

188.24 ~~(5) Notwithstanding clause (1), a license holder providing services under one or more~~
188.25 ~~licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual license~~
188.26 ~~fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid by the license~~
188.27 ~~holder for all licenses held under chapter 245B for calendar year 2013. For calendar year~~
188.28 ~~2017 and thereafter, the license holder shall pay an annual license fee according to clause~~
188.29 ~~(4).~~

188.30 ~~(e)~~ (b) A substance use disorder treatment program licensed under chapter 245G, to
188.31 provide substance use disorder treatment shall pay an annual nonrefundable license fee
188.32 based on the following schedule:

188.33	Licensed Capacity	License Fee
188.34	1 to 24 persons	\$600
188.35	25 to 49 persons	\$800
188.36	50 to 74 persons	\$1,000

189.1 75 to 99 persons \$1,200

189.2 100 or more persons \$1,400

189.3 ~~(d)~~ (c) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to
189.4 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay
189.5 an annual nonrefundable license fee based on the following schedule:

189.6	Licensed Capacity	License Fee
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189.7	1 to 24 persons	\$760
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189.8	25 to 49 persons	\$960
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189.9	50 or more persons	\$1,160
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189.10 A detoxification program that also operates a withdrawal management program at the same
189.11 location shall only pay one fee based upon the licensed capacity of the program with the
189.12 higher overall capacity.

189.13 ~~(e)~~ (d) Except for child foster care, a residential facility licensed under Minnesota Rules,
189.14 chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the
189.15 following schedule:

189.16	Licensed Capacity	License Fee
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189.17	1 to 24 persons	\$1,000
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189.18	25 to 49 persons	\$1,100
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189.19	50 to 74 persons	\$1,200
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189.20	75 to 99 persons	\$1,300
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189.21	100 or more persons	\$1,400
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189.22 ~~(f)~~ (e) A residential facility licensed under section 245I.23 or Minnesota Rules, parts
189.23 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual
189.24 nonrefundable license fee based on the following schedule:

189.25	Licensed Capacity	License Fee
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189.26	1 to 24 persons	\$2,525
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189.27	25 or more persons	\$2,725
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189.28 ~~(g)~~ (f) A residential facility licensed under Minnesota Rules, parts 9570.2000 to
189.29 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable
189.30 license fee based on the following schedule:

189.31	Licensed Capacity	License Fee
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189.32	1 to 24 persons	\$450
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189.33	25 to 49 persons	\$650
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189.34	50 to 74 persons	\$850
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190.1	75 to 99 persons	\$1,050
190.2	100 or more persons	\$1,250

190.3 ~~(h) A private agency licensed to provide foster care and adoption services under~~
190.4 ~~Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable license~~
190.5 ~~fee of \$875.~~

190.6 ~~(i)~~ (g) A program licensed as an adult day care center licensed under Minnesota Rules,
190.7 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the
190.8 following schedule:

190.9	Licensed Capacity	License Fee
190.10	1 to 24 persons	\$500
190.11	25 to 49 persons	\$700
190.12	50 to 74 persons	\$900
190.13	75 to 99 persons	\$1,100
190.14	100 or more persons	\$1,300

190.15 ~~(i)~~ (h) A program licensed to provide treatment services to persons with sexual
190.16 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts
190.17 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

190.18 ~~(i)~~ (i) A mental health clinic certified under section 245I.20 shall pay an annual
190.19 nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a
190.20 primary location with satellite facilities, the satellite facilities shall be certified with the
190.21 primary location without an additional charge.

190.22 Sec. 51. Minnesota Statutes 2023 Supplement, section 245A.13, subdivision 7, is amended
190.23 to read:

190.24 Subd. 7. **Rate recommendation.** For any program receiving Medicaid funds and ordered
190.25 into receivership, the commissioner of human services may review rates of a residential or
190.26 nonresidential program that has needs or deficiencies documented by the Department of
190.27 Health; the Department of Children, Youth, and Families; or the Department of Human
190.28 Services. If the commissioner of human services determines that a review of the rate
190.29 established under sections 256B.5012 and 256B.5013 is needed, the commissioner shall:

- 190.30 (1) review the order or determination that cites the deficiencies or needs; and
- 190.31 (2) determine the need for additional staff, additional annual hours by type of employee,
190.32 and additional consultants, services, supplies, equipment, repairs, or capital assets necessary
190.33 to satisfy the needs or deficiencies.

191.1 Sec. 52. Minnesota Statutes 2022, section 245A.14, subdivision 1, is amended to read:

191.2 Subdivision 1. **Permitted single-family residential use.** A licensed nonresidential
191.3 program with a licensed capacity of 12 or fewer persons ~~and a group family day care facility~~
191.4 ~~licensed under Minnesota Rules, parts 9502.0315 to 9502.0445, to serve 14 or fewer children~~
191.5 shall be considered a permitted single-family residential use of property for the purposes
191.6 of zoning and other land use regulations.

191.7 Sec. 53. Minnesota Statutes 2022, section 245A.14, subdivision 14, is amended to read:

191.8 Subd. 14. **Attendance records for publicly funded services.** ~~(a) A child care center~~
191.9 ~~licensed under this chapter and according to Minnesota Rules, chapter 9503, must maintain~~
191.10 ~~documentation of actual attendance for each child receiving care for which the license holder~~
191.11 ~~is reimbursed by a governmental program. The records must be accessible to the~~
191.12 ~~commissioner during the program's hours of operation, they must be completed on the actual~~
191.13 ~~day of attendance, and they must include:~~

191.14 ~~(1) the first and last name of the child;~~

191.15 ~~(2) the time of day that the child was dropped off; and~~

191.16 ~~(3) the time of day that the child was picked up.~~

191.17 ~~(b) A family child care provider licensed under this chapter and according to Minnesota~~
191.18 ~~Rules, chapter 9502, must maintain documentation of actual attendance for each child~~
191.19 ~~receiving care for which the license holder is reimbursed for the care of that child by a~~
191.20 ~~governmental program. The records must be accessible to the commissioner during the~~
191.21 ~~program's hours of operation, they must be completed on the actual day of attendance, and~~
191.22 ~~they must include:~~

191.23 ~~(1) the first and last name of the child;~~

191.24 ~~(2) the time of day that the child was dropped off; and~~

191.25 ~~(3) the time of day that the child was picked up.~~

191.26 ~~(c)~~ (a) An adult day services program licensed under this chapter and according to
191.27 Minnesota Rules, parts 9555.5105 to 9555.6265, must maintain documentation of actual
191.28 attendance for each adult day service recipient for which the license holder is reimbursed
191.29 by a governmental program. The records must be accessible to the commissioner during
191.30 the program's hours of operation, they must be completed on the actual day of attendance,
191.31 and they must include:

191.32 (1) the first, middle, and last name of the recipient;

(2) the time of day that the recipient was dropped off; and

(3) the time of day that the recipient was picked up.

~~(d)~~ (b) Adult day services programs licensed under this chapter that are designated for remote adult day services must maintain documentation of actual participation for each adult day service recipient for whom the license holder is reimbursed by a governmental program. The records must be accessible to the commissioner during the program's hours of operation, must be completed on the actual day service is provided, and must include the:

(1) first, middle, and last name of the recipient;

(2) time of day the remote services started;

(3) time of day that the remote services ended; and

(4) means by which the remote services were provided, through audio remote services or through audio and video remote services.

Sec. 54. Minnesota Statutes 2023 Supplement, section 245A.1435, is amended to read:

**245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH
IN LICENSED PROGRAMS.**

~~(a) When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's physician, advanced practice registered nurse, or physician assistant directing an alternative sleeping position for the infant. The physician, advanced practice registered nurse, or physician assistant directive must be on a form developed by the commissioner and must remain on file at the licensed location. An infant who independently rolls onto its stomach after being placed to sleep on its back may be allowed to remain sleeping on its stomach if the infant is at least six months of age or the license holder has a signed statement from the parent indicating that the infant regularly rolls over at home.~~

~~(b) The license holder must place the infant in a crib directly on a firm mattress with a fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of the sheet with reasonable effort. The license holder must not place anything in the crib with the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of this section apply to license holders serving infants younger than one year of age. Licensed~~

193.1 ~~child care providers must meet the crib requirements under section 245A.146. A correction~~
193.2 ~~order shall not be issued under this paragraph unless there is evidence that a violation~~
193.3 ~~occurred when an infant was present in the license holder's care.~~

193.4 ~~(c) If an infant falls asleep before being placed in a crib, the license holder must move~~
193.5 ~~the infant to a crib as soon as practicable, and must keep the infant within sight of the license~~
193.6 ~~holder until the infant is placed in a crib. When an infant falls asleep while being held, the~~
193.7 ~~license holder must consider the supervision needs of other children in care when determining~~
193.8 ~~how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant~~
193.9 ~~must not be in a position where the airway may be blocked or with anything covering the~~
193.10 ~~infant's face.~~

193.11 ~~(d) When a license holder places an infant under one year of age down to sleep, the~~
193.12 ~~infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.~~

193.13 ~~(e) A license holder may place an infant under one year of age down to sleep wearing~~
193.14 ~~a helmet if the license holder has signed documentation by a physician, advanced practice~~
193.15 ~~registered nurse, physician assistant, licensed occupational therapist, or licensed physical~~
193.16 ~~therapist on a form developed by the commissioner.~~

193.17 ~~(f) Placing a swaddled infant down to sleep in a licensed setting is not recommended~~
193.18 ~~for an infant of any age and is prohibited for any infant who has begun to roll over~~
193.19 ~~independently. However, with the written consent of a parent or guardian according to this~~
193.20 ~~paragraph, a license holder may place the infant who has not yet begun to roll over on its~~
193.21 ~~own down to sleep in a swaddle. A swaddle is defined as a one-piece sleepwear that wraps~~
193.22 ~~over the infant's arms, fastens securely only across the infant's upper torso, and does not~~
193.23 ~~constrict the infant's hips or legs. If a swaddle is used by a license holder, the license holder~~
193.24 ~~must ensure that it meets the requirements of paragraph (d) and is not so tight that it restricts~~
193.25 ~~the infant's ability to breathe or so loose that the fabric could cover the infant's nose and~~
193.26 ~~mouth. Prior to any use of swaddling for sleep by a provider licensed under this chapter,~~
193.27 ~~the license holder must obtain informed written consent for the use of swaddling from the~~
193.28 ~~parent or guardian of the infant on a form developed by the commissioner.~~

193.29 ~~(g) A license holder may request a variance to this section to permit the use of a~~
193.30 ~~cradleboard when requested by a parent or guardian for a cultural accommodation. A variance~~
193.31 ~~for the use of a cradleboard may be issued only by the commissioner. The variance request~~
193.32 ~~must be submitted on a form developed by the commissioner in partnership with Tribal~~
193.33 ~~welfare agencies and the Department of Health.~~

194.1 Programs licensed under this chapter must comply with the requirements of section
194.2 142B.46 whenever caring for infants.

194.3 Sec. 55. Minnesota Statutes 2022, section 245A.1443, subdivision 2, is amended to read:

194.4 Subd. 2. **Requirements for providing education.** (a) On or before the date of a child's
194.5 initial physical presence at the facility, the license holder must provide education to the
194.6 child's parent related to safe bathing and reducing the risk of sudden unexpected infant death
194.7 and abusive head trauma from shaking infants and young children. The license holder must
194.8 use the educational material developed by the commissioner to comply with this requirement.
194.9 At a minimum, the education must address:

194.10 (1) instruction that a child or infant should never be left unattended around water, a tub
194.11 should be filled with only two to four inches of water for infants, and an infant should never
194.12 be put into a tub when the water is running; and

194.13 (2) the risk factors related to sudden unexpected infant death and abusive head trauma
194.14 from shaking infants and young children, and means of reducing the risks, including the
194.15 safety precautions identified in section ~~245A.1435~~ 142B.46 and the risks of co-sleeping.

194.16 (b) The license holder must document the parent's receipt of the education and keep the
194.17 documentation in the parent's file. The documentation must indicate whether the parent
194.18 agrees to comply with the safeguards. If the parent refuses to comply, program staff must
194.19 provide additional education to the parent as described in the parental supervision plan. The
194.20 parental supervision plan must include the intervention, frequency, and staff responsible
194.21 for the duration of the parent's participation in the program or until the parent agrees to
194.22 comply with the safeguards.

194.23 Sec. 56. Minnesota Statutes 2022, section 245A.1444, is amended to read:

194.24 **245A.1444 TRAINING BY OTHER PROGRAMS ON RISK OF SUDDEN**
194.25 **UNEXPECTED INFANT DEATH AND ABUSIVE HEAD TRAUMA.**

194.26 A licensed substance use disorder treatment program that serves clients with infants or
194.27 children through five years of age, who sleep at the program and a licensed children's
194.28 residential facility that serves infants or children through five years of age, must document
194.29 that before program staff persons or volunteers assist in the care of infants or children
194.30 through five years of age, they are instructed on the standards in section 245A.1435 and
194.31 receive training on reducing the risk of sudden unexpected infant death and abusive head
194.32 trauma from shaking infants and young children. The training conducted under this section

195.1 may be used to fulfill training requirements under section 245G.19, subdivision 4, clause
195.2 (2), and Minnesota Rules, part 2960.0100, subpart 3.

195.3 ~~This section does not apply to child care centers or family child care programs governed~~
195.4 ~~by sections 245A.40 and 245A.50.~~

195.5 Sec. 57. Minnesota Statutes 2022, section 245A.146, subdivision 1, is amended to read:

195.6 Subdivision 1. ~~Consumer product safety web link~~ **Crib safety requirements.** The
195.7 ~~commissioner shall maintain a link from the licensing division website to the United States~~
195.8 ~~Consumer Product Safety Commission website that addresses crib safety information.~~ The
195.9 commissioner and all licensed children's residential facilities, substance use disorder treatment
195.10 programs with children in care, and residential habilitation programs serving children with
195.11 developmental disabilities must follow the requirements of section 142B.45.

195.12 Sec. 58. Minnesota Statutes 2022, section 245A.146, subdivision 2, is amended to read:

195.13 Subd. 2. **Documentation requirement for license holders.** (a) All licensed child care
195.14 providers, children's residential facilities, substance use disorder treatment programs with
195.15 children in care, and residential habilitation programs serving children with developmental
195.16 disabilities must maintain the following documentation for every crib used by or that is
195.17 accessible to any child in care:

195.18 (1) the crib's brand name; and

195.19 (2) the crib's model number.

195.20 (b) Any crib for which the license holder does not have the documentation required
195.21 under paragraph (a) must not be used by or be accessible to children in care.

195.22 (c) ~~Effective December 28, 2012,~~ The licensed program must maintain documentation
195.23 that meets federal documentation requirements to show that every full-size and non-full-size
195.24 crib that is used by or is accessible to any child in care is compliant with federal crib standards
195.25 under Code of Federal Regulations, title 16, part 1219, for full-size baby cribs, or Code of
195.26 Federal Regulations, title 16, part 1220, for non-full-size baby cribs.

195.27 Sec. 59. Minnesota Statutes 2022, section 245A.146, subdivision 5, is amended to read:

195.28 Subd. 5. **Commissioner of the licensed program inspection.** During routine licensing
195.29 inspections, and when investigating complaints regarding alleged violations of this section,
195.30 the commissioner of the licensed program shall review the provider's documentation required
195.31 under subdivisions 3 and 4.

Sec. 60. Minnesota Statutes 2022, section 245A.146, subdivision 6, is amended to read:

Subd. 6. **Failure to comply.** The commissioner of the licensed program may issue a licensing action under section 245A.06 or 245A.07 if a license holder fails to comply with the requirements of this section.

Sec. 61. Minnesota Statutes 2022, section 245A.147, subdivision 1, is amended to read:

Subdivision 1. **In-person checks on infants.** (a) License holders of family child care programs that serve infants are encouraged to monitor sleeping infants by conducting in-person checks on each infant in their care every 30 minutes.

(b) Upon enrollment of an infant in a family child care program, the license holder is encouraged to conduct in-person checks on the sleeping infant every 15 minutes, during the first four months of care.

(c) When an infant has an upper respiratory infection, the license holder is encouraged to conduct in-person checks on the sleeping infant every 15 minutes throughout the hours of sleep.

Sec. 62. Minnesota Statutes 2022, section 245A.156, subdivision 1, is amended to read:

Subdivision 1. **Licensed foster care.** This section applies to county agencies, ~~private child-placing agencies,~~ and individuals who place children or adults who have a known communicable disease, as defined in section 144.4172, subdivision 2, in foster care settings licensed under this chapter.

Sec. 63. Minnesota Statutes 2022, section 245A.156, subdivision 2, is amended to read:

Subd. 2. **Placing agency's or individual's duties.** Notwithstanding sections 144.291 to 144.298, before a county ~~or private child-placing agency~~ or individual places a child or adult with a known communicable disease with a licensed foster care provider, the agency or individual must:

(1) disclose to the foster care license holder the individual's communicable disease; and

(2) determine that the foster care provider has the ability to provide care to the individual.

Sec. 64. Minnesota Statutes 2023 Supplement, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing

functions and activities under section 245A.04; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) ~~dual licensure of family child care and family child foster care~~, dual licensure of family child foster care and family adult foster care, dual licensure of child foster residence setting and community residential setting, and dual licensure of family adult foster care and family child care;

(2) adult foster care maximum capacity;

(3) adult foster care minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals;

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

~~(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care; and~~

~~(9)~~ (8) variances to section 245A.1435 for the use of a cradleboard for a cultural accommodation.

~~Except as provided in section 245A.14, subdivision 4, paragraph (a), clause (5), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.~~

~~(b) A county agency that has been designated by the commissioner to issue family child care variances must:~~

~~(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and~~

~~(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.~~

~~(e) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.~~

~~(d)~~ (b) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

~~(e)~~ (c) A license issued under this section may be issued for up to two years.

~~(f)~~ (d) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

~~(g)~~ (e) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

~~(h) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:~~

~~(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;~~

~~(2) any death, serious injury, or determination of substantiated maltreatment; and~~

~~(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.~~

Sec. 65. Minnesota Statutes 2022, section 245A.16, subdivision 3, is amended to read:

Subd. 3. **Recommendations to commissioner.** The county or private agency shall not make recommendations to the commissioner regarding licensure without first conducting an inspection, ~~and for family child care, a background study of the applicant under chapter 245C.~~ The county or private agency must forward its recommendation to the commissioner

199.1 regarding the appropriate licensing action within 20 working days of receipt of a completed
199.2 application.

199.3 Sec. 66. Minnesota Statutes 2022, section 245A.16, subdivision 5, is amended to read:

199.4 Subd. 5. **Instruction and technical assistance.** (a) The commissioner shall provide
199.5 instruction and technical assistance to county and private agencies that are subject to this
199.6 section. County and private agencies shall cooperate with the commissioner in carrying out
199.7 this section by ensuring that affected employees participate in instruction and technical
199.8 assistance provided by the commissioner.

199.9 ~~(b) Within existing appropriations, the commissioner shall provide training to county~~
199.10 ~~and private licensing agencies that perform child care licensing functions on identifying~~
199.11 ~~and preventing fraud relating to provider reimbursement in the child care assistance program;~~
199.12 ~~by December 31, 2019.~~

199.13 Sec. 67. Minnesota Statutes 2022, section 245A.18, subdivision 1, is amended to read:

199.14 Subdivision 1. **Seat belt and child passenger restraint system use.** ~~When a child is~~
199.15 ~~transported, a license holder must comply with all seat belt and child passenger restraint~~
199.16 ~~system requirements under sections 169.685 and 169.686.~~

199.17 All license holders that transport children must comply with the requirements of section
199.18 142B.51, subdivision 1, and license holders that transport a child or children under eight
199.19 years of age must document training that fulfills the requirements in section 142B.51,
199.20 subdivision 2.

199.21 Sec. 68. Minnesota Statutes 2022, section 245A.25, subdivision 1, is amended to read:

199.22 Subdivision 1. **Certification scope and applicability.** (a) This section establishes the
199.23 requirements that a children's residential facility or child foster residence setting must meet
199.24 to be certified for the purposes of Title IV-E funding requirements as:

199.25 (1) a qualified residential treatment program;

199.26 (2) a residential setting specializing in providing care and supportive services for youth
199.27 who have been or are at risk of becoming victims of sex trafficking or commercial sexual
199.28 exploitation;

199.29 (3) a residential setting specializing in providing prenatal, postpartum, or parenting
199.30 support for youth; or

199.31 (4) a supervised independent living setting for youth who are 18 years of age or older.

200.1 (b) This section does not apply to a foster family setting in which the license holder
200.2 resides in the foster home.

200.3 (c) Children's residential facilities licensed as detention settings according to Minnesota
200.4 Rules, parts 2960.0230 to 2960.0290, or secure programs according to Minnesota Rules,
200.5 parts 2960.0300 to 2960.0420, may not be certified under this section.

200.6 (d) For purposes of this section, "license holder" means an individual, organization, or
200.7 government entity that was issued a children's residential facility or foster residence setting
200.8 license by the commissioner of human services under this chapter; by the commissioner of
200.9 children, youth, and families under chapter 142B; or by the commissioner of corrections
200.10 under chapter 241.

200.11 (e) Certifications issued under this section for foster residence settings may only be
200.12 issued by the commissioner of human services and are not delegated to county or private
200.13 licensing agencies under section 245A.16.

200.14 Sec. 69. Minnesota Statutes 2022, section 245A.25, subdivision 6, is amended to read:

200.15 Subd. 6. **Residential settings specializing in providing prenatal, postpartum, or**
200.16 **parenting supports for youth; certification requirements.** (a) To be certified as a
200.17 residential setting specializing in providing prenatal, postpartum, or parenting supports for
200.18 youth, a license holder must meet the requirements of this subdivision.

200.19 (b) The license holder must collaborate with the responsible social services agency and
200.20 other appropriate parties to implement each youth's out-of-home placement plan required
200.21 by section 260C.212, subdivision 1.

200.22 (c) The license holder must specialize in providing prenatal, postpartum, or parenting
200.23 supports for youth and must:

200.24 (1) provide equitable, culturally responsive, and individualized services to each youth;

200.25 (2) assist each youth with accessing postpartum services during the same period of time
200.26 that a woman is considered pregnant for the purposes of medical assistance eligibility under
200.27 section 256B.055, subdivision 6, including providing each youth with:

200.28 (i) sexual and reproductive health services and education; and

200.29 (ii) a postpartum mental health assessment and follow-up services; and

200.30 (3) discharge planning that includes the youth and the youth's family.

(d) On or before the date of a child's initial physical presence at the facility, the license holder must provide education to the child's parent related to safe bathing and reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children. The license holder must use the educational material developed by the commissioner of human services to comply with this requirement. At a minimum, the education must address:

(1) instruction that: (i) a child or infant should never be left unattended around water; (ii) a tub should be filled with only two to four inches of water for infants; and (iii) an infant should never be put into a tub when the water is running; and

(2) the risk factors related to sudden unexpected infant death and abusive head trauma from shaking infants and young children and means of reducing the risks, including the safety precautions identified in section ~~245A.1435~~ 142B.46 and the risks of co-sleeping.

The license holder must document the parent's receipt of the education and keep the documentation in the parent's file. The documentation must indicate whether the parent agrees to comply with the safeguards described in this paragraph. If the parent refuses to comply, program staff must provide additional education to the parent as described in the parental supervision plan. The parental supervision plan must include the intervention, frequency, and staff responsible for the duration of the parent's participation in the program or until the parent agrees to comply with the safeguards described in this paragraph.

(e) On or before the date of a child's initial physical presence at the facility, the license holder must document the parent's capacity to meet the health and safety needs of the child while on the facility premises considering the following factors:

(1) the parent's physical and mental health;

(2) the parent being under the influence of drugs, alcohol, medications, or other chemicals;

(3) the child's physical and mental health; and

(4) any other information available to the license holder indicating that the parent may not be able to adequately care for the child.

(f) The license holder must have written procedures specifying the actions that staff shall take if a parent is or becomes unable to adequately care for the parent's child.

(g) If the parent refuses to comply with the safeguards described in paragraph (d) or is unable to adequately care for the child, the license holder must develop a parental supervision plan in conjunction with the parent. The plan must account for any factors in paragraph (e)

202.1 that contribute to the parent's inability to adequately care for the child. The plan must be
202.2 dated and signed by the staff person who completed the plan.

202.3 (h) The license holder must have written procedures addressing whether the program
202.4 permits a parent to arrange for supervision of the parent's child by another youth in the
202.5 program. If permitted, the facility must have a procedure that requires staff approval of the
202.6 supervision arrangement before the supervision by the nonparental youth occurs. The
202.7 procedure for approval must include an assessment of the nonparental youth's capacity to
202.8 assume the supervisory responsibilities using the criteria in paragraph (e). The license holder
202.9 must document the license holder's approval of the supervisory arrangement and the
202.10 assessment of the nonparental youth's capacity to supervise the child and must keep this
202.11 documentation in the file of the parent whose child is being supervised by the nonparental
202.12 youth.

202.13 (i) The license holder must maintain a service delivery plan that describes how the
202.14 program provides services according to paragraphs (b) to (h).

202.15 Sec. 70. Minnesota Statutes 2022, section 245A.25, subdivision 8, is amended to read:

202.16 Subd. 8. **Monitoring and inspections.** (a) For a program licensed by the commissioner
202.17 of human services, the commissioner of human services may review a program's compliance
202.18 with certification requirements by conducting an inspection, a licensing review, or an
202.19 investigation of the program. The commissioner may issue a correction order to the license
202.20 holder for a program's noncompliance with the certification requirements of this section.
202.21 For a program licensed by the commissioner of human services, a license holder must make
202.22 a request for reconsideration of a correction order according to section 245A.06, subdivision
202.23 2.

202.24 (b) For a program licensed by the commissioner of children, youth, and families or the
202.25 commissioner of corrections, the commissioner of human services may review the program's
202.26 compliance with the requirements for a certification issued under this section biennially
202.27 and may issue a correction order identifying the program's noncompliance with the
202.28 requirements of this section. The correction order must state the following:

- 202.29 (1) the conditions that constitute a violation of a law or rule;
- 202.30 (2) the specific law or rule violated; and
- 202.31 (3) the time allowed for the program to correct each violation.

202.32 (c) For a program licensed by the commissioner of children, youth, and families or the
202.33 commissioner of corrections, if a license holder believes that there are errors in the correction

203.1 order of the commissioner of human services, the license holder may ask the Department
203.2 of Human Services to reconsider the parts of the correction order that the license holder
203.3 alleges are in error. To submit a request for reconsideration, the license holder must send a
203.4 written request for reconsideration by United States mail to the commissioner of human
203.5 services. The request for reconsideration must be postmarked within 20 calendar days of
203.6 the date that the correction order was received by the license holder and must:

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

203.8 (2) explain why the parts of the correction order are in error; and

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

203.10 A request for reconsideration does not stay any provisions or requirements of the correction
203.11 order. The commissioner of human services' disposition of a request for reconsideration is
203.12 final and not subject to appeal under chapter 14.

203.13 (d) Nothing in this subdivision prohibits the commissioner of human services from
203.14 decertifying a license holder according to subdivision 9 prior to issuing a correction order.

203.15 Sec. 71. Minnesota Statutes 2022, section 245A.66, subdivision 1, is amended to read:

203.16 Subdivision 1. **Internal review.** ~~Except for family child care settings and foster care for~~
203.17 ~~children in the license holder's residence, License holders serving children shall:~~ are subject
203.18 to the requirements of section 142B.54, subdivision 1.

203.19 ~~(1) establish and maintain policies and procedures to ensure that an internal review is~~
203.20 ~~completed within 30 calendar days and that corrective action is taken if necessary to protect~~
203.21 ~~the health and safety of children in care when the facility has reason to know that an internal~~
203.22 ~~or external report of alleged or suspected maltreatment has been made. The review must~~
203.23 ~~include an evaluation of whether:~~

203.24 ~~(i) related policies and procedures were followed;~~

203.25 ~~(ii) the policies and procedures were adequate;~~

203.26 ~~(iii) there is a need for additional staff training;~~

203.27 ~~(iv) the reported event is similar to past events with the children or the services involved;~~
203.28 ~~and~~

203.29 ~~(v) there is a need for corrective action by the license holder to protect the health and~~
203.30 ~~safety of children in care.~~

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~~Based on the results of this review, the license holder must develop, document, and implement a corrective action plan designed to correct current lapses and prevent future lapses in performance by individuals or the license holder, if any;~~

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~~(2) identify the primary and secondary person or position who will ensure that, when required, internal reviews are completed. The secondary person shall be involved when there is reason to believe that the primary person was involved in the alleged or suspected maltreatment; and~~

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~~(3) document and make internal reviews accessible to the commissioner immediately upon the commissioner's request. For the purposes of this section, the documentation provided to the commissioner by the license holder may consist of a completed checklist that verifies completion of each of the requirements of the review.~~

204.12

Sec. 72. **REVISOR INSTRUCTION.**

204.13

204.14

The revisor of statutes must renumber sections or subdivisions in column A as column B.

	<u>Column A</u>	<u>Column B</u>
204.15		
204.16	<u>245A.02, subdivision 2c</u>	<u>142B.01, subdivision 3</u>
204.17	<u>245A.02, subdivision 6a</u>	<u>142B.01, subdivision 11</u>
204.18	<u>245A.02, subdivision 6b</u>	<u>142B.01, subdivision 12</u>
204.19	<u>245A.02, subdivision 10a</u>	<u>142B.01, subdivision 22</u>
204.20	<u>245A.02, subdivision 16</u>	<u>142B.01, subdivision 26</u>
204.21	<u>245A.02, subdivision 17</u>	<u>142B.01, subdivision 27</u>
204.22	<u>245A.02, subdivision 18</u>	<u>142B.01, subdivision 28</u>
204.23	<u>245A.02, subdivision 19</u>	<u>142B.01, subdivision 13</u>
204.24	<u>245A.03, subdivision 2a</u>	<u>142B.05, subdivision 3</u>
204.25	<u>245A.03, subdivision 2b</u>	<u>142B.05, subdivision 4</u>
204.26	<u>245A.03, subdivision 4</u>	<u>142B.05, subdivision 6</u>
204.27	<u>245A.03, subdivision 4a</u>	<u>142B.05, subdivision 7</u>
204.28	<u>245A.03, subdivision 8</u>	<u>142B.05, subdivision 10</u>
204.29	<u>245A.035</u>	<u>142B.06</u>
204.30	<u>245A.04, subdivision 9a</u>	<u>142B.10, subdivision 17</u>
204.31	<u>245A.04, subdivision 10</u>	<u>142B.10, subdivision 18</u>
204.32	<u>245A.06, subdivision 8</u>	<u>142B.16, subdivision 5</u>
204.33	<u>245A.06, subdivision 9</u>	<u>142B.16, subdivision 6</u>
204.34	<u>245A.065</u>	<u>142B.17</u>
204.35	<u>245A.07, subdivision 4</u>	<u>142B.18, subdivision 6</u>

205.1	<u>245A.07, subdivision 5</u>	<u>142B.18, subdivision 7</u>
205.2	<u>245A.14, subdivision 3</u>	<u>142B.41, subdivision 3</u>
205.3	<u>245A.14, subdivision 4</u>	<u>142B.41, subdivision 4</u>
205.4	<u>245A.14, subdivision 4a</u>	<u>142B.41, subdivision 5</u>
205.5	<u>245A.14, subdivision 6</u>	<u>142B.41, subdivision 6</u>
205.6	<u>245A.14, subdivision 8</u>	<u>142B.41, subdivision 7</u>
205.7	<u>245A.14, subdivision 10</u>	<u>142B.41, subdivision 8</u>
205.8	<u>245A.14, subdivision 11</u>	<u>142B.41, subdivision 9</u>
205.9	<u>245A.14, subdivision 15</u>	<u>142B.41, subdivision 11</u>
205.10	<u>245A.14, subdivision 16</u>	<u>142B.41, subdivision 12</u>
205.11	<u>245A.14, subdivision 17</u>	<u>142B.41, subdivision 13</u>
205.12	<u>245A.1434</u>	<u>142B.60</u>
205.13	<u>245A.144</u>	<u>142B.47</u>
205.14	<u>245A.1445</u>	<u>142B.48</u>
205.15	<u>245A.145</u>	<u>142B.61</u>
205.16	<u>245A.146, subdivision 2</u>	<u>142B.45, subdivision 2</u>
205.17	<u>245A.146, subdivision 3</u>	<u>142B.45, subdivision 3</u>
205.18	<u>245A.146, subdivision 4</u>	<u>142B.45, subdivision 4</u>
205.19	<u>245A.146, subdivision 5</u>	<u>142B.45, subdivision 5</u>
205.20	<u>245A.146, subdivision 6</u>	<u>142B.45, subdivision 6</u>
205.21	<u>245A.147</u>	<u>142B.75</u>
205.22	<u>245A.148</u>	<u>142B.76</u>
205.23	<u>245A.149</u>	<u>142B.77</u>
205.24	<u>245A.15</u>	<u>142B.78</u>
205.25	<u>245A.1511</u>	<u>142B.79</u>
205.26	<u>245A.152</u>	<u>142B.62</u>
205.27	<u>245A.16, subdivision 7</u>	<u>142B.30, subdivision 7</u>
205.28	<u>245A.16, subdivision 9</u>	<u>142B.30, subdivision 9</u>
205.29	<u>245A.16, subdivision 11</u>	<u>142B.30, subdivision 11</u>
205.30	<u>245A.23</u>	<u>142B.63</u>
205.31	<u>245A.40</u>	<u>142B.65</u>
205.32	<u>245A.41</u>	<u>142B.66</u>
205.33	<u>245A.42</u>	<u>142B.67</u>
205.34	<u>245A.50</u>	<u>142B.70</u>
205.35	<u>245A.51</u>	<u>142B.71</u>
205.36	<u>245A.52</u>	<u>142B.72</u>
205.37	<u>245A.53</u>	<u>142B.74</u>

207.1	<u>245H.05</u>	<u>142C.05</u>
207.2	<u>245H.06</u>	<u>142C.06</u>
207.3	<u>245H.07</u>	<u>142C.07</u>
207.4	<u>245H.08</u>	<u>142C.08</u>
207.5	<u>245H.10</u>	<u>142C.09</u>
207.6	<u>245H.11</u>	<u>142C.10</u>
207.7	<u>245H.13</u>	<u>142C.11</u>
207.8	<u>245H.14</u>	<u>142C.12</u>
207.9	<u>245H.15</u>	<u>142C.13</u>
207.10	<u>245H.16</u>	<u>142C.14</u>
207.11	<u>245H.17</u>	<u>142C.15</u>
207.12	<u>245H.18</u>	<u>142C.16</u>

207.13 The revisor of statutes must correct any statutory cross-references consistent with this
207.14 renumbering.

207.15 Sec. 4. **REPEALER.**

207.16 Minnesota Statutes 2022, section 245H.12, is repealed.

207.17 **ARTICLE 4**

207.18 **CHAPTER 142D; EARLY CARE AND LEARNING**

207.19 Section 1. Minnesota Statutes 2022, section 119A.5411, is amended to read:

207.20 **119A.5411 FULL-DAY REQUIREMENTS.**

207.21 ~~The following phase in of full-day services in Head Start programs or licensed child~~
207.22 ~~care as defined in chapter 245A is required:~~

207.23 ~~(1) by fiscal year 2009, a minimum of 25 percent of the total state-funded enrollment~~
207.24 ~~throughout the state must be provided in full-day services;~~

207.25 ~~(2) by fiscal year 2011, a minimum of 40 percent of the total state-funded enrollment~~
207.26 ~~throughout the state must be provided in full-day services; and~~

207.27 ~~(3) by fiscal year 2013, (a)~~ A minimum of 50 percent of the total state-funded enrollment
207.28 in Head Start programs, including in licensed child care programs, throughout the state must
207.29 be provided in full-day services.

207.30 (b) Head Start programs may provide full-day services as part of their own program
207.31 model or through agreements with ~~licensed~~ full-day licensed child care programs. If licensed
207.32 child care ~~providers~~ programs do not exist in a geographic area, choose not to participate,

208.1 cannot meet the federal Head Start performance standards after sufficient opportunity, or a
208.2 Head Start program is unable to establish the full-day services as a part of their own program
208.3 model, the Head Start program may request exemption from the commissioner.

208.4 Sec. 2. Minnesota Statutes 2023 Supplement, section 121A.19, is amended to read:

208.5 **121A.19 DEVELOPMENTAL SCREENING AID.**

208.6 (a) Each school year, the state must pay a district for each child or student screened by
208.7 the district according to the requirements of section 121A.17. The amount of state aid for
208.8 each child or student screened shall be: (1) \$98 for a child screened at age three; (2) \$65
208.9 for a child screened at age four; (3) \$52 for a child screened at age five or six prior to
208.10 kindergarten; and (4) \$39 for a student screened within 30 days after first enrolling in a
208.11 public school kindergarten if the student has not previously been screened according to the
208.12 requirements of section 121A.17. If this amount of aid is insufficient, the district may
208.13 permanently transfer from the general fund an amount that, when added to the aid, is
208.14 sufficient. Developmental screening aid shall not be paid for any student who is screened
208.15 more than 30 days after the first day of attendance at a public school kindergarten, except
208.16 if a student transfers to another public school kindergarten within 30 days after first enrolling
208.17 in a Minnesota public school kindergarten program. In this case, if the student has not been
208.18 screened, the district to which the student transfers may receive developmental screening
208.19 aid for screening that student when the screening is performed within 30 days of the transfer
208.20 date.

208.21 (b) The commissioner and the commissioner of education shall enter into an agreement
208.22 under which the commissioner of education shall distribute funds appropriated for programs
208.23 under this section.

208.24 Sec. 3. Minnesota Statutes 2022, section 124D.13, subdivision 2, is amended to read:

208.25 Subd. 2. **Program requirements.** (a) Early childhood family education programs are
208.26 programs for children in the period of life from birth to kindergarten, for the parents and
208.27 other relatives of these children, and for expectant parents. To the extent that funds are
208.28 insufficient to provide programs for all children, early childhood family education programs
208.29 should emphasize programming for a child from birth to age three and encourage parents
208.30 and other relatives to involve four- and five-year-old children in school readiness programs,
208.31 and other public and nonpublic early learning programs. A district may not limit participation
208.32 to school district residents. Early childhood family education programs must provide:

209.1 (1) programs to educate parents and other relatives about the physical, cognitive, social,
209.2 and emotional development of children and to enhance the skills of parents and other relatives
209.3 in providing for their children's learning and development;

209.4 (2) structured learning activities requiring interaction between children and their parents
209.5 or relatives;

209.6 (3) structured learning activities for children that promote children's development and
209.7 positive interaction with peers, which are held while parents or relatives attend parent
209.8 education classes;

209.9 (4) information on related community resources;

209.10 (5) information, materials, and activities that support the safety of children, including
209.11 prevention of child abuse and neglect;

209.12 (6) a community needs assessment that identifies new and underserved populations,
209.13 identifies child and family risk factors, particularly those that impact children's learning and
209.14 development, and assesses family and parenting education needs in the community;

209.15 (7) programming and services that are tailored to the needs of families and parents
209.16 prioritized in the community needs assessment; and

209.17 (8) information about and, if needed, assist in making arrangements for an early childhood
209.18 health and developmental screening under sections 121A.16 and 121A.17, when the child
209.19 nears the third birthday.

209.20 (b) Early childhood family education programs should prioritize programming and
209.21 services for families and parents identified in the community needs assessment, particularly
209.22 those families and parents with children with the most risk factors birth to age three.

209.23 (c) Early childhood family education programs are encouraged to provide parents of
209.24 English learners with translated oral and written information to monitor the program's impact
209.25 on their children's English language development, to know whether their children are
209.26 progressing in developing their English and native language proficiency, and to actively
209.27 engage with and support their children in developing their English and native language
209.28 proficiency.

209.29 ~~The~~ (d) Early childhood family education programs must include learning experiences
209.30 for children, parents, and other relatives that promote children's early literacy and, where
209.31 practicable, their native language skills and activities for children that require substantial
209.32 involvement of the children's parents or other relatives. ~~The program~~ Programs may provide
209.33 parenting education programming or services to anyone identified in the community needs

210.1 assessment. Providers must review the program periodically to assure the instruction and
210.2 materials are not racially, culturally, or sexually biased. The programs must encourage
210.3 parents to be aware of practices that may affect equitable development of children.

210.4 ~~(b)~~ (c) For the purposes of this section, "relative" or "relatives" means noncustodial
210.5 grandparents or other persons related to a child by blood, marriage, adoption, or foster
210.6 placement, excluding parents.

210.7 Sec. 4. Minnesota Statutes 2022, section 124D.13, subdivision 3, is amended to read:

210.8 Subd. 3. **Substantial parental involvement.** The requirement of substantial parental or
210.9 other relative involvement in subdivision 2 means that:

210.10 ~~(a)~~ (1) parents or other relatives must be physically present much of the time in classes
210.11 with their children or be in concurrent classes;

210.12 ~~(b)~~ (2) parenting education or family education must be an integral part of every early
210.13 childhood family education program;

210.14 ~~(c)~~ (3) early childhood family education appropriations must not be used for traditional
210.15 day care or nursery school, or similar programs; and

210.16 ~~(d)~~ (4) the form of parent involvement common to kindergarten, elementary school, or
210.17 early childhood special education programs such as parent conferences, newsletters, and
210.18 notes to parents do not qualify a program under subdivision 2.

210.19 Sec. 5. Minnesota Statutes 2022, section 124D.13, subdivision 4, is amended to read:

210.20 Subd. 4. **Home visiting program.** (a) A district that levies for home visiting under
210.21 section 124D.135, subdivision 6, shall use this revenue to include as part of the early
210.22 childhood family education programs a parent education component that is designed to
210.23 reach isolated or at-risk families.

210.24 (b) The home visiting program must:

210.25 (1) incorporate evidence-informed parenting education practices designed to support
210.26 the healthy growth and development of children, with a priority focus on those children
210.27 who have high needs;

210.28 (2) establish clear objectives and protocols for home visits;

210.29 (3) encourage families to make a transition from home visits to site-based parenting
210.30 programs;

211.1 (4) provide program services that are community-based, accessible, and culturally
211.2 relevant;

211.3 (5) foster collaboration among existing agencies and community-based organizations
211.4 that serve young children and their families, such as public health evidence-based models
211.5 of home visiting and Head Start home visiting; and

211.6 (6) provide information about and assist in making arrangements for an early childhood
211.7 health and developmental screening when the child nears his or her third birthday.

211.8 (c) The home visiting program should be provided by licensed parenting educators,
211.9 certified family life educators, or professionals with an equivalent license that reflect the
211.10 demographic composition of the community to the extent possible.

211.11 Sec. 6. Minnesota Statutes 2022, section 124D.135, subdivision 1, is amended to read:

211.12 Subdivision 1. **Revenue.** The revenue for early childhood family education programs
211.13 for a school district equals ~~\$120 for fiscal year 2014 and~~ the formula allowance for the year
211.14 times 0.023 ~~for fiscal year 2015 and later,~~ times the greater of:

211.15 (1) 150; or

211.16 (2) the number of people under five years of age residing in the district on October 1 of
211.17 the previous school year.

211.18 Sec. 7. Minnesota Statutes 2022, section 124D.135, subdivision 3, is amended to read:

211.19 Subd. 3. **Early childhood family education levy.** By September 30 of each year, the
211.20 commissioner of education shall establish a tax rate for early childhood family education
211.21 revenue that raises \$22,135,000 in each fiscal year. ~~If~~ After consulting with the commissioner
211.22 of children, youth, and families, if the commissioner of education determines that the amount
211.23 of the early childhood family education levy would exceed the early childhood family
211.24 education revenue, then the early childhood family education levy must equal the early
211.25 childhood family education revenue. A district may not certify an early childhood family
211.26 education levy unless it has met the annual program data reporting requirements under
211.27 section 124D.13, subdivision 13.

211.28 Sec. 8. Minnesota Statutes 2022, section 124D.142, subdivision 1, is amended to read:

211.29 Subdivision 1. **System established.** ~~There is established~~ A quality rating and improvement
211.30 system (QRIS) framework, known as Parent Aware, is established to ensure that Minnesota's

212.1 children have access to high-quality early learning and care programs in a range of settings
212.2 so that they are fully ready for kindergarten.

212.3 Sec. 9. Minnesota Statutes 2023 Supplement, section 124D.142, subdivision 2, is amended
212.4 to read:

212.5 Subd. 2. **System components.** (a) The standards-based voluntary quality rating and
212.6 improvement system includes:

212.7 (1) at least a one-star rating for all programs licensed under Minnesota Rules, chapter
212.8 9502 or 9503, or Tribally licensed that do not opt out of the system under paragraph (b) and
212.9 that are not:

212.10 (i) the subject of a finding of fraud for which the program or individual is currently
212.11 serving a penalty or exclusion;

212.12 (ii) prohibited from receiving public funds under section 245.095, regardless of whether
212.13 the action is under appeal;

212.14 (iii) under revocation, suspension, temporary immediate suspension, or decertification,
212.15 or is operating under a conditional license, regardless of whether the action is under appeal;
212.16 or

212.17 (iv) the subject of suspended, denied, or terminated payments to a provider under section
212.18 119B.13, subdivision 6, paragraph (d), clause (1) or (2); 245E.02, subdivision 4, paragraph
212.19 (c), clause (4); or 256.98, subdivision 1, regardless of whether the action is under appeal;

212.20 (2) quality opportunities in order to improve the educational outcomes of children so
212.21 that they are ready for school;

212.22 (3) a framework based on the Minnesota quality rating system rating tool and a common
212.23 set of child outcome and program standards informed by evaluation results;

212.24 (4) a tool to increase the number of publicly funded and regulated early learning and
212.25 care services in both public and private market programs that are high quality;

212.26 (5) voluntary participation ensuring that if a program or provider chooses to participate,
212.27 the program or provider will be rated and may receive public funding associated with the
212.28 rating; and

212.29 (6) tracking progress toward statewide access to high-quality early learning and care
212.30 programs, progress toward the number of low-income children whose parents can access
212.31 quality programs, and progress toward increasing the number of children who are fully
212.32 prepared to enter kindergarten.

213.1 (b) By July 1, 2026, the commissioner of ~~human services~~ children, youth, and families
213.2 shall establish a process by which a program may opt out of the rating under paragraph (a),
213.3 clause (1). The commissioner shall consult with Tribes to develop a process for rating
213.4 Tribally licensed programs that is consistent with the goal outlined in paragraph (a), clause
213.5 (1).

213.6 Sec. 10. Minnesota Statutes 2022, section 124D.15, subdivision 3a, is amended to read:

213.7 Subd. 3a. **Application and reporting requirements.** (a) A school readiness program
213.8 provider must include a biennial plan in the district's world's best workforce plan under
213.9 section 120B.11, describing how the school readiness program meets the program
213.10 requirements under subdivision 3.

213.11 (b) Programs receiving school readiness funds annually must submit a report to the
213.12 department of education for transfer to the department of children, youth, and families.

213.13 Sec. 11. Minnesota Statutes 2022, section 124D.16, is amended by adding a subdivision
213.14 to read:

213.15 Subd. 8. **Funding.** The commissioner and the commissioner of education shall enter
213.16 into an agreement under which the commissioner of education shall distribute funds
213.17 appropriated for programs under this section.

213.18 Sec. 12. Minnesota Statutes 2022, section 124D.165, subdivision 1, is amended to read:

213.19 Subdivision 1. **Establishment; purpose.** ~~There is established~~ An early learning
213.20 scholarships program ~~in order~~ is established to close the opportunity gap by increasing
213.21 access to high-quality early childhood programs.

213.22 Sec. 13. Minnesota Statutes 2023 Supplement, section 125A.02, subdivision 1, is amended
213.23 to read:

213.24 Subdivision 1. **Child with a disability.** "Child with a disability" means a child identified
213.25 under federal and state special education law as deaf or hard-of-hearing, blind or visually
213.26 impaired, deafblind, or having a speech or language impairment, a physical impairment,
213.27 other health disability, developmental cognitive disability, an emotional or behavioral
213.28 disorder, specific learning disability, autism spectrum disorder, traumatic brain injury, or
213.29 severe multiple impairments, and who needs special education and related services, as
213.30 determined by the rules of the commissioner of education or children, youth, and families.
213.31 A licensed physician, an advanced practice registered nurse, a physician assistant, or a

214.1 licensed psychologist is qualified to make a diagnosis and determination of attention deficit
214.2 disorder or attention deficit hyperactivity disorder for purposes of identifying a child with
214.3 a disability.

214.4 Sec. 14. Minnesota Statutes 2022, section 125A.02, subdivision 1a, is amended to read:

214.5 Subd. 1a. **Children ~~ages three through~~ from birth to age seven experiencing**
214.6 **developmental delays.** In addition, every child under age three, and at local district discretion
214.7 from age three to age seven, who needs special instruction and services, as determined by
214.8 the rules of the commissioner of education or children, youth, and families, because the
214.9 child has a substantial delay or has an identifiable physical or mental condition known to
214.10 hinder normal development is a child with a disability.

214.11 Sec. 15. Minnesota Statutes 2022, section 125A.28, is amended to read:

214.12 **125A.28 STATE INTERAGENCY COORDINATING COUNCIL.**

214.13 Subdivision 1. **Membership.** An Interagency Coordinating Council of at least 17, but
214.14 not more than 25 members is established, in compliance with Public Law 108-446, section
214.15 641. The members must be appointed by the governor and reasonably represent the population
214.16 of Minnesota. Council members must elect the council chair, who may not be a representative
214.17 of the Department of Education. The council must be composed of at least five parents,
214.18 including persons of color, of children with disabilities under age 12, including at least three
214.19 parents of a child with a disability under age seven, five representatives of public or private
214.20 providers of services for children with disabilities under age five, including a special
214.21 education director, county social service director, local Head Start director, and a community
214.22 health services or public health nursing administrator, one member of the senate, one member
214.23 of the house of representatives, one representative of teacher preparation programs in early
214.24 childhood-special education or other preparation programs in early childhood intervention,
214.25 at least one representative of advocacy organizations for children with disabilities under
214.26 age five, one physician who cares for young children with special health care needs, one
214.27 representative each from the commissioners of commerce, education, health, human services,
214.28 a representative from the state agency responsible for child care, foster care, mental health,
214.29 homeless coordinator of education of homeless children and youth, and a representative
214.30 from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 4, apply
214.31 to the council. The council must meet at least quarterly.

214.32 Subd. 2. **Implementing policy; duties.** (a) The council must address methods of
214.33 implementing the state policy of developing and implementing comprehensive, coordinated,

215.1 multidisciplinary interagency programs of early intervention services for children with
215.2 disabilities and their families.

215.3 (b) The duties of the council include recommending policies to ensure a comprehensive
215.4 and coordinated system of all state and local agency services for children under age five
215.5 with disabilities and their families. The policies must address how to incorporate each
215.6 agency's services into a unified state and local system of multidisciplinary assessment
215.7 practices, individual intervention plans, comprehensive systems to find children in need of
215.8 services, methods to improve public awareness, and assistance in determining the role of
215.9 interagency early intervention committees.

215.10 Subd. 3. **Recommendations; report.** (a) Within 30 days of receiving the annual
215.11 determination from the federal Office of Special Education on the Minnesota Part C Annual
215.12 Performance Report, the council must recommend to the governor and the commissioners
215.13 of children, youth, and families; education; health; human services; commerce; and
215.14 employment and economic development policies for a comprehensive and coordinated
215.15 system.

215.16 (b) Annually, the council must prepare and submit a report to the governor and the
215.17 secretary of the federal Department of Education on the status of early intervention services
215.18 and programs for infants and toddlers with disabilities and their families under the Individuals
215.19 with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part
215.20 C, Public Law 102-119), as operated in Minnesota. The Minnesota Part C annual performance
215.21 report may serve as the report.

215.22 Subd. 4. **Expiration.** Notwithstanding any other law to the contrary, the State Interagency
215.23 Coordinating Council does not expire unless federal law no longer requires the existence
215.24 of the council or committee.

215.25 Sec. 16. Minnesota Statutes 2022, section 125A.35, subdivision 1, is amended to read:

215.26 Subdivision 1. **Lead agency; allocation of resources.** The state lead agency must
215.27 administer the early intervention account that consists of federal allocations. The Part C
215.28 state plan must state the amount of federal resources in the early intervention account
215.29 available for use by local agencies. The state lead agency must enter into an agreement
215.30 under which the commissioner of education must distribute the funds to the local primary
215.31 agency designated by an Interagency Early Intervention Committee based on a formula that
215.32 includes a December 1 count of the prior year of Part C eligible children for the following
215.33 purposes:

216.1 (1) as provided in Code of Federal Regulations, title 34, part 303.430, to arrange for
216.2 payment for early intervention services not elsewhere available, or to pay for services during
216.3 the pendency of a conflict procedure, including mediation, complaints, due process hearings,
216.4 and interagency disputes; and

216.5 (2) to support interagency child find system activities.

216.6 Sec. 17. Minnesota Statutes 2022, section 125A.45, is amended to read:

216.7 **125A.45 INTERAGENCY DISPUTE PROCEDURE.**

216.8 (a) A dispute between a school board and a county board that is responsible for
216.9 implementing the provisions of section 125A.29 regarding early identification, child and
216.10 family assessment, service coordination, and IFSP development and implementation must
216.11 be resolved according to this subdivision when the dispute involves services provided to
216.12 children and families eligible under the Individuals with Disabilities Education Act, United
216.13 States Code, title 20, section 1471 et seq. (Part C, Public Law 108-446).

216.14 (b) A dispute occurs when the school board and county board are unable to agree as to
216.15 who is responsible to coordinate, provide, pay for, or facilitate payment for services from
216.16 public and private sources.

216.17 (c) Written and signed disputes must be filed with the local primary agency.

216.18 (d) The local primary agency must attempt to resolve the matter with the involved school
216.19 board and county board and may request mediation from the commissioner of the state lead
216.20 agency for this purpose.

216.21 (e) When interagency disputes have not been resolved within 30 calendar days, the local
216.22 primary agency must request the commissioner of the state lead agency to review the matter
216.23 with the commissioners of education, health, and human services and make a decision. The
216.24 commissioner must provide a consistent process for reviewing those procedures. The
216.25 commissioners' decision is binding subject to the right of an aggrieved party to appeal to
216.26 the state court of appeals.

216.27 (f) The local primary agency must ensure that eligible children and their families receive
216.28 early intervention services during resolution of a dispute. While a local dispute is pending,
216.29 the local primary agency must either assign financial responsibility to an agency or pay for
216.30 the service from the early intervention account under section 125A.35. If in resolving the
216.31 dispute, it is determined that the assignment of financial responsibility was inappropriate,
216.32 the responsibility for payment must be reassigned to the appropriate agency and the

217.1 responsible agency must make arrangements for reimbursing any expenditures incurred by
217.2 the agency originally assigned financial responsibility.

217.3 Sec. 18. Minnesota Statutes 2022, section 125A.48, is amended to read:

217.4 **125A.48 STATE INTERAGENCY AGREEMENT.**

217.5 (a) The commissioners of ~~the Departments of~~ children, youth, and families; education;
217.6 health; and human services must enter into an agreement to implement this section and
217.7 Part C, Public Law 108-446, and as required by Code of Federal Regulations, title 34, section
217.8 303.523, to promote the development and implementation of interagency, coordinated,
217.9 multidisciplinary state and local early childhood intervention service systems for serving
217.10 eligible young children with disabilities, birth through age two, and their families and to
217.11 ensure the meaningful involvement of underserved groups, including children with disabilities
217.12 from minority, low-income, homeless, and rural families, and children with disabilities who
217.13 are wards of the state. The agreement must be reviewed annually.

217.14 (b) The state interagency agreement must outline at a minimum the conditions,
217.15 procedures, purposes, and responsibilities of the participating state and local agencies for
217.16 the following:

217.17 (1) membership, roles, and responsibilities of a state interagency committee for the
217.18 oversight of priorities and budget allocations under Part C, Public Law 108-446, and other
217.19 state allocations for this program;

217.20 (2) child find;

217.21 (3) establishment of local interagency agreements;

217.22 (4) review by a state interagency committee of the allocation of additional state and
217.23 federal early intervention funds by local agencies;

217.24 (5) fiscal responsibilities of the state and local agencies;

217.25 (6) intra-agency and interagency dispute resolution;

217.26 (7) payor of last resort;

217.27 (8) maintenance of effort;

217.28 (9) procedural safeguards, including mediation;

217.29 (10) complaint resolution;

217.30 (11) quality assurance;

218.1 (12) data collection;

218.2 (13) an annual summary to the state Interagency Coordinating Council regarding conflict
218.3 resolution activities including disputes, due process hearings, and complaints; and

218.4 (14) other components of the state and local early intervention system consistent with
218.5 Public Law 108-446.

218.6 Written materials must be developed for parents, IEIC's, and local service providers that
218.7 describe procedures developed under this section as required by Code of Federal Regulations,
218.8 title 34, section 303.

218.9 Sec. 19. Laws 2017, First Special Session chapter 5, article 8, section 9, is amended by
218.10 adding a subdivision to read:

218.11 Subd. 7. **Funding.** The commissioner and the commissioner of education shall enter
218.12 into an agreement under which the commissioner of education shall distribute funds
218.13 appropriated for programs under this section.

218.14 Sec. 20. **REVISOR INSTRUCTION.**

218.15 (a) The revisor of statutes shall renumber each section of Minnesota Statutes listed in
218.16 column A with the number listed in column B. The revisor shall also make necessary
218.17 cross-reference changes consistent with the renumbering. The revisor shall also make any
218.18 technical, language, and other changes necessitated by the renumbering and cross-reference
218.19 changes in this act.

218.20	<u>Column A</u>	<u>Column B</u>
218.21	<u>119A.50</u>	<u>142D.12</u>
218.22	<u>119A.52</u>	<u>142D.121</u>
218.23	<u>119A.53</u>	<u>142D.122</u>
218.24	<u>119A.535</u>	<u>142D.123</u>
218.25	<u>119A.5411</u>	<u>142D.124</u>
218.26	<u>119A.545</u>	<u>142D.125</u>
218.27	<u>119B.195</u>	<u>142D.30</u>
218.28	<u>119B.196</u>	<u>142D.24</u>
218.29	<u>119B.25</u>	<u>142D.20</u>
218.30	<u>119B.251</u>	<u>142D.31</u>
218.31	<u>119B.252</u>	<u>142D.32</u>
218.32	<u>119B.27</u>	<u>142D.21</u>
218.33	<u>119B.28</u>	<u>142D.22</u>

219.1	<u>119B.29</u>	<u>142D.23</u>
219.2	<u>121A.16</u>	<u>142D.09</u>
219.3	<u>121A.17</u>	<u>142D.091</u>
219.4	<u>121A.18</u>	<u>142D.092</u>
219.5	<u>121A.19</u>	<u>142D.093</u>
219.6	<u>124D.13</u>	<u>142D.10</u>
219.7	<u>124D.135</u>	<u>142D.11</u>
219.8	<u>124D.141</u>	<u>142D.16</u>
219.9	<u>124D.142</u>	<u>142D.13</u>
219.10	<u>124D.15</u>	<u>142D.05</u>
219.11	<u>124D.151</u>	<u>142D.08</u>
219.12	<u>124D.16</u>	<u>142D.06</u>
219.13	<u>124D.165</u>	<u>142D.25</u>
219.14	<u>124D.2211</u>	<u>142D.14</u>
219.15	<u>124D.23</u>	<u>142D.15</u>

219.16 (b) The revisor of statutes shall codify Laws 2017, First Special Session chapter 5, article
 219.17 8, section 9, as amended by article .., section 23, as Minnesota Statutes, section 142D.07.

219.18 (c) The revisor of statutes shall change "commissioner of education" to "commissioner
 219.19 of children, youth, and families" and change "Department of Education" to "Department of
 219.20 Children, Youth, and Families" as necessary in Minnesota Statutes, chapters 119A and 120
 219.21 to 129C, to reflect the changes in this act and Laws 2023, chapter 70, article 12. The revisor
 219.22 shall also make any technical, language, and other changes resulting from the change of
 219.23 term to the statutory language, sentence structure, or both, if necessary to preserve the
 219.24 meaning of the text.

219.25 ARTICLE 5

219.26 CHAPTER 142E; CHILD CARE PROGRAMS

219.27 Section 1. Minnesota Statutes 2022, section 119B.03, subdivision 8, is amended to read:

219.28 Subd. 8. **Guaranteed floor.** (a) ~~Beginning January 1, 1996, Each county's guaranteed~~
 219.29 ~~floor shall equal 90 percent of the allocation received in the preceding calendar year. For~~
 219.30 ~~the period January 1, 1999, to December 31, 1999, each county's guaranteed floor must be~~
 219.31 ~~equal to its original calendar year 1998 allocation or its actual earnings for calendar year~~
 219.32 ~~1998, whichever is less.~~

219.33 (b) When the amount of funds available for allocation is less than the amount available
 219.34 in the previous year, each county's previous year allocation shall be reduced in proportion

220.1 to the reduction in the statewide funding, for the purpose of establishing the guaranteed
220.2 floor.

220.3 Sec. 2. Minnesota Statutes 2022, section 119B.09, subdivision 12, is amended to read:

220.4 Subd. 12. **Sliding fee.** Child care services to families must be made available on a sliding
220.5 fee basis. The commissioner shall convert eligibility requirements in this section and parent
220.6 fee schedules in section 119B.12 to state median income, based on a family size of three,
220.7 adjusted for family size, by July 1, 2008. ~~The commissioner shall report to the 2008~~
220.8 ~~legislature with the necessary statutory changes to codify this conversion to state median~~
220.9 ~~income.~~

220.10 Sec. 3. Minnesota Statutes 2023 Supplement, section 119B.125, subdivision 1a, is amended
220.11 to read:

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

220.14 (b) Prior to authorization, the commissioner of human services shall perform a background
220.15 study on individuals identified under section 245C.02, subdivision 6a.

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

220.19 (d) At each reauthorization, the commissioner of children, youth, and families must
220.20 ensure that a background study through NETStudy 2.0 has been performed on all individuals
220.21 in the provider's household for whom a background study is required under paragraphs (b)
220.22 and (c).

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

220.25 (f) The commissioner of human services shall forward the background study
220.26 determination to the commissioner of children, youth, and families, who shall grant or deny
220.27 authorization as a legal nonlicensed family child care provider based on the commissioner
220.28 of human service's determination.

221.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 119B.125, subdivision 2, is amended
221.2 to read:

221.3 Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization
221.4 under this section shall collect the information required under section 245C.05 and forward
221.5 the information to the commissioner of human services. The background study must include
221.6 a review of the information required under section 245C.08, subdivision 3.

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

221.9 (1) the commissioner of human services determines that any household member who is
221.10 the subject of a background study is disqualified from direct contact with, or from access
221.11 to, persons served by the program and that disqualification has not been set aside or a
221.12 variance has not been granted under chapter 245C;

221.13 (2) the person has refused to give written consent for disclosure of criminal history
221.14 records;

221.15 (3) the person has been denied a family child care license;

221.16 (4) the person has a family child care licensing disqualification that has not been set
221.17 aside; or

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

221.21 Sec. 5. Minnesota Statutes 2023 Supplement, section 119B.125, subdivision 3, is amended
221.22 to read:

221.23 Subd. 3. **Authorization exception.** When the commissioner denies a person authorization
221.24 as a legal nonlicensed family child care provider under subdivision ~~2~~ 1a, paragraph (f), the
221.25 commissioner later may authorize that person as a provider if the following conditions are
221.26 met:

221.27 (1) after receiving notice of the denial of the authorization, the person applies for and
221.28 obtains a valid child care license issued under chapter 245A, issued by a Tribe, or issued
221.29 by another state;

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

221.31 (3) the person is providing child care in the state of licensure or in the area under the
221.32 jurisdiction of the licensing Tribe.

222.1 Sec. 6. Minnesota Statutes 2022, section 119B.24, is amended to read:

222.2 **119B.24 DUTIES OF COMMISSIONER.**

222.3 ~~In addition to the powers and duties already conferred by law,~~ The commissioner of
222.4 ~~human services~~ shall:

222.5 (1) administer the child care fund, including the basic sliding fee program authorized
222.6 under sections 119B.011 to 119B.16;

222.7 (2) monitor the child care resource and referral programs established under section
222.8 119B.19; and

222.9 (3) encourage child care providers to participate in a nationally recognized accreditation
222.10 system for early childhood and school-age care programs. Subject to approval by the
222.11 commissioner, family child care providers and early childhood and school-age care programs
222.12 shall be reimbursed for one-half of the direct cost of accreditation fees, upon successful
222.13 completion of accreditation.

222.14 Sec. 7. **[142E.59] DISQUALIFICATION FROM PROGRAM.**

222.15 (a) Any person found to be guilty of wrongfully obtaining assistance by a federal or
222.16 state court or by an administrative hearing determination, or waiver thereof, through a
222.17 disqualification consent agreement, or as part of any approved diversion plan under section
222.18 401.065, or any court-ordered stay which carries with it any probationary or other conditions,
222.19 in the Minnesota family investment program and any affiliated program to include the work
222.20 participation cash benefit program, the Supplemental Nutrition Assistance Program (SNAP),
222.21 the general assistance program, housing support under chapter 256I, or the Minnesota
222.22 supplemental aid program shall be disqualified from that program. In addition, any person
222.23 disqualified from the Minnesota family investment program shall also be disqualified from
222.24 SNAP. The needs of that individual shall not be taken into consideration in determining the
222.25 grant level for that assistance unit:

222.26 (1) for one year after the first offense;

222.27 (2) for two years after the second offense; and

222.28 (3) permanently after the third or subsequent offense.

222.29 The period of program disqualification shall begin on the date stipulated on the advance
222.30 notice of disqualification without possibility of postponement for administrative stay or
222.31 administrative hearing and shall continue through completion unless and until the findings
222.32 upon which the sanctions were imposed are reversed by a court of competent jurisdiction.

223.1 The period for which sanctions are imposed is not subject to review. The sanctions provided
223.2 under this subdivision are in addition to, and not in substitution for, any other sanctions that
223.3 may be provided for by law for the offense involved. A disqualification established through
223.4 hearing or waiver shall result in the disqualification period beginning immediately unless
223.5 the person has become otherwise ineligible for assistance. If the person is ineligible for
223.6 assistance, the disqualification period begins when the person again meets the eligibility
223.7 criteria of the program from which they were disqualified and makes application for that
223.8 program.

223.9 (b) A family receiving assistance through child care assistance programs under this
223.10 chapter with a family member who is found to be guilty of wrongfully obtaining child care
223.11 assistance by a federal court, state court, or an administrative hearing determination or
223.12 waiver, through a disqualification consent agreement, as part of an approved diversion plan
223.13 under section 401.065, or a court-ordered stay with probationary or other conditions, is
223.14 disqualified from child care assistance programs. The disqualifications must be for periods
223.15 of one year and two years for the first and second offenses, respectively. Subsequent
223.16 violations must result in permanent disqualification. During the disqualification period,
223.17 disqualification from any child care program must extend to all programs named in this
223.18 paragraph and must be immediately applied.

223.19 (c) A provider caring for children receiving assistance through child care assistance
223.20 programs under this chapter is disqualified from receiving payment for child care services
223.21 from the child care assistance program under this chapter when the provider is found to
223.22 have wrongfully obtained child care assistance by a federal court, state court, or an
223.23 administrative hearing determination or waiver under section 256.046, through a
223.24 disqualification consent agreement, as part of an approved diversion plan under section
223.25 401.065, or a court-ordered stay with probationary or other conditions. The disqualification
223.26 must be for a period of three years for the first offense. Any subsequent violation must result
223.27 in permanent disqualification. The disqualification period must be imposed immediately
223.28 after a determination is made under this paragraph. During the disqualification period, the
223.29 provider is disqualified from receiving payment from any child care program under this
223.30 chapter.

223.31 (d) The sanctions provided under this section are in addition to, and not in substitution
223.32 for, any other sanctions that may be provided for by law for the offense involved. For
223.33 purposes of determining the disqualification period, a disqualification imposed under section
223.34 256.046 or 256.98 must also be counted as a disqualification under this section.

224.1	Sec. 8. <u>REVISOR INSTRUCTION.</u>	
224.2	(a) <u>The revisor of statutes must renumber sections or subdivisions in column A as column</u>	
224.3	<u>B.</u>	
224.4	<u>Column A</u>	<u>Column B</u>
224.5	<u>119B.011</u>	<u>142E.01</u>
224.6	<u>119B.011, subdivision 8</u>	<u>142E.01, subdivision 8</u>
224.7	<u>119B.02</u>	<u>142E.02</u>
224.8	<u>119B.025</u>	<u>142E.03</u>
224.9	<u>119B.03</u>	<u>142E.04</u>
224.10	<u>119B.035</u>	<u>142E.05</u>
224.11	<u>119B.04</u>	<u>142E.06</u>
224.12	<u>119B.05</u>	<u>142E.08</u>
224.13	<u>119B.06</u>	<u>142E.07</u>
224.14	<u>119B.08</u>	<u>142E.09</u>
224.15	<u>119B.09</u>	<u>142E.10</u>
224.16	<u>119B.095</u>	<u>142E.11</u>
224.17	<u>119B.097</u>	<u>142E.11, subdivision 4</u>
224.18	<u>119B.10</u>	<u>142E.12</u>
224.19	<u>119B.105</u>	<u>142E.13</u>
224.20	<u>119B.11</u>	<u>142E.14</u>
224.21	<u>119B.12</u>	<u>142E.15</u>
224.22	<u>119B.125</u>	<u>142E.16</u>
224.23	<u>119B.13</u>	<u>142E.17</u>
224.24	<u>119B.14</u>	<u>142E.03, subdivision 6</u>
224.25	<u>119B.15</u>	<u>142E.02, subdivision 9</u>
224.26	<u>119B.16</u>	<u>142E.18</u>
224.27	<u>119B.161</u>	<u>142E.19</u>
224.28	<u>119B.162</u>	<u>142E.20</u>
224.29	<u>119B.189</u>	<u>142E.30</u>
224.30	<u>119B.19</u>	<u>142E.31</u>
224.31	<u>119B.21</u>	<u>142E.32</u>
224.32	<u>119B.24</u>	<u>142E.02, subdivision 8</u>
224.33	<u>119B.26</u>	<u>142E.021</u>
224.34	<u>245E.01</u>	<u>142E.50</u>
224.35	<u>245E.02</u>	<u>142E.51</u>
224.36	<u>245E.03</u>	<u>142E.52</u>
224.37	<u>245E.04</u>	<u>142E.53</u>

225.1	<u>245E.05</u>	<u>142E.54</u>
225.2	<u>245E.06</u>	<u>142E.55</u>
225.3	<u>245E.07</u>	<u>142E.56</u>
225.4	<u>245E.08</u>	<u>142E.57</u>
225.5	<u>245E.09</u>	<u>142E.58</u>
225.6	<u>256.046, subdivision 3</u>	<u>142E.51, subdivision 5</u>

225.7 (b) The revisor of statutes must correct any statutory cross-references consistent with
225.8 this renumbering.

225.9 **ARTICLE 6**

225.10 **CHAPTER 142F; FOOD, HOUSING, COMMUNITY SUPPORT**

225.11 Section 1. Minnesota Statutes 2022, section 256D.64, subdivision 1, is amended to read:

225.12 Subdivision 1. **Program established.** The Minnesota food assistance program is
225.13 established to provide food assistance to legal noncitizens residing in this state who are
225.14 ineligible to participate in the federal Supplemental Nutrition Assistance Program (SNAP)
225.15 solely due to the provisions of section 402 or 403 of Public Law 104-193, as authorized by
225.16 Title VII of the 1997 Emergency Supplemental Appropriations Act, Public Law 105-18,
225.17 and as amended by Public Law 105-185.

225.18 ~~Beginning July 1, 2003,~~ The Minnesota food assistance program is limited to those
225.19 noncitizens described in this subdivision who are 50 years of age or older.

225.20 Sec. 2. Minnesota Statutes 2022, section 256D.64, subdivision 3, is amended to read:

225.21 Subd. 3. **Program administration.** (a) The rules for the Minnesota food assistance
225.22 program shall follow exactly the regulations for the federal SNAP, except for the provisions
225.23 pertaining to immigration status under section 402 or 403 of Public Law 104-193.

225.24 (b) The county agency shall use the income, budgeting, and benefit allotment regulations
225.25 of the federal SNAP to calculate an eligible recipient's monthly Minnesota food assistance
225.26 program benefit. ~~Until September 30, 1998, eligible recipients under this subdivision shall~~
225.27 ~~receive the average per person SNAP benefit issuance in Minnesota in the fiscal year ending~~
225.28 ~~June 30, 1997. Beginning October 1, 1998,~~ Eligible recipients shall receive the same level
225.29 of benefits as those provided by the federal SNAP to similarly situated citizen recipients.
225.30 The monthly Minnesota food assistance program benefits shall not exceed an amount equal
225.31 to the amount of federal SNAP benefits the household would receive if all members of the
225.32 household were eligible for the federal SNAP benefits.

226.1 (c) Minnesota food assistance program benefits must be disregarded as income in all
226.2 programs that do not count SNAP benefits as income.

226.3 (d) The county agency must redetermine a Minnesota food assistance program recipient's
226.4 eligibility for the federal SNAP when the agency receives information that the recipient's
226.5 legal immigration status has changed in such a way that would make the recipient potentially
226.6 eligible for the federal SNAP.

226.7 ~~(e) Until October 1, 1998, the commissioner may provide benefits under this section in~~
226.8 ~~cash.~~

226.9 Sec. 3. Minnesota Statutes 2023 Supplement, section 256D.65, subdivision 1, is amended
226.10 to read:

226.11 Subdivision 1. **SNAP outreach program.** The commissioner of ~~human services~~ children,
226.12 youth, and families shall implement a Supplemental Nutrition Assistance Program (SNAP)
226.13 outreach program to inform low-income households about the availability, eligibility
226.14 requirements, application procedures, and benefits of SNAP that meets the requirements of
226.15 the United States Department of Agriculture.

226.16 Sec. 4. **REVISOR INSTRUCTION.**

226.17 (a) The revisor of statutes must renumber each section of Minnesota Statutes in Column
226.18 A with the number in Column B.

226.19	<u>Column A</u>	<u>Column B</u>
226.20	<u>245.771</u>	<u>142F.05</u>
226.21	<u>256D.60</u>	<u>142F.10</u>
226.22	<u>256D.61</u>	<u>142F.11</u>
226.23	<u>256D.62</u>	<u>142F.101</u>
226.24	<u>256D.63</u>	<u>142F.102</u>
226.25	<u>256D.64</u>	<u>142F.13</u>
226.26	<u>256D.65</u>	<u>142F.12</u>
226.27	<u>256E.30</u>	<u>142F.30</u>
226.28	<u>256E.31</u>	<u>142F.301</u>
226.29	<u>256E.32</u>	<u>142F.302</u>
226.30	<u>256E.34</u>	<u>142F.14</u>
226.31	<u>256E.35</u>	<u>142F.20</u>

226.32 (b) The revisor of statutes must correct any statutory cross-references consistent with
226.33 this renumbering.

227.1 **ARTICLE 7**

227.2 **CHAPTER 142G; MINNESOTA FAMILY INVESTMENT PROGRAM**

227.3 Section 1. Minnesota Statutes 2022, section 256J.01, subdivision 2, is amended to read:

227.4 Subd. 2. **Implementation of temporary assistance for needy families (TANF).** The
227.5 Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law
227.6 104-193, eliminates the entitlement program of aid to families with dependent children
227.7 (AFDC) and replaces it with block grants to states for temporary assistance for needy families
227.8 (TANF). TANF provides cash assistance for a limited time to families with children and to
227.9 pregnant women. Minnesota's TANF assistance will be provided through a statewide
227.10 expansion of MFIP. The modifications specified in this chapter are necessary to comply
227.11 with the new federal law and to improve MFIP. Eligible applicants and recipients of AFDC,
227.12 family general assistance, and the Supplemental Nutrition Assistance Program (SNAP)
227.13 benefits will be converted to the MFIP program. ~~Effective January 1, 1998, Any new~~
227.14 ~~application received for family cash assistance will be processed under the rules of this~~
227.15 ~~chapter. Case maintenance conversion for existing AFDC and FGA cases to MFIP-S as~~
227.16 ~~described in this chapter will begin January 1, 1998, and continue through March 31, 1998.~~

227.17 Sec. 2. Minnesota Statutes 2022, section 256J.021, is amended to read:

227.18 **256J.021 SEPARATE STATE PROGRAM FOR USE OF STATE MONEY.**

227.19 (a) Families receiving assistance under this section shall comply with all applicable
227.20 requirements in this chapter.

227.21 (b) ~~Beginning October 1, 2006,~~ The commissioner of human services must treat MFIP
227.22 expenditures made to or on behalf of any minor child under section 256J.02, subdivision
227.23 2, clause (1), who is part of a two-parent household, as expenditures under a separately
227.24 funded state program. These expenditures shall not count toward the state's maintenance of
227.25 effort (MOE) requirements under the federal Temporary Assistance to Needy Families
227.26 (TANF) program.

227.27 (c) ~~Beginning February 1, 2008,~~ The commissioner of human services shall treat MFIP
227.28 expenditures made to or on behalf of any minor child who is part of a household that meets
227.29 criteria in section 256J.575, subdivision 3, as expenditures under a separately funded state
227.30 program under section 256J.575, subdivision 8.

228.1 Sec. 3. Minnesota Statutes 2022, section 256J.08, subdivision 32, is amended to read:

228.2 Subd. 32. **Fair hearing or hearing.** "Fair hearing" or "hearing" means the evidentiary
228.3 hearing conducted by the department ~~human services of children, youth, and families~~ judge
228.4 to resolve disputes as specified in section 256J.40, or if not applicable, section 256.045.

228.5 Sec. 4. Minnesota Statutes 2022, section 256J.09, is amended by adding a subdivision to
228.6 read:

228.7 Subd. 11. **Domestic violence informational brochure.** (a) The commissioner shall
228.8 provide a domestic violence informational brochure that provides information about the
228.9 existence of domestic violence waivers to all MFIP applicants. The brochure must explain
228.10 that eligible applicants may be temporarily waived from certain program requirements due
228.11 to domestic violence. The brochure must provide information about services and other
228.12 programs to help victims of domestic violence.

228.13 (b) The brochure must be funded with TANF funds.

228.14 Sec. 5. Minnesota Statutes 2023 Supplement, section 256J.35, is amended to read:

228.15 **256J.35 AMOUNT OF ASSISTANCE PAYMENT.**

228.16 Except as provided in paragraphs (a) to (e), the amount of an assistance payment is equal
228.17 to the difference between the MFIP standard of need or the Minnesota family wage level
228.18 in section 256J.24 and countable income.

228.19 (a) ~~Beginning July 1, 2015,~~ MFIP assistance units are eligible for an MFIP housing
228.20 assistance grant of \$110 per month, unless:

228.21 (1) the housing assistance unit is currently receiving public and assisted rental subsidies
228.22 provided through the Department of Housing and Urban Development (HUD) and is subject
228.23 to section 256J.37, subdivision 3a; or

228.24 (2) the assistance unit is a child-only case under section 256J.88.

228.25 (b) On October 1 of each year, the commissioner shall adjust the MFIP housing assistance
228.26 grant in paragraph (a) for inflation based on the CPI-U for the prior calendar year.

228.27 (c) When MFIP eligibility exists for the month of application, the amount of the assistance
228.28 payment for the month of application must be prorated from the date of application or the
228.29 date all other eligibility factors are met for that applicant, whichever is later. This provision
228.30 applies when an applicant loses at least one day of MFIP eligibility.

229.1 (d) MFIP overpayments to an assistance unit must be recouped according to section
229.2 256P.08, subdivision 6.

229.3 (e) An initial assistance payment must not be made to an applicant who is not eligible
229.4 on the date payment is made.

229.5 Sec. 6. Minnesota Statutes 2022, section 256J.351, is amended to read:

229.6 **256J.351 HOUSING ASSISTANCE GRANTS; FORECASTED PROGRAM.**

229.7 ~~Beginning July 1, 2015,~~ Housing assistance grants under section 256J.35, paragraph (a),
229.8 must be a forecasted program and the commissioner, with the approval of the commissioner
229.9 of management and budget, may transfer unencumbered appropriation balances within fiscal
229.10 years of each biennium with other forecasted programs of the department of Human Services.
229.11 The commissioner shall inform the chairs and ranking minority members of the ~~senate~~
229.12 ~~Health and Human Services Finance Division and the house of representatives Health and~~
229.13 ~~Human Services Finance committee~~ house of representatives and senate committees and
229.14 divisions with primary jurisdiction over the housing assistance grants quarterly about transfers
229.15 made under this provision.

229.16 Sec. 7. Minnesota Statutes 2023 Supplement, section 256J.37, subdivision 3a, is amended
229.17 to read:

229.18 Subd. 3a. **Rental subsidies; unearned income.** (a) ~~Effective July 1, 2003,~~ The agency
229.19 shall count \$50 of the value of public and assisted rental subsidies provided through the
229.20 Department of Housing and Urban Development (HUD) as unearned income to the cash
229.21 portion of the MFIP grant. The full amount of the subsidy must be counted as unearned
229.22 income when the subsidy is less than \$50. The income from this subsidy shall be budgeted
229.23 according to section 256P.09.

229.24 (b) The provisions of this subdivision shall not apply to an MFIP assistance unit which
229.25 includes a participant who is:

229.26 (1) age 60 or older;

229.27 (2) a caregiver who is suffering from an illness, injury, or incapacity that has been
229.28 certified by a qualified professional when the illness, injury, or incapacity is expected to
229.29 continue for more than 30 days and severely limits the person's ability to obtain or maintain
229.30 suitable employment; or

229.31 (3) a caregiver whose presence in the home is required due to the illness or incapacity
229.32 of another member in the assistance unit, a relative in the household, or a foster child in the

230.1 household when the illness or incapacity and the need for the participant's presence in the
230.2 home has been certified by a qualified professional and is expected to continue for more
230.3 than 30 days.

230.4 (c) The provisions of this subdivision shall not apply to an MFIP assistance unit where
230.5 the parental caregiver is an SSI participant.

230.6 Sec. 8. Minnesota Statutes 2022, section 256J.395, subdivision 1, is amended to read:

230.7 Subdivision 1. **Vendor payment.** (a) ~~Effective July 1, 1997,~~ When a county is required
230.8 to provide assistance to a participant in vendor form for shelter costs and utilities under this
230.9 chapter or chapter 256D, the cost of utilities for a given family may be assumed to be:

230.10 (1) the average of the actual monthly cost of utilities for that family for the prior 12
230.11 months at the family's current residence, if applicable;

230.12 (2) the monthly plan amount, if any, set by the local utilities for that family at the family's
230.13 current residence; or

230.14 (3) the estimated monthly utility costs for the dwelling in which the family currently
230.15 resides.

230.16 (b) For purposes of this section, "utility" means any of the following: municipal water
230.17 and sewer service; electric, gas, or heating fuel service; or wood, if that is the heating source.

230.18 (c) In any instance where a vendor payment for rent is directed to a landlord not legally
230.19 entitled to the payment, the county social services agency shall immediately institute
230.20 proceedings to collect the amount of the vendored rent payment, which shall be considered
230.21 a debt under section 270A.03, subdivision 5.

230.22 Sec. 9. Minnesota Statutes 2023 Supplement, section 256J.40, is amended to read:

230.23 **256J.40 FAIR HEARINGS.**

230.24 Caregivers receiving a notice of intent to sanction or a notice of adverse action that
230.25 includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or
230.26 termination of benefits may request a fair hearing. A request for a fair hearing must be
230.27 submitted in writing to the county agency or to the commissioner and must be mailed within
230.28 30 days after a participant or former participant receives written notice of the agency's action
230.29 or within 90 days when a participant or former participant shows good cause for not
230.30 submitting the request within 30 days. A former participant who receives a notice of adverse

231.1 action due to an overpayment may appeal the adverse action according to the requirements
231.2 in this section. Issues that may be appealed are:

231.3 (1) the amount of the assistance payment;

231.4 (2) a suspension, reduction, denial, or termination of assistance;

231.5 (3) the basis for an overpayment, the calculated amount of an overpayment, and the level
231.6 of recoupment;

231.7 (4) the eligibility for an assistance payment; and

231.8 (5) the use of protective or vendor payments under section 256J.39, subdivision 2, clauses
231.9 (1) to (3).

231.10 A county agency must not reduce, suspend, or terminate payment when an aggrieved
231.11 participant requests a fair hearing prior to the effective date of the adverse action or within
231.12 ten days of the mailing of the notice of adverse action, whichever is later, unless the
231.13 participant requests in writing not to receive continued assistance pending a hearing decision.
231.14 Assistance issued pending a fair hearing is subject to recovery under section 256P.08 when
231.15 as a result of the fair hearing decision the participant is determined ineligible for assistance
231.16 or the amount of the assistance received. A county agency may increase or reduce an
231.17 assistance payment while an appeal is pending when the circumstances of the participant
231.18 change and are not related to the issue on appeal. The commissioner's order is binding on
231.19 a county agency. No additional notice is required to enforce the commissioner's order.

231.20 A county agency shall reimburse appellants for reasonable and necessary expenses of
231.21 attendance at the hearing, such as child care and transportation costs and for the transportation
231.22 expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable
231.23 and necessary expenses do not include legal fees. Fair hearings must be conducted at a
231.24 reasonable time and date by an impartial ~~human services~~ children, youth, and families judge
231.25 employed by the department. The hearing may be conducted by telephone or at a site that
231.26 is readily accessible to persons with disabilities.

231.27 The appellant may introduce new or additional evidence relevant to the issues on appeal.
231.28 Recommendations of the ~~human services~~ children, youth, and families judge and decisions
231.29 of the commissioner must be based on evidence in the hearing record and are not limited
231.30 to a review of the county agency action.

232.1 Sec. 10. Minnesota Statutes 2022, section 256J.425, subdivision 8, is amended to read:

232.2 Subd. 8. **County extension request.** A county may make a request to the commissioner
232.3 ~~of human services~~, and the commissioner may grant, an extension for a category of
232.4 participants that are not extended under this section, provided the new category of participants
232.5 is consistent with the existing extension policy in which an extension is provided to
232.6 participants whose MFIP requirements conflict with other statutory requirements or
232.7 obligations. By January 15 of each year, the commissioner must report to the chairs and
232.8 ranking minority members of the senate and house of representatives committees having
232.9 jurisdiction over ~~health and human services~~ children, youth, and families the extensions
232.10 that were granted under this section during the previous calendar year. The legislature must
232.11 act in order for the extensions to continue. If the legislature fails to act by the end of the
232.12 legislative session in which the extensions were reported, the extensions granted under this
232.13 section during the previous calendar year expire on June 30 of that year.

232.14 Sec. 11. Minnesota Statutes 2022, section 256J.645, subdivision 1, is amended to read:

232.15 Subdivision 1. **Authorization to enter into agreements.** ~~Effective July 1, 1997,~~ The
232.16 commissioner may enter into agreements with federally recognized Indian tribes with a
232.17 reservation in the state to provide MFIP employment services to members of the Indian
232.18 tribe and to other caregivers who are a part of the tribal member's MFIP assistance unit. For
232.19 purposes of this section, "Indian tribe" means a tribe, band, nation, or other federally
232.20 recognized group or community of Indians. The commissioner may also enter into an
232.21 agreement with a consortium of Indian tribes providing the governing body of each Indian
232.22 tribe in the consortium complies with the provisions of this section.

232.23 Sec. 12. **REVISOR INSTRUCTION.**

232.24 The revisor of statutes must renumber sections or subdivisions in Column A as Column
232.25 B.

232.26	<u>Column A</u>	<u>Column B</u>
232.27	<u>256.935</u>	<u>142G.95</u>
232.28	<u>256J.01</u>	<u>142G.01</u>
232.29	<u>256J.02</u>	<u>142G.03</u>
232.30	<u>256J.021</u>	<u>142G.04</u>
232.31	<u>256J.06</u>	<u>142G.01, subdivision 6</u>
232.32	<u>256J.08</u>	<u>142G.02</u>
232.33	<u>256J.09</u>	<u>142G.05</u>

233.1	<u>256J.10</u>	<u>142G.10, subdivision 1</u>
233.2	<u>256J.11</u>	<u>142G.11</u>
233.3	<u>256J.12</u>	<u>142G.12</u>
233.4	<u>256J.13</u>	<u>142G.13</u>
233.5	<u>256J.14</u>	<u>142G.14</u>
233.6	<u>256J.15</u>	<u>142G.15</u>
233.7	<u>256J.21</u>	<u>142G.16</u>
233.8	<u>256J.24</u>	<u>142G.17</u>
233.9	<u>256J.26</u>	<u>142G.18</u>
233.10	<u>256J.28</u>	<u>142G.19</u>
233.11	<u>256J.30</u>	<u>142G.20</u>
233.12	<u>256J.31</u>	<u>142G.21</u>
233.13	<u>256J.315</u>	<u>142G.01, subdivision 7</u>
233.14	<u>256J.32, subdivision 1</u>	<u>142G.10, subdivision 2</u>
233.15	<u>256J.33</u>	<u>142G.22</u>
233.16	<u>256J.34</u>	<u>142G.30</u>
233.17	<u>256J.35</u>	<u>142G.32, subdivision 1</u>
233.18	<u>256J.351</u>	<u>142G.32, subdivision 2</u>
233.19	<u>256J.36</u>	<u>142G.33</u>
233.20	<u>256J.37</u>	<u>142G.31</u>
233.21	<u>256J.39</u>	<u>142G.35</u>
233.22	<u>256J.395</u>	<u>142G.36</u>
233.23	<u>256J.396</u>	<u>142G.34</u>
233.24	<u>256J.40</u>	<u>142G.45</u>
233.25	<u>256J.415</u>	<u>142G.41</u>
233.26	<u>256J.42</u>	<u>142G.40</u>
233.27	<u>256J.425</u>	<u>142G.42</u>
233.28	<u>256J.45</u>	<u>142G.27</u>
233.29	<u>256J.46</u>	<u>142G.70</u>
233.30	<u>256J.49</u>	<u>142G.50</u>
233.31	<u>256J.50</u>	<u>142G.54</u>
233.32	<u>256J.51</u>	<u>142G.65</u>
233.33	<u>256J.515</u>	<u>142G.55</u>
233.34	<u>256J.521</u>	<u>142G.56</u>
233.35	<u>256J.53</u>	<u>142G.58</u>
233.36	<u>256J.531</u>	<u>142G.59</u>
233.37	<u>256J.54</u>	<u>142G.57</u>
233.38	<u>256J.545</u>	<u>142G.53</u>

234.1	<u>256J.55</u>	<u>142G.51</u>
234.2	<u>256J.561</u>	<u>142G.52</u>
234.3	<u>256J.57</u>	<u>142G.71</u>
234.4	<u>256J.575</u>	<u>142G.75</u>
234.5	<u>256J.61</u>	<u>142G.25</u>
234.6	<u>256J.621</u>	<u>142G.37</u>
234.7	<u>256J.626</u>	<u>142G.76</u>
234.8	<u>256J.645</u>	<u>142G.77</u>
234.9	<u>256J.66</u>	<u>142G.60</u>
234.10	<u>256J.67</u>	<u>142G.61</u>
234.11	<u>256J.68</u>	<u>142G.62</u>
234.12	<u>256J.69</u>	<u>142G.64</u>
234.13	<u>256J.72</u>	<u>142G.63</u>
234.14	<u>256J.74</u>	<u>142G.26</u>
234.15	<u>256J.75</u>	<u>142G.78</u>
234.16	<u>256J.751</u>	<u>142G.79</u>
234.17	<u>256J.77</u>	<u>142G.38</u>
234.18	<u>256J.78</u>	<u>142G.85</u>
234.19	<u>256J.88</u>	<u>142G.01, subdivision 8</u>
234.20	<u>256J.95</u>	<u>142G.90</u>

234.21 The revisor of statutes must correct any statutory cross-references consistent with this
234.22 renumbering.

234.23 Sec. 13. **REPEALER.**

234.24 Minnesota Statutes 2022, sections 256J.01, subdivision 5; and 256J.78, subdivision 3,
234.25 are repealed.

234.26 **ARTICLE 8**

234.27 **MISCELLANEOUS**

234.28 Section 1. Minnesota Statutes 2022, section 13.46, subdivision 1, is amended to read:

234.29 Subdivision 1. **Definitions.** As used in this section:

234.30 (a) "Individual" means an individual according to section 13.02, subdivision 8, but does
234.31 not include a vendor of services.

234.32 (b) "Program" includes all programs for which authority is vested in a component of the
234.33 welfare system according to statute or federal law, including, but not limited to, Native

235.1 American Tribe programs that provide a service component of the welfare system, the aid
235.2 to families with dependent children program formerly codified in sections 256.72 to 256.87,
235.3 Minnesota family investment program, ~~temporary assistance for needy families program,~~
235.4 medical assistance, general assistance, general assistance medical care formerly codified in
235.5 chapter 256D, child care assistance program, and child support collections.

235.6 (c) "Welfare system" includes the Department of Human Services; the Department of
235.7 Children, Youth, and Families; local social services agencies; county welfare agencies;
235.8 county public health agencies; county veteran services agencies; county housing agencies;
235.9 private licensing agencies; the public authority responsible for child support enforcement;
235.10 human services boards; community mental health center boards, state hospitals, state nursing
235.11 homes, the ombudsman for mental health and developmental disabilities; Native American
235.12 Tribes to the extent a Tribe provides a service component of the welfare system; and persons,
235.13 agencies, institutions, organizations, and other entities under contract to any of the above
235.14 agencies to the extent specified in the contract.

235.15 (d) "Mental health data" means data on individual clients and patients of community
235.16 mental health centers, established under section 245.62, mental health divisions of counties
235.17 and other providers under contract to deliver mental health services, or the ombudsman for
235.18 mental health and developmental disabilities.

235.19 (e) "Fugitive felon" means a person who has been convicted of a felony and who has
235.20 escaped from confinement or violated the terms of probation or parole for that offense.

235.21 (f) "Private licensing agency" means an agency licensed by the commissioner of ~~human~~
235.22 ~~services~~ children, youth, and families under chapter ~~245A~~ 142B to perform the duties under
235.23 section ~~245A.16~~ 142B.30.

235.24 Sec. 2. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 2, is amended to
235.25 read:

235.26 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
235.27 by the welfare system are private data on individuals, and shall not be disclosed except:

235.28 (1) according to section 13.05;

235.29 (2) according to court order;

235.30 (3) according to a statute specifically authorizing access to the private data;

235.31 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
235.32 the state, or the federal government, including a law enforcement person or attorney in the

236.1 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
236.2 administration of a program;

236.3 (5) to personnel of the welfare system who require the data to verify an individual's
236.4 identity; determine eligibility, amount of assistance, and the need to provide services to an
236.5 individual or family across programs; coordinate services for an individual or family;
236.6 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
236.7 suspected fraud;

236.8 (6) to administer federal funds or programs;

236.9 (7) between personnel of the welfare system working in the same program;

236.10 (8) to the Department of Revenue to assess parental contribution amounts for purposes
236.11 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
236.12 and to identify individuals who may benefit from these programs, and prepare the databases
236.13 for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section
236.14 6. The following information may be disclosed under this paragraph: an individual's and
236.15 their dependent's names, dates of birth, Social Security or individual taxpayer identification
236.16 numbers, income, addresses, and other data as required, upon request by the Department
236.17 of Revenue. Disclosures by the commissioner of revenue to the commissioner of human
236.18 services for the purposes described in this clause are governed by section 270B.14,
236.19 subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent
236.20 care credit under section 290.067, the Minnesota working family credit under section
236.21 290.0671, the property tax refund under section 290A.04, and the Minnesota education
236.22 credit under section 290.0674;

236.23 (9) between the Department of Human Services; the Department of Employment and
236.24 Economic Development; the Department of Children, Youth, and Families; and, when
236.25 applicable, the Department of Education, for the following purposes:

236.26 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
236.27 employment or training program administered, supervised, or certified by that agency;

236.28 (ii) to administer any rehabilitation program or child care assistance program, whether
236.29 alone or in conjunction with the welfare system;

236.30 (iii) to monitor and evaluate the Minnesota family investment program or the child care
236.31 assistance program by exchanging data on recipients and former recipients of Supplemental
236.32 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,

237.1 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter
237.2 256B or 256L, ~~or a medical program formerly codified under chapter 256D~~; and

237.3 (iv) to analyze public assistance employment services and program utilization, cost,
237.4 effectiveness, and outcomes as implemented under the authority established in Title II,
237.5 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
237.6 Health records governed by sections 144.291 to 144.298 and "protected health information"
237.7 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
237.8 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
237.9 information, must not be exchanged under this clause;

237.10 (10) to appropriate parties in connection with an emergency if knowledge of the
237.11 information is necessary to protect the health or safety of the individual or other individuals
237.12 or persons;

237.13 (11) data maintained by residential programs as defined in section 245A.02 may be
237.14 disclosed to the protection and advocacy system established in this state according to Part
237.15 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
237.16 disabilities or other related conditions who live in residential facilities for these persons if
237.17 the protection and advocacy system receives a complaint by or on behalf of that person and
237.18 the person does not have a legal guardian or the state or a designee of the state is the legal
237.19 guardian of the person;

237.20 (12) to the county medical examiner or the county coroner for identifying or locating
237.21 relatives or friends of a deceased person;

237.22 (13) data on a child support obligor who makes payments to the public agency may be
237.23 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
237.24 eligibility under section 136A.121, subdivision 2, clause (5);

237.25 (14) participant Social Security or individual taxpayer identification numbers and names
237.26 collected by the telephone assistance program may be disclosed to the Department of
237.27 Revenue to conduct an electronic data match with the property tax refund database to
237.28 determine eligibility under section 237.70, subdivision 4a;

237.29 (15) the current address of a Minnesota family investment program participant may be
237.30 disclosed to law enforcement officers who provide the name of the participant and notify
237.31 the agency that:

237.32 (i) the participant:

238.1 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
238.2 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
238.3 jurisdiction from which the individual is fleeing; or

238.4 (B) is violating a condition of probation or parole imposed under state or federal law;

238.5 (ii) the location or apprehension of the felon is within the law enforcement officer's
238.6 official duties; and

238.7 (iii) the request is made in writing and in the proper exercise of those duties;

238.8 (16) the current address of a recipient of general assistance may be disclosed to probation
238.9 officers and corrections agents who are supervising the recipient and to law enforcement
238.10 officers who are investigating the recipient in connection with a felony level offense;

238.11 (17) information obtained from a SNAP applicant or recipient households may be
238.12 disclosed to local, state, or federal law enforcement officials, upon their written request, for
238.13 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
238.14 to Code of Federal Regulations, title 7, section 272.1(c);

238.15 (18) the address, Social Security or individual taxpayer identification number, and, if
238.16 available, photograph of any member of a household receiving SNAP benefits shall be made
238.17 available, on request, to a local, state, or federal law enforcement officer if the officer
238.18 furnishes the agency with the name of the member and notifies the agency that:

238.19 (i) the member:

238.20 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
238.21 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

238.22 (B) is violating a condition of probation or parole imposed under state or federal law;
238.23 or

238.24 (C) has information that is necessary for the officer to conduct an official duty related
238.25 to conduct described in subitem (A) or (B);

238.26 (ii) locating or apprehending the member is within the officer's official duties; and

238.27 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

238.28 (19) the current address of a recipient of Minnesota family investment program, general
238.29 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,
238.30 provide the name of the recipient and notify the agency that the recipient is a person required
238.31 to register under section 243.166, but is not residing at the address at which the recipient is
238.32 registered under section 243.166;

239.1 (20) certain information regarding child support obligors who are in arrears may be
239.2 made public according to section 518A.74;

239.3 (21) data on child support payments made by a child support obligor and data on the
239.4 distribution of those payments excluding identifying information on obligees may be
239.5 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
239.6 actions undertaken by the public authority, the status of those actions, and data on the income
239.7 of the obligor or obligee may be disclosed to the other party;

239.8 (22) data in the work reporting system may be disclosed under section 256.998,
239.9 subdivision 7;

239.10 (23) to the Department of Education for the purpose of matching Department of Education
239.11 student data with public assistance data to determine students eligible for free and
239.12 reduced-price meals, meal supplements, and free milk according to United States Code,
239.13 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
239.14 funds that are distributed based on income of the student's family; and to verify receipt of
239.15 energy assistance for the telephone assistance plan;

239.16 (24) the current address and telephone number of program recipients and emergency
239.17 contacts may be released to the commissioner of health or a community health board as
239.18 defined in section 145A.02, subdivision 5, when the commissioner or community health
239.19 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
239.20 or at risk of illness, and the data are necessary to locate the person;

239.21 (25) to other state agencies, statewide systems, and political subdivisions of this state,
239.22 including the attorney general, and agencies of other states, interstate information networks,
239.23 federal agencies, and other entities as required by federal regulation or law for the
239.24 administration of the child support enforcement program;

239.25 (26) to personnel of public assistance programs as defined in section 256.741, for access
239.26 to the child support system database for the purpose of administration, including monitoring
239.27 and evaluation of those public assistance programs;

239.28 (27) to monitor and evaluate the Minnesota family investment program by exchanging
239.29 data between the Departments of Human Services; Children, Youth, and Families; and
239.30 Education, on recipients and former recipients of SNAP benefits, cash assistance under
239.31 chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical
239.32 programs under chapter 256B or 256L, or a medical program formerly codified under chapter
239.33 256D;

240.1 (28) to evaluate child support program performance and to identify and prevent fraud
240.2 in the child support program by exchanging data between the Department of Human
240.3 Services; Department of Children, Youth, and Families; Department of Revenue under
240.4 section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of
240.5 use in paragraph (c); Department of Health; Department of Employment and Economic
240.6 Development; and other state agencies as is reasonably necessary to perform these functions;

240.7 (29) counties and the Department of ~~Human Services~~ Children, Youth, and Families
240.8 operating child care assistance programs under chapter 119B may disseminate data on
240.9 program participants, applicants, and providers to the commissioner of education;

240.10 (30) child support data on the child, the parents, and relatives of the child may be
240.11 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
240.12 Security Act, as authorized by federal law;

240.13 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
240.14 necessary to coordinate services;

240.15 (32) to the chief administrative officer of a school to coordinate services for a student
240.16 and family; data that may be disclosed under this clause are limited to name, date of birth,
240.17 gender, and address;

240.18 (33) to county correctional agencies to the extent necessary to coordinate services and
240.19 diversion programs; data that may be disclosed under this clause are limited to name, client
240.20 demographics, program, case status, and county worker information; or

240.21 (34) between the Department of Human Services and the Metropolitan Council for the
240.22 following purposes:

240.23 (i) to coordinate special transportation service provided under section 473.386 with
240.24 services for people with disabilities and elderly individuals funded by or through the
240.25 Department of Human Services; and

240.26 (ii) to provide for reimbursement of special transportation service provided under section
240.27 473.386.

240.28 The data that may be shared under this clause are limited to the individual's first, last, and
240.29 middle names; date of birth; residential address; and program eligibility status with expiration
240.30 date for the purposes of informing the other party of program eligibility.

240.31 (b) Information on persons who have been treated for ~~drug or alcohol abuse~~ substance
240.32 use disorder may only be disclosed according to the requirements of Code of Federal
240.33 Regulations, title 42, sections 2.1 to 2.67.

241.1 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
241.2 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
241.3 nonpublic while the investigation is active. The data are private after the investigation
241.4 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

241.5 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
241.6 not subject to the access provisions of subdivision 10, paragraph (b).

241.7 For the purposes of this subdivision, a request will be deemed to be made in writing if
241.8 made through a computer interface system.

241.9 Sec. 3. Minnesota Statutes 2022, section 13.46, subdivision 3, is amended to read:

241.10 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,
241.11 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare
241.12 system in an investigation, authorized by statute, and relating to the enforcement of rules
241.13 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or
241.14 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and
241.15 shall not be disclosed except:

241.16 (1) pursuant to section 13.05;

241.17 (2) pursuant to statute or valid court order;

241.18 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for
241.19 preparation of defense;

241.20 (4) to an agent of the welfare system or an investigator acting on behalf of a county,
241.21 state, or federal government, including a law enforcement officer or attorney in the
241.22 investigation or prosecution of a criminal, civil, or administrative proceeding, unless the
241.23 commissioner of human services or commissioner of children, youth, and families determines
241.24 that disclosure may compromise a Department of Human Services or Department of Children,
241.25 Youth, and Families ongoing investigation; or

241.26 (5) to provide notices required or permitted by statute.

241.27 The data referred to in this subdivision shall be classified as public data upon submission
241.28 to an administrative law judge or court in an administrative or judicial proceeding. Inactive
241.29 welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

241.30 (b) Notwithstanding any other provision in law, the commissioner of human services
241.31 shall provide all active and inactive investigative data, including the name of the reporter

242.1 of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for
242.2 mental health and developmental disabilities upon the request of the ombudsman.

242.3 (c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation
242.4 by the commissioner of human services of possible overpayments of public funds to a service
242.5 provider or recipient may be disclosed if the commissioner determines that it will not
242.6 compromise the investigation.

242.7 Sec. 4. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 4, is amended to
242.8 read:

242.9 Subd. 4. **Licensing data.** (a) As used in this subdivision:

242.10 (1) "licensing data" are all data collected, maintained, used, or disseminated by the
242.11 welfare system pertaining to persons licensed or registered or who apply for licensure or
242.12 registration or who formerly were licensed or registered under the authority of the
242.13 commissioner of human services;

242.14 (2) "client" means a person who is receiving services from a licensee or from an applicant
242.15 for licensure; and

242.16 (3) "personal and personal financial data" are Social Security numbers, identity of and
242.17 letters of reference, insurance information, reports from the Bureau of Criminal
242.18 Apprehension, health examination reports, and social/home studies.

242.19 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license
242.20 holders, and former licensees are public: name, address, telephone number of licensees,
242.21 date of receipt of a completed application, dates of licensure, licensed capacity, type of
242.22 client preferred, variances granted, record of training and education in child care and child
242.23 development, type of dwelling, name and relationship of other family members, previous
242.24 license history, class of license, the existence and status of complaints, and the number of
242.25 serious injuries to or deaths of individuals in the licensed program as reported to the
242.26 commissioner of human services; the commissioner of children, youth, and families; the
242.27 local social services agency; or any other county welfare agency. For purposes of this
242.28 clause, a serious injury is one that is treated by a physician.

242.29 (ii) Except as provided in item (v), when a correction order, an order to forfeit a fine,
242.30 an order of license suspension, an order of temporary immediate suspension, an order of
242.31 license revocation, an order of license denial, or an order of conditional license has been
242.32 issued, or a complaint is resolved, the following data on current and former licensees and
242.33 applicants are public: the general nature of the complaint or allegations leading to the

243.1 temporary immediate suspension; the substance and investigative findings of the licensing
243.2 or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence
243.3 of settlement negotiations; the record of informal resolution of a licensing violation; orders
243.4 of hearing; findings of fact; conclusions of law; specifications of the final correction order,
243.5 fine, suspension, temporary immediate suspension, revocation, denial, or conditional license
243.6 contained in the record of licensing action; whether a fine has been paid; and the status of
243.7 any appeal of these actions.

243.8 (iii) When a license denial under section 142A.15 or 245A.05 or a sanction under section
243.9 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling
243.10 individual is responsible for maltreatment under section 626.557 or chapter 260E, the identity
243.11 of the applicant, license holder, or controlling individual as the individual responsible for
243.12 maltreatment is public data at the time of the issuance of the license denial or sanction.

243.13 (iv) When a license denial under section 142A.15 or 245A.05 or a sanction under section
243.14 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling
243.15 individual is disqualified under chapter 245C, the identity of the license holder, applicant,
243.16 or controlling individual as the disqualified individual is public data at the time of the
243.17 issuance of the licensing sanction or denial. If the applicant, license holder, or controlling
243.18 individual requests reconsideration of the disqualification and the disqualification is affirmed,
243.19 the reason for the disqualification and the reason to not set aside the disqualification are
243.20 private data.

243.21 (v) A correction order or fine issued to a child care provider for a licensing violation is
243.22 private data on individuals under section 13.02, subdivision 12, or nonpublic data under
243.23 section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

243.24 (2) For applicants who withdraw their application prior to licensure or denial of a license,
243.25 the following data are public: the name of the applicant, the city and county in which the
243.26 applicant was seeking licensure, the dates of the commissioner's receipt of the initial
243.27 application and completed application, the type of license sought, and the date of withdrawal
243.28 of the application.

243.29 (3) For applicants who are denied a license, the following data are public: the name and
243.30 address of the applicant, the city and county in which the applicant was seeking licensure,
243.31 the dates of the commissioner's receipt of the initial application and completed application,
243.32 the type of license sought, the date of denial of the application, the nature of the basis for
243.33 the denial, the existence of settlement negotiations, the record of informal resolution of a

244.1 denial, orders of hearings, findings of fact, conclusions of law, specifications of the final
244.2 order of denial, and the status of any appeal of the denial.

244.3 (4) When maltreatment is substantiated under section 626.557 or chapter 260E and the
244.4 victim and the substantiated perpetrator are affiliated with a program licensed under chapter
244.5 142B or 245A; the commissioner of human services; commissioner of children, youth,
244.6 and families; local social services agency; or county welfare agency may inform the license
244.7 holder where the maltreatment occurred of the identity of the substantiated perpetrator and
244.8 the victim.

244.9 (5) Notwithstanding clause (1), for child foster care, only the name of the license holder
244.10 and the status of the license are public if the county attorney has requested that data otherwise
244.11 classified as public data under clause (1) be considered private data based on the best interests
244.12 of a child in placement in a licensed program.

244.13 (c) The following are private data on individuals under section 13.02, subdivision 12,
244.14 or nonpublic data under section 13.02, subdivision 9: personal and personal financial data
244.15 on family day care program and family foster care program applicants and licensees and
244.16 their family members who provide services under the license.

244.17 (d) The following are private data on individuals: the identity of persons who have made
244.18 reports concerning licensees or applicants that appear in inactive investigative data, and the
244.19 records of clients or employees of the licensee or applicant for licensure whose records are
244.20 received by the licensing agency for purposes of review or in anticipation of a contested
244.21 matter. The names of reporters of complaints or alleged violations of licensing standards
244.22 under chapters 142B, 245A, 245B, 245C, and 245D, and applicable rules and alleged
244.23 maltreatment under section 626.557 and chapter 260E, are confidential data and may be
244.24 disclosed only as provided in section 260E.21, subdivision 4; 260E.35; or 626.557,
244.25 subdivision 12b.

244.26 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under this
244.27 subdivision become public data if submitted to a court or administrative law judge as part
244.28 of a disciplinary proceeding in which there is a public hearing concerning a license which
244.29 has been suspended, immediately suspended, revoked, or denied.

244.30 (f) Data generated in the course of licensing investigations that relate to an alleged
244.31 violation of law are investigative data under subdivision 3.

244.32 (g) Data that are not public data collected, maintained, used, or disseminated under this
244.33 subdivision that relate to or are derived from a report as defined in section 260E.03, or

245.1 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35,
245.2 subdivision 6, and 626.557, subdivision 12b.

245.3 (h) Upon request, not public data collected, maintained, used, or disseminated under
245.4 this subdivision that relate to or are derived from a report of substantiated maltreatment as
245.5 defined in section 626.557 or chapter 260E may be exchanged with the Department of
245.6 Health for purposes of completing background studies pursuant to section 144.057 and with
245.7 the Department of Corrections for purposes of completing background studies pursuant to
245.8 section 241.021.

245.9 (i) Data on individuals collected according to licensing activities under chapters 142B,
245.10 245A, and 245C, data on individuals collected by the commissioner of human services
245.11 according to investigations under section 626.557 and chapters 142B, 245A, 245B, 245C,
245.12 245D, and 260E may be shared with the Department of Human Rights, the Department of
245.13 Health, the Department of Corrections, the ombudsman for mental health and developmental
245.14 disabilities, and the individual's professional regulatory board when there is reason to believe
245.15 that laws or standards under the jurisdiction of those agencies may have been violated or
245.16 the information may otherwise be relevant to the board's regulatory jurisdiction. Background
245.17 study data on an individual who is the subject of a background study under chapter 245C
245.18 for a licensed service for which the commissioner of human services or children, youth,
245.19 and families is the license holder may be shared with the commissioner and the
245.20 commissioner's delegate by the licensing division. Unless otherwise specified in this chapter,
245.21 the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

245.22 (j) In addition to the notice of determinations required under sections 260E.24,
245.23 subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the
245.24 commissioner of children, youth, and families or the local social services agency has
245.25 determined that an individual is a substantiated perpetrator of maltreatment of a child based
245.26 on sexual abuse, as defined in section 260E.03, and the commissioner or local social services
245.27 agency knows that the individual is a person responsible for a child's care in another facility,
245.28 the commissioner or local social services agency shall notify the head of that facility of this
245.29 determination. The notification must include an explanation of the individual's available
245.30 appeal rights and the status of any appeal. If a notice is given under this paragraph, the
245.31 government entity making the notification shall provide a copy of the notice to the individual
245.32 who is the subject of the notice.

245.33 (k) All not public data collected, maintained, used, or disseminated under this subdivision
245.34 and subdivision 3 may be exchanged between the Department of Human Services, Licensing
245.35 Division, and the Department of Corrections for purposes of regulating services for which

246.1 the Department of Human Services and the Department of Corrections have regulatory
246.2 authority.

246.3 Sec. 5. Minnesota Statutes 2022, section 116L.665, subdivision 2, is amended to read:

246.4 Subd. 2. **Membership.** (a) The governor's Workforce Development Board is composed
246.5 of members appointed by the governor. In selecting the representatives of the board, the
246.6 governor shall ensure that a majority of the members come from the private sector, pursuant
246.7 to United States Code, title 29, section 3111. For the public members, membership terms,
246.8 compensation of members, and removal of members are governed by section 15.059,
246.9 subdivisions 2, 3, and 4. To the extent practicable, the membership should be balanced as
246.10 to gender and ethnic diversity.

246.11 (b) No person shall serve as a member of more than one category described in paragraph
246.12 (c).

246.13 (c) Voting members shall consist of the following:

246.14 (1) the governor or the governor's designee;

246.15 (2) two members of the house of representatives, one appointed by the speaker of the
246.16 house and one appointed by the minority leader of the house of representatives;

246.17 (3) two members of the senate, one appointed by the senate majority leader and one
246.18 appointed by the senate minority leader;

246.19 (4) a majority of the members must be representatives of businesses in the state appointed
246.20 by the governor who:

246.21 (i) are owners of businesses, chief executives, or operating officers of businesses, or
246.22 other business executives or employers with optimum policy-making or hiring authority
246.23 and who, in addition, may be members of a local board under United States Code, title 29,
246.24 section 3122(b)(2)(A)(i);

246.25 (ii) represent businesses, including small businesses, or organizations representing
246.26 businesses that provide employment opportunities that, at a minimum, include high-quality,
246.27 work-relevant training and development in in-demand industry sectors or occupations in
246.28 the state; and

246.29 (iii) are appointed from individuals nominated by state business organizations and
246.30 business trade associations;

246.31 (5) six representatives of labor organizations appointed by the governor, including:

247.1 (i) representatives of labor organizations who have been nominated by state labor
247.2 federations; and

247.3 (ii) a member of a labor organization or a training director from a joint labor organization;

247.4 (6) commissioners of the state agencies with primary responsibility for core programs
247.5 identified within the state plan including:

247.6 (i) the Department of Employment and Economic Development;

247.7 (ii) the Department of Education; ~~and~~

247.8 (iii) the Department of Human Services; and

247.9 (iv) the Department of Children, Youth, and Families;

247.10 (7) two chief elected officials, appointed by the governor, collectively representing cities
247.11 and counties;

247.12 (8) two representatives who are people of color or people with disabilities, appointed
247.13 by the governor, of community-based organizations that have demonstrated experience and
247.14 expertise in addressing the employment, training, or education needs of individuals with
247.15 barriers to employment; and

247.16 (9) four officials responsible for education programs in the state, appointed by the
247.17 governor, including chief executive officers of community colleges and other institutions
247.18 of higher education, including:

247.19 (i) the chancellor of the Minnesota State Colleges and Universities;

247.20 (ii) the president of the University of Minnesota;

247.21 (iii) a president from a private postsecondary school; and

247.22 (iv) a representative of career and technical education.

247.23 (d) The nonvoting members of the board shall be appointed by the governor and consist
247.24 of one of each of the following:

247.25 (1) a representative of Adult Basic Education;

247.26 (2) a representative of public libraries;

247.27 (3) a person with expertise in women's economic security;

247.28 (4) the chair or executive director of the Minnesota Workforce Council Association;

247.29 (5) the commissioner of labor and industry;

- 248.1 (6) the commissioner of the Office of Higher Education;
- 248.2 (7) the commissioner of corrections;
- 248.3 (8) the commissioner of management and budget;
- 248.4 (9) two representatives of community-based organizations who are people of color or
- 248.5 people with disabilities who have demonstrated experience and expertise in addressing the
- 248.6 employment, training, and education needs of individuals with barriers to employment;
- 248.7 (10) a representative of secondary, postsecondary, or career-technical education;
- 248.8 (11) a representative of school-based service learning;
- 248.9 (12) a representative of the Council on Asian-Pacific Minnesotans;
- 248.10 (13) a representative of the Minnesota Council on Latino Affairs;
- 248.11 (14) a representative of the Council for Minnesotans of African Heritage;
- 248.12 (15) a representative of the Minnesota Indian Affairs Council;
- 248.13 (16) a representative of the Minnesota State Council on Disability; and
- 248.14 (17) a representative of the Office on the Economic Status of Women.

248.15 (e) Each member shall be appointed for a term of three years from the first day of January

248.16 or July immediately following their appointment. Elected officials shall forfeit their

248.17 appointment if they cease to serve in elected office.

248.18 Sec. 6. Minnesota Statutes 2022, section 116L.86, subdivision 1, is amended to read:

248.19 Subdivision 1. **Interagency agreements.** By ~~October 1, 1987~~ January 1, 2025, the

248.20 commissioner ~~and~~ the commissioner of human services, and the commissioner of children,

248.21 youth, and families shall enter into a written contract for the design, delivery, and

248.22 administration of employment and training services for applicants for or recipients of

248.23 Supplemental Nutrition Assistance Program (SNAP) benefits, the Minnesota family

248.24 investment program, and general assistance. The contract must address:

- 248.25 (1) specific roles and responsibilities of each department;
- 248.26 (2) assignment and supervision of staff for interagency activities including any necessary
- 248.27 interagency employee mobility agreements under the administrative procedures of the
- 248.28 Department of Management and Budget;

(3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;

(4) procedures for providing technical assistance to local service units, Indian Tribes, and employment and training service providers;

(5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;

(6) procedures for reimbursing appropriate agencies for administrative expenses; and

(7) procedures for accessing available federal funds.

Sec. 7. Minnesota Statutes 2022, section 116L.86, subdivision 3, is amended to read:

Subd. 3. **Inventory, referral, and intake services.** The commissioner of employment and economic development, in cooperation with the ~~commissioner~~ commissioners of human services and children, youth, and families, shall develop an inventory, referral, and intake system. The system must provide for coordinated delivery of employment and training and income maintenance support services, efficient client referral among programs and services, reduction of duplicate data collection, coordinated program intake by local agencies, and effective evaluation of employment and training services. The system must, at a minimum, include the following:

(1) a listing of all available public and private employment and training services, income maintenance and support services, and vocationally directed education and training programs;

(2) the capability to assess client needs and match those needs with employment opportunities, education and training programs, and employment and training and income maintenance and support services, and to refer the client to the appropriate employer, educational institution, or service provider;

(3) a coordinated intake procedure for employment and training services, and income maintenance and support services;

(4) access to a statewide database for client tracking and program evaluation; and

(5) internal security measures to protect private data from unauthorized access.

In developing the system, the commissioner shall consult with the public postsecondary educational systems, local agencies, employment and training service providers, and client and employer representatives. The system must be available in each local agency or service provider delivering programs administered by the commissioner of employment and

250.1 economic development or the ~~commissioner~~ commissioners of human services and children,
250.2 youth, and families. Access by intake workers, state agency personnel, clients, and any other
250.3 system users to information contained in the system must conform with all applicable federal
250.4 and state data privacy requirements.

250.5 Sec. 8. Minnesota Statutes 2023 Supplement, section 144.225, subdivision 2, is amended
250.6 to read:

250.7 Subd. 2. **Data about births.** (a) Except as otherwise provided in this subdivision, data
250.8 pertaining to the birth of a child to a woman who was not married to the child's father when
250.9 the child was conceived nor when the child was born, including the original record of birth
250.10 and the certified vital record, are confidential data. At the time of the birth of a child to a
250.11 woman who was not married to the child's father when the child was conceived nor when
250.12 the child was born, the mother may designate demographic data pertaining to the birth as
250.13 public. Notwithstanding the designation of the data as confidential, it may be disclosed:

250.14 (1) to a parent or guardian of the child;

250.15 (2) to the child when the child is 16 years of age or older, except as provided in clause
250.16 (3);

250.17 (3) to the child if the child is a homeless youth;

250.18 (4) under paragraph (b), (e), or (f); or

250.19 (5) pursuant to a court order. For purposes of this section, a subpoena does not constitute
250.20 a court order.

250.21 (b) Data pertaining to the birth of a child that are not accessible to the public become
250.22 public data if 100 years have elapsed since the birth of the child who is the subject of the
250.23 data, or as provided under section 13.10, whichever occurs first.

250.24 (c) If a child is adopted, data pertaining to the child's birth are governed by the provisions
250.25 relating to adoption and birth records, including sections 13.10, subdivision 5; 144.218,
250.26 subdivision 1; and 144.2252.

250.27 (d) The name and address of a mother under paragraph (a) and the child's date of birth
250.28 may be disclosed to the county social services, Tribal health department, or public health
250.29 member of a family services collaborative for purposes of providing services under section
250.30 124D.23.

250.31 (e) The commissioner of human services shall have access to birth records for:

251.1 (1) the purposes of administering medical assistance and the MinnesotaCare program;
251.2 and

251.3 ~~(2) child support enforcement purposes; and~~

251.4 (3) other public health purposes as determined by the commissioner of health.

251.5 (f) Tribal child support programs shall have access to birth records for child support
251.6 enforcement purposes.

251.7 (g) The commissioner of children, youth, and families shall have access to birth records
251.8 for child support enforcement purposes and other public health purposes as determined by
251.9 the commissioner of health.

251.10 Sec. 9. Minnesota Statutes 2022, section 144.225, subdivision 2b, is amended to read:

251.11 Subd. 2b. **Commissioner of health; duties.** Notwithstanding the designation of certain
251.12 of this data as confidential under subdivision 2 or private under subdivision 2a, the
251.13 commissioner shall give the ~~commissioner~~ commissioners of human services and children,
251.14 youth, and families access to birth record data and data contained in recognitions of parentage
251.15 prepared according to section 257.75 necessary to enable the ~~commissioner~~ commissioners
251.16 of human services and children, youth, and families to identify a child who is subject to
251.17 threatened injury, as defined in section 260E.03, subdivision 23, by a person responsible
251.18 for the child's care, as defined in section 260E.03, subdivision 17. The ~~commissioner~~
251.19 commissioners shall be given access to all data included on official birth records.

251.20 Sec. 10. Minnesota Statutes 2023 Supplement, section 245C.02, subdivision 22, is amended
251.21 to read:

251.22 Subd. 22. **Volunteer.** "Volunteer" means an individual who:

251.23 (1) provides or seeks to provide services for or through an entity without direct
251.24 compensation for services provided; or resides in the home where services are being provided;

251.25 (2) is required to be affiliated in NETStudy 2.0 with the entity; and

251.26 (3) is subject to oversight by the entity, including but not limited to continuous, direct
251.27 supervision and immediate removal from providing direct contact services when required.

251.28 This subdivision does not apply to child care background study subjects under subdivision
251.29 6a.

252.1 Sec. 11. Minnesota Statutes 2023 Supplement, section 245C.03, subdivision 1, is amended
252.2 to read:

252.3 Subdivision 1. ~~Licensed Programs~~ licensed by the commissioner. (a) The commissioner
252.4 shall conduct a background study on:

252.5 (1) the person or persons applying for a license;

252.6 (2) an individual age 13 and over living in the household where the licensed program
252.7 will be provided who is not receiving licensed services from the program;

252.8 (3) current or prospective employees of the applicant or license holder who will have
252.9 direct contact with persons served by the facility, agency, or program;

252.10 (4) volunteers or student volunteers who will have direct contact with persons served
252.11 by the program to provide program services if the contact is not under the continuous, direct
252.12 supervision by an individual listed in clause (1) or (3);

252.13 (5) an individual age ten to 12 living in the household where the licensed services will
252.14 be provided when the commissioner has reasonable cause as defined in section 245C.02,
252.15 subdivision 15;

252.16 (6) an individual who, without providing direct contact services at a licensed program,
252.17 may have unsupervised access to children or vulnerable adults receiving services from a
252.18 program, when the commissioner has reasonable cause as defined in section 245C.02,
252.19 subdivision 15; and

252.20 (7) all controlling individuals as defined in section 245A.02, subdivision 5a;

252.21 ~~(8) notwithstanding the other requirements in this subdivision, child care background~~
252.22 ~~study subjects as defined in section 245C.02, subdivision 6a; and~~

252.23 ~~(9)~~ (8) notwithstanding clause (3), for children's residential facilities and foster residence
252.24 settings, any adult working in the facility, whether or not the individual will have direct
252.25 contact with persons served by the facility.

252.26 (b) For child foster care when the license holder resides in the home where foster care
252.27 services are provided, a short-term substitute caregiver providing direct contact services for
252.28 a child for less than 72 hours of continuous care is not required to receive a background
252.29 study under this chapter.

252.30 (c) This subdivision applies to the following programs that must be licensed under
252.31 chapter 245A:

252.32 (1) adult foster care;

- 253.1 ~~(2) child foster care;~~
- 253.2 ~~(3)~~ (2) children's residential facilities;
- 253.3 ~~(4) family child care;~~
- 253.4 ~~(5) licensed child care centers;~~
- 253.5 ~~(6)~~ (3) licensed home and community-based services under chapter 245D;
- 253.6 ~~(7)~~ (4) residential mental health programs for adults;
- 253.7 ~~(8)~~ (5) substance use disorder treatment programs under chapter 245G;
- 253.8 ~~(9)~~ (6) withdrawal management programs under chapter 245F;
- 253.9 ~~(10)~~ (7) adult day care centers;
- 253.10 ~~(11)~~ (8) family adult day services;
- 253.11 ~~(12)~~ (9) detoxification programs;
- 253.12 ~~(13)~~ (10) community residential settings;
- 253.13 ~~(14)~~ (11) intensive residential treatment services and residential crisis stabilization under
- 253.14 chapter 245I; and
- 253.15 ~~(15)~~ (12) treatment programs for persons with sexual psychopathic personality or sexually
- 253.16 dangerous persons, licensed under chapter 245A and according to Minnesota Rules, parts
- 253.17 9515.3000 to 9515.3110.

253.18 Sec. 12. Minnesota Statutes 2022, section 245C.03, is amended by adding a subdivision

253.19 to read:

253.20 Subd. 5c. **Programs licensed or regulated by the Department of Children, Youth,**

253.21 **and Families.** (a) The commissioner shall conduct a background study on:

253.22 (1) the person or persons applying for a license;

253.23 (2) an individual age 13 and over, living in the household where the licensed program

253.24 will be provided, who is not receiving licensed services from the program;

253.25 (3) current or prospective employees of the applicant or license holder who will have

253.26 direct contact with persons served by the facility, agency, or program;

253.27 (4) volunteers or student volunteers who will have direct contact with persons served

253.28 by the program to provide program services if the contact is not under the continuous, direct

253.29 supervision by an individual listed in clause (1) or (3);

254.1 (5) an individual age ten to 12 living in the household where the licensed services will
254.2 be provided when the commissioner has reasonable cause as defined in section 245C.02,
254.3 subdivision 15;

254.4 (6) an individual who, without providing direct contact services at a licensed program,
254.5 may have unsupervised access to children receiving services from a program, when the
254.6 commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

254.7 (7) all controlling individuals as defined in section 142B.01, subdivision 11; and

254.8 (8) notwithstanding the other requirements in this subdivision, child care background
254.9 study subjects as defined in section 245C.02, subdivision 6a.

254.10 (b) For child foster care when the license holder resides in the home where foster care
254.11 services are provided, a short-term substitute caregiver providing direct contact services for
254.12 a child for less than 72 hours of continuous care is not required to receive a background
254.13 study under this chapter.

254.14 (c) This subdivision applies to the following programs:

254.15 (1) a child foster care program licensed or seeking a license under chapter 142B;

254.16 (2) a child care center licensed or seeking a license under chapter 142B;

254.17 (3) a license-exempt child care center certified under chapter 142C;

254.18 (4) a legal nonlicensed child care provider authorized under chapter 142E; or

254.19 (5) a Head Start program.

254.20 Sec. 13. Minnesota Statutes 2022, section 245C.08, subdivision 3, is amended to read:

254.21 Subd. 3. **Arrest and investigative information.** (a) For any background study completed
254.22 under this section, if the commissioner has reasonable cause to believe the information is
254.23 pertinent to the disqualification of an individual, the commissioner also may review arrest
254.24 and investigative information from:

254.25 (1) the Bureau of Criminal Apprehension;

254.26 (2) the commissioners of children, youth, and families; health; and human services;

254.27 (3) a county attorney;

254.28 (4) a county sheriff;

254.29 (5) a county agency;

254.30 (6) a local chief of police;

255.1 (7) other states;

255.2 (8) the courts;

255.3 (9) the Federal Bureau of Investigation;

255.4 (10) the National Criminal Records Repository; and

255.5 (11) criminal records from other states.

255.6 (b) Except when specifically required by law, the commissioner is not required to conduct
255.7 more than one review of a subject's records from the Federal Bureau of Investigation if a
255.8 review of the subject's criminal history with the Federal Bureau of Investigation has already
255.9 been completed by the commissioner and there has been no break in the subject's affiliation
255.10 with the entity that initiated the background study.

255.11 (c) If the commissioner conducts a national criminal history record check when required
255.12 by law and uses the information from the national criminal history record check to make a
255.13 disqualification determination, the data obtained is private data and cannot be shared with
255.14 private agencies or prospective employers of the background study subject.

255.15 (d) If the commissioner conducts a national criminal history record check when required
255.16 by law and uses the information from the national criminal history record check to make a
255.17 disqualification determination, the license holder or entity that submitted the study is not
255.18 required to obtain a copy of the background study subject's disqualification letter under
255.19 section 245C.17, subdivision 3.

255.20 Sec. 14. Minnesota Statutes 2022, section 245C.22, is amended by adding a subdivision
255.21 to read:

255.22 **Subd. 8. Sharing of certain data for reconsiderations and appeals.** (a) The following
255.23 commissioners shall be responsible for conducting reconsiderations and appeals of
255.24 background studies for programs under their jurisdictions:

255.25 (1) the commissioner of human services for programs under section 245C.03, subdivision
255.26 1;

255.27 (2) the commissioner of health for programs under section 245C.03, subdivision 5a;

255.28 (3) the commissioner of corrections for programs under section 245C.03, subdivision
255.29 5b; and

255.30 (4) the commissioner of the children, youth, and families for programs under section
255.31 245C.03, subdivision 5c.

256.1 (b) The commissioner of human services shall share all relevant background study data
256.2 to allow the commissioners specified in paragraph (a) to complete reconsiderations and
256.3 appeals for programs licensed or regulated by their agencies.

256.4 Sec. 15. Minnesota Statutes 2022, section 245C.25, is amended to read:

256.5 **245C.25 CONSOLIDATED RECONSIDERATION OF MALTREATMENT**
256.6 **DETERMINATION AND DISQUALIFICATION.**

256.7 (a) If an individual is disqualified on the basis of a determination of maltreatment under
256.8 section 626.557 or chapter 260E, which was serious or recurring, and the individual requests
256.9 reconsideration of the maltreatment determination under section 260E.33 or 626.557,
256.10 subdivision 9d, and also requests reconsideration of the disqualification under section
256.11 245C.21, the commissioner shall consolidate the reconsideration of the maltreatment
256.12 determination and the disqualification into a single reconsideration.

256.13 (b) In cases where an individual seeks reconsideration of license denial or sanction by
256.14 the commissioners of children, youth, and families and human services based on the same
256.15 disqualification under chapter 245C or maltreatment determination under chapter 260E or
256.16 626, the individual shall send their reconsideration request to the commissioner of human
256.17 services. The commissioner of human services shall consolidate the requests pursuant to
256.18 this subdivision and review the decision of the commissioner of children, youth, and families
256.19 pursuant to chapter 142B.

256.20 Sec. 16. Minnesota Statutes 2022, section 256.741, subdivision 1, is amended to read:

256.21 Subdivision 1. **Definitions.** (a) The term "direct support" as used in this chapter and
256.22 chapters 142A, 257, 518, ~~518A~~, and 518C refers to an assigned support payment from an
256.23 obligor which is paid directly to a recipient of public assistance.

256.24 (b) The term "public assistance" as used in this chapter and chapters 142A, 257, 518,
256.25 ~~518A~~, and 518C, includes any form of assistance provided under the AFDC program formerly
256.26 ~~codified in sections 256.72 to 256.87, MFIP and MFIP-R formerly codified under chapter~~
256.27 ~~256, MFIP under chapter 256J, work first program formerly codified under chapter 256K;~~
256.28 child care assistance provided through the child care fund under chapter 119B; any form of
256.29 medical assistance under chapter 256B; and foster care as provided under title IV-E of the
256.30 Social Security Act. MinnesotaCare and health plans subsidized by federal premium tax
256.31 credits or federal cost-sharing reductions are not considered public assistance for purposes
256.32 of a child support referral.

257.1 (c) The term "child support agency" as used in this section refers to the public authority
257.2 responsible for child support enforcement.

257.3 (d) The term "public assistance agency" as used in this section refers to a public authority
257.4 providing public assistance to an individual.

257.5 (e) The terms "child support" and "arrears" as used in this section have the meanings
257.6 provided in section 518A.26.

257.7 (f) The term "maintenance" as used in this section has the meaning provided in section
257.8 518.003.

257.9 Sec. 17. Minnesota Statutes 2022, section 256.741, subdivision 2, is amended to read:

257.10 Subd. 2. **Assignment of support and maintenance rights.** (a) An individual receiving
257.11 public assistance in the form of assistance under ~~any of the following programs: the AFDC~~
257.12 ~~program formerly codified in sections 256.72 to 256.87, MFIP under chapter 256J, MFIP-R~~
257.13 ~~and MFIP formerly codified under chapter 256, or work first program formerly codified~~
257.14 ~~under chapter 256K~~ is considered to have assigned to the state at the time of application all
257.15 rights to child support and maintenance from any other person the applicant or recipient
257.16 may have in the individual's own behalf or in the behalf of any other family member for
257.17 whom application for public assistance is made. An assistance unit is ineligible for the
257.18 Minnesota family investment program unless the caregiver assigns all rights to child support
257.19 and maintenance benefits according to this section.

257.20 (1) The assignment is effective as to any current child support and current maintenance.

257.21 (2) Any child support or maintenance arrears that accrue while an individual is receiving
257.22 public assistance in the form of assistance under any of the programs listed in this paragraph
257.23 are permanently assigned to the state.

257.24 (3) The assignment of current child support and current maintenance ends on the date
257.25 the individual ceases to receive or is no longer eligible to receive public assistance under
257.26 any of the programs listed in this paragraph.

257.27 (b) An individual receiving public assistance in the form of medical assistance is
257.28 considered to have assigned to the state at the time of application all rights to medical support
257.29 from any other person the individual may have in the individual's own behalf or in the behalf
257.30 of any other family member for whom medical assistance is provided.

257.31 (1) An assignment ~~made after September 30, 1997,~~ is effective as to any medical support
257.32 accruing after the date of medical assistance eligibility.

(2) Any medical support arrears that accrue while an individual is receiving public assistance in the form of medical assistance are permanently assigned to the state.

(3) The assignment of current medical support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of medical assistance.

(c) An individual receiving public assistance in the form of child care assistance under the child care fund pursuant to chapter 119B is considered to have assigned to the state at the time of application all rights to child care support from any other person the individual may have in the individual's own behalf or in the behalf of any other family member for whom child care assistance is provided.

(1) The assignment is effective as to any current child care support.

(2) Any child care support arrears that accrue while an individual is receiving public assistance in the form of child care assistance under the child care fund in chapter 119B are permanently assigned to the state.

(3) The assignment of current child care support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of child care assistance under the child care fund under chapter 119B.

Sec. 18. Minnesota Statutes 2022, section 256.741, subdivision 12a, is amended to read:

Subd. 12a. **Appeals of good cause determinations.** According to section ~~256.045~~ 142A.20, an individual may appeal the determination or redetermination of good cause under this section. To initiate an appeal of a good cause determination or redetermination, the individual must make a request for a state agency hearing in writing within 30 calendar days after the date that a notice of denial for good cause is mailed or otherwise transmitted to the individual. Until a ~~human services~~ children, youth, and families judge issues a decision under section ~~256.0451, subdivision 22~~ 142A.21, subdivision 22, the child support agency shall cease all child support enforcement efforts and shall not report the individual's noncooperation to public assistance agencies.

Sec. 19. Minnesota Statutes 2022, section 256.87, subdivision 1, is amended to read:

Subdivision 1. **Actions against parents for assistance furnished.** A parent of a child is liable for the amount of public assistance, as defined in section 256.741, furnished to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent has had the ability to pay. Ability to pay must be determined according to this chapter ~~518A~~. The parent's liability is limited to the two years immediately

259.1 preceding the commencement of the action, except that where child support has been
259.2 previously ordered, the state or county agency providing the assistance, as assignee of the
259.3 obligee, shall be entitled to judgments for child support payments accruing within ten years
259.4 preceding the date of the commencement of the action up to the full amount of assistance
259.5 furnished. The action may be ordered by the state agency or county agency and shall be
259.6 brought in the name of the county or in the name of the state agency against the parent for
259.7 the recovery of the amount of assistance granted, together with the costs and disbursements
259.8 of the action.

259.9 Sec. 20. Minnesota Statutes 2022, section 256.87, subdivision 1a, is amended to read:

259.10 Subd. 1a. **Continuing support contributions.** In addition to granting the county or state
259.11 agency a money judgment, the court may, upon a motion or order to show cause, order
259.12 continuing support contributions by a parent found able to reimburse the county or state
259.13 agency. The order shall be effective for the period of time during which the recipient receives
259.14 public assistance from any county or state agency and thereafter. The order shall require
259.15 support according to this chapter ~~518A~~ and include the names and Social Security numbers
259.16 of the father, mother, and the child or children. An order for continuing contributions is
259.17 reinstated without further hearing upon notice to the parent by any county or state agency
259.18 that public assistance, as defined in section 256.741, is again being provided for the child
259.19 of the parent. The notice shall be in writing and shall indicate that the parent may request
259.20 a hearing for modification of the amount of support or maintenance.

259.21 Sec. 21. Minnesota Statutes 2022, section 256.87, subdivision 5, is amended to read:

259.22 Subd. 5. **Child not receiving assistance.** A person or entity having physical custody of
259.23 a dependent child not receiving public assistance as defined in section 256.741 has a cause
259.24 of action for child support against the child's noncustodial parents. Upon a motion served
259.25 on the noncustodial parent, the court shall order child support payments, including medical
259.26 support and child care support, from the noncustodial parent under this chapter ~~518A~~. A
259.27 noncustodial parent's liability may include up to the two years immediately preceding the
259.28 commencement of the action. This subdivision applies only if the person or entity has
259.29 physical custody with the consent of a custodial parent or approval of the court.

259.30 Sec. 22. Minnesota Statutes 2022, section 256P.04, subdivision 13, is amended to read:

259.31 Subd. 13. **Notice to undocumented persons; release of private data.** Agencies, in
259.32 consultation with the ~~commissioner~~ commissioners of human services and children, youth,
259.33 and families, shall provide notification to undocumented persons regarding the release of

260.1 personal data to the United States Citizenship and Immigration Services and develop
260.2 protocols regarding the release or sharing of data about undocumented persons with the
260.3 United States Citizenship and Immigration Services as required under sections 404, 411A,
260.4 and 434 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

260.5 Sec. 23. Minnesota Statutes 2022, section 260.92, subdivision 1, is amended to read:

260.6 Subdivision 1. **Home study.** The state must have procedures for the orderly and timely
260.7 interstate placement of children that are implemented in accordance with an interstate
260.8 compact ~~and that,~~. Within 60 days after the state receives from another state a request to
260.9 conduct a study of a home environment for purposes of assessing the safety and suitability
260.10 of placing a child in the home, the state shall, directly or by contract, conduct and complete
260.11 a home study and return to the other state a report on the results of the study, which shall
260.12 address the extent to which placement in the home would meet the needs of the child; ~~except~~
260.13 ~~in the case of a home study begun before October 1, 2008,~~. If the state fails to comply with
260.14 conducting and completing the home study within the 60-day period and this is as a result
260.15 of circumstances beyond the control of the state, the state has 75 days to comply if the state
260.16 documents the circumstances involved and certifies that completing the home study is in
260.17 the best interests of the child.

260.18 This subdivision does not require the completion within the applicable period of the
260.19 parts of the home study involving the education and training of the prospective foster or
260.20 adoptive parents.

260.21 Sec. 24. Minnesota Statutes 2022, section 260C.178, subdivision 1, is amended to read:

260.22 Subdivision 1. **Hearing and release requirements.** (a) If a child was taken into custody
260.23 under section 260C.175, subdivision 1, clause (1) or (2), item (ii), the court shall hold a
260.24 hearing within 72 hours of the time that the child was taken into custody, excluding
260.25 Saturdays, Sundays, and holidays, to determine whether the child should continue to be in
260.26 custody.

260.27 (b) Unless there is reason to believe that the child would endanger self or others or not
260.28 return for a court hearing, or that the child's health or welfare would be immediately
260.29 endangered, the child shall be released to the custody of a parent, guardian, custodian, or
260.30 other suitable person, subject to reasonable conditions of release including, but not limited
260.31 to, a requirement that the child undergo a chemical use assessment as provided in section
260.32 260C.157, subdivision 1.

261.1 (c) If the court determines that there is reason to believe that the child would endanger
261.2 self or others or not return for a court hearing, or that the child's health or welfare would be
261.3 immediately endangered if returned to the care of the parent or guardian who has custody
261.4 and from whom the child was removed, the court shall order the child:

261.5 (1) into the care of the child's noncustodial parent and order the noncustodial parent to
261.6 comply with any conditions that the court determines appropriate to ensure the safety and
261.7 care of the child, including requiring the noncustodial parent to cooperate with paternity
261.8 establishment proceedings if the noncustodial parent has not been adjudicated the child's
261.9 father; or

261.10 (2) into foster care as defined in section 260C.007, subdivision 18, under the legal
261.11 responsibility of the responsible social services agency or responsible probation or corrections
261.12 agency for the purposes of protective care as that term is used in the juvenile court rules.
261.13 The court shall not give the responsible social services legal custody and order a trial home
261.14 visit at any time prior to adjudication and disposition under section 260C.201, subdivision
261.15 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or
261.16 guardian who has custody and from whom the child was removed and order the parent or
261.17 guardian to comply with any conditions the court determines to be appropriate to meet the
261.18 safety, health, and welfare of the child.

261.19 (d) In determining whether the child's health or welfare would be immediately
261.20 endangered, the court shall consider whether the child would reside with a perpetrator of
261.21 domestic child abuse.

261.22 (e) The court, before determining whether a child should be placed in or continue in
261.23 foster care under the protective care of the responsible agency, shall also make a
261.24 determination, consistent with section 260.012 as to whether reasonable efforts were made
261.25 to prevent placement or whether reasonable efforts to prevent placement are not required.
261.26 In the case of an Indian child, the court shall determine whether active efforts, according
261.27 to section 260.762 and the Indian Child Welfare Act of 1978, United States Code, title 25,
261.28 section 1912(d), were made to prevent placement. The court shall enter a finding that the
261.29 responsible social services agency has made reasonable efforts to prevent placement when
261.30 the agency establishes either:

261.31 (1) that the agency has actually provided services or made efforts in an attempt to prevent
261.32 the child's removal but that such services or efforts have not proven sufficient to permit the
261.33 child to safely remain in the home; or

262.1 (2) that there are no services or other efforts that could be made at the time of the hearing
262.2 that could safely permit the child to remain home or to return home. The court shall not
262.3 make a reasonable efforts determination under this clause unless the court is satisfied that
262.4 the agency has sufficiently demonstrated to the court that there were no services or other
262.5 efforts that the agency was able to provide at the time of the hearing enabling the child to
262.6 safely remain home or to safely return home. When reasonable efforts to prevent placement
262.7 are required and there are services or other efforts that could be ordered that would permit
262.8 the child to safely return home, the court shall order the child returned to the care of the
262.9 parent or guardian and the services or efforts put in place to ensure the child's safety. When
262.10 the court makes a prima facie determination that one of the circumstances under paragraph
262.11 (g) exists, the court shall determine that reasonable efforts to prevent placement and to
262.12 return the child to the care of the parent or guardian are not required.

262.13 (f) If the court finds the social services agency's preventive or reunification efforts have
262.14 not been reasonable but further preventive or reunification efforts could not permit the child
262.15 to safely remain at home, the court may nevertheless authorize or continue the removal of
262.16 the child.

262.17 (g) The court may not order or continue the foster care placement of the child unless the
262.18 court makes explicit, individualized findings that continued custody of the child by the
262.19 parent or guardian would be contrary to the welfare of the child and that placement is in the
262.20 best interest of the child.

262.21 (h) At the emergency removal hearing, or at any time during the course of the proceeding,
262.22 and upon notice and request of the county attorney, the court shall determine whether a
262.23 petition has been filed stating a prima facie case that:

262.24 (1) the parent has subjected a child to egregious harm as defined in section 260C.007,
262.25 subdivision 14;

262.26 (2) the parental rights of the parent to another child have been involuntarily terminated;

262.27 (3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph
262.28 (a), clause (2);

262.29 (4) the parents' custodial rights to another child have been involuntarily transferred to a
262.30 relative under ~~Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (e),~~
262.31 ~~clause (1); section 260C.515, subdivision 4; a juvenile protection proceeding~~ or a similar
262.32 ~~law~~ process of another jurisdiction;

(5) the parent has committed sexual abuse as defined in section 260E.03, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

(i) When a petition to terminate parental rights is required under section 260C.301, subdivision 4, or 260C.503, subdivision 2, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.507, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

(j) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.503, subdivision 2, paragraph (c).

(k) If the court determines the child should be ordered into foster care and the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with sections 260C.150, 260C.151, 260C.212, 260C.215, 260C.219, and 260C.221.

(l) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement for treatment or a child is placed with a previously noncustodial parent who is not a parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's reasonable efforts to place the siblings together, as required under section 260.012. If any sibling is not placed with another sibling or siblings, the agency must develop a plan to facilitate visitation or ongoing contact among the siblings as required under section 260C.212, subdivision 1, unless it is contrary to the safety or well-being of any of the siblings to do so.

(m) When the court has ordered the child into the care of a noncustodial parent or in foster care, the court may order a chemical dependency evaluation, mental health evaluation,

264.1 medical examination, and parenting assessment for the parent as necessary to support the
264.2 development of a plan for reunification required under subdivision 7 and section 260C.212,
264.3 subdivision 1, or the child protective services plan under section 260E.26, and Minnesota
264.4 Rules, part 9560.0228.

264.5 Sec. 25. Minnesota Statutes 2022, section 260C.201, subdivision 1, is amended to read:

264.6 Subdivision 1. **Dispositions.** (a) If the court finds that the child is in need of protection
264.7 or services or neglected and in foster care, the court shall enter an order making any of the
264.8 following dispositions of the case:

264.9 (1) place the child under the protective supervision of the responsible social services
264.10 agency or child-placing agency in the home of a parent of the child under conditions
264.11 prescribed by the court directed to the correction of the child's need for protection or services:

264.12 (i) the court may order the child into the home of a parent who does not otherwise have
264.13 legal custody of the child, however, an order under this section does not confer legal custody
264.14 on that parent;

264.15 (ii) if the court orders the child into the home of a father who is not adjudicated, the
264.16 father must cooperate with paternity establishment proceedings regarding the child in the
264.17 appropriate jurisdiction as one of the conditions prescribed by the court for the child to
264.18 continue in the father's home; and

264.19 (iii) the court may order the child into the home of a noncustodial parent with conditions
264.20 and may also order both the noncustodial and the custodial parent to comply with the
264.21 requirements of a case plan under subdivision 2; or

264.22 (2) transfer legal custody to one of the following:

264.23 (i) a child-placing agency; or

264.24 (ii) the responsible social services agency. In making a foster care placement of a child
264.25 whose custody has been transferred under this subdivision, the agency shall make an
264.26 individualized determination of how the placement is in the child's best interests using the
264.27 placement consideration order for relatives and the best interest factors in section 260C.212,
264.28 subdivision 2, and may include a child colocated with a parent in a licensed residential
264.29 family-based substance use disorder treatment program under section 260C.190; or

264.30 (3) order a trial home visit without modifying the transfer of legal custody to the
264.31 responsible social services agency under clause (2). Trial home visit means the child is
264.32 returned to the care of the parent or guardian from whom the child was removed for a period

265.1 not to exceed six months. During the period of the trial home visit, the responsible social
265.2 services agency:

265.3 (i) shall continue to have legal custody of the child, which means that the agency may
265.4 see the child in the parent's home, at school, in a child care facility, or other setting as the
265.5 agency deems necessary and appropriate;

265.6 (ii) shall continue to have the ability to access information under section 260C.208;

265.7 (iii) shall continue to provide appropriate services to both the parent and the child during
265.8 the period of the trial home visit;

265.9 (iv) without previous court order or authorization, may terminate the trial home visit in
265.10 order to protect the child's health, safety, or welfare and may remove the child to foster care;

265.11 (v) shall advise the court and parties within three days of the termination of the trial
265.12 home visit when a visit is terminated by the responsible social services agency without a
265.13 court order; and

265.14 (vi) shall prepare a report for the court when the trial home visit is terminated whether
265.15 by the agency or court order that describes the child's circumstances during the trial home
265.16 visit and recommends appropriate orders, if any, for the court to enter to provide for the
265.17 child's safety and stability. In the event a trial home visit is terminated by the agency by
265.18 removing the child to foster care without prior court order or authorization, the court shall
265.19 conduct a hearing within ten days of receiving notice of the termination of the trial home
265.20 visit by the agency and shall order disposition under this subdivision or commence
265.21 permanency proceedings under sections 260C.503 to 260C.515. The time period for the
265.22 hearing may be extended by the court for good cause shown and if it is in the best interests
265.23 of the child as long as the total time the child spends in foster care without a permanency
265.24 hearing does not exceed 12 months;

265.25 (4) if the child has been adjudicated as a child in need of protection or services because
265.26 the child is in need of special services or care to treat or ameliorate a physical or mental
265.27 disability or emotional disturbance as defined in section 245.4871, subdivision 15, the court
265.28 may order the child's parent, guardian, or custodian to provide it. The court may order the
265.29 child's health plan company to provide mental health services to the child. Section 62Q.535
265.30 applies to an order for mental health services directed to the child's health plan company.
265.31 If the health plan, parent, guardian, or custodian fails or is unable to provide this treatment
265.32 or care, the court may order it provided. Absent specific written findings by the court that
265.33 the child's disability is the result of abuse or neglect by the child's parent or guardian, the
265.34 court shall not transfer legal custody of the child for the purpose of obtaining special

266.1 treatment or care solely because the parent is unable to provide the treatment or care. If the
266.2 court's order for mental health treatment is based on a diagnosis made by a treatment
266.3 professional, the court may order that the diagnosing professional not provide the treatment
266.4 to the child if it finds that such an order is in the child's best interests; or

266.5 (5) if the court believes that the child has sufficient maturity and judgment and that it is
266.6 in the best interests of the child, the court may order a child 16 years old or older to be
266.7 allowed to live independently, either alone or with others as approved by the court under
266.8 supervision the court considers appropriate, if the county board, after consultation with the
266.9 court, has specifically authorized this dispositional alternative for a child.

266.10 (b) If the child was adjudicated in need of protection or services because the child is a
266.11 runaway or habitual truant, the court may order any of the following dispositions in addition
266.12 to or as alternatives to the dispositions authorized under paragraph (a):

266.13 (1) counsel the child or the child's parents, guardian, or custodian;

266.14 (2) place the child under the supervision of a probation officer or other suitable person
266.15 in the child's own home under conditions prescribed by the court, including reasonable rules
266.16 for the child's conduct and the conduct of the parents, guardian, or custodian, designed for
266.17 the physical, mental, and moral well-being and behavior of the child;

266.18 (3) subject to the court's supervision, transfer legal custody of the child to one of the
266.19 following:

266.20 (i) a reputable person of good moral character. No person may receive custody of two
266.21 or more unrelated children unless licensed to operate a residential program under sections
266.22 245A.01 to 245A.16; or

266.23 (ii) a county probation officer for placement in a group foster home established under
266.24 the direction of the juvenile court and licensed pursuant to section 241.021;

266.25 (4) require the child to pay a fine of up to \$100. The court shall order payment of the
266.26 fine in a manner that will not impose undue financial hardship upon the child;

266.27 (5) require the child to participate in a community service project;

266.28 (6) order the child to undergo a chemical dependency evaluation and, if warranted by
266.29 the evaluation, order participation by the child in a drug awareness program or an inpatient
266.30 or outpatient chemical dependency treatment program;

266.31 (7) if the court believes that it is in the best interests of the child or of public safety that
266.32 the child's driver's license or instruction permit be canceled, the court may order the

267.1 commissioner of public safety to cancel the child's license or permit for any period up to
267.2 the child's 18th birthday. If the child does not have a driver's license or permit, the court
267.3 may order a denial of driving privileges for any period up to the child's 18th birthday. The
267.4 court shall forward an order issued under this clause to the commissioner, who shall cancel
267.5 the license or permit or deny driving privileges without a hearing for the period specified
267.6 by the court. At any time before the expiration of the period of cancellation or denial, the
267.7 court may, for good cause, order the commissioner of public safety to allow the child to
267.8 apply for a license or permit, and the commissioner shall so authorize;

267.9 (8) order that the child's parent or legal guardian deliver the child to school at the
267.10 beginning of each school day for a period of time specified by the court; or

267.11 (9) require the child to perform any other activities or participate in any other treatment
267.12 programs deemed appropriate by the court.

267.13 To the extent practicable, the court shall enter a disposition order the same day it makes
267.14 a finding that a child is in need of protection or services or neglected and in foster care, but
267.15 in no event more than 15 days after the finding unless the court finds that the best interests
267.16 of the child will be served by granting a delay. If the child was under eight years of age at
267.17 the time the petition was filed, the disposition order must be entered within ten days of the
267.18 finding and the court may not grant a delay unless good cause is shown and the court finds
267.19 the best interests of the child will be served by the delay.

267.20 (c) If a child who is 14 years of age or older is adjudicated in need of protection or
267.21 services because the child is a habitual truant and truancy procedures involving the child
267.22 were previously dealt with by a school attendance review board or county attorney mediation
267.23 program under section 260A.06 or 260A.07, the court shall order a cancellation or denial
267.24 of driving privileges under paragraph (b), clause (7), for any period up to the child's 18th
267.25 birthday.

267.26 (d) In the case of a child adjudicated in need of protection or services because the child
267.27 has committed domestic abuse and been ordered excluded from the child's parent's home,
267.28 the court shall dismiss jurisdiction if the court, at any time, finds the parent is able or willing
267.29 to provide an alternative safe living arrangement for the child; as defined in ~~Laws 1997,~~
267.30 ~~chapter 239, article 10, section 2~~ paragraph (f).

267.31 (e) When a parent has complied with a case plan ordered under subdivision 6 and the
267.32 child is in the care of the parent, the court may order the responsible social services agency
267.33 to monitor the parent's continued ability to maintain the child safely in the home under such
267.34 terms and conditions as the court determines appropriate under the circumstances.

(f) For the purposes of this subdivision, "alternative safe living arrangement" means a living arrangement for a child proposed by a petitioning parent or guardian if a court excludes the minor from the parent's or guardian's home that is separate from the victim of domestic abuse and safe for the child respondent. A living arrangement proposed by a petitioning parent or guardian is presumed to be an alternative safe living arrangement absent information to the contrary presented to the court. In evaluating any proposed living arrangement, the court shall consider whether the arrangement provides the child with necessary food, clothing, shelter, and education in a safe environment. Any proposed living arrangement that would place the child in the care of an adult who has been physically or sexually violent is presumed unsafe.

Sec. 26. Minnesota Statutes 2022, section 260C.215, subdivision 5, is amended to read:

Subd. 5. **Placement reports.** ~~Beginning December 1, 1996,~~ The commissioner shall provide to the Indian Affairs Council, the Minnesota Council on Latino Affairs, the Council for Minnesotans of African Heritage, and the Council on Asian-Pacific Minnesotans the annual report required under section 257.0725.

Sec. 27. Minnesota Statutes 2022, section 260C.301, subdivision 1, is amended to read:

Subdivision 1. **Voluntary and involuntary.** The juvenile court may upon petition, terminate all rights of a parent to a child:

(a) with the written consent of a parent who for good cause desires to terminate parental rights; or

(b) if it finds that one or more of the following conditions exist:

(1) that the parent has abandoned the child;

(2) that the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, and either reasonable efforts by the social services agency have failed to correct the conditions that formed the basis of the petition or reasonable efforts would be futile and therefore unreasonable;

(3) that a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial

parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth;

(4) that a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child. It is presumed that a parent is palpably unfit to be a party to the parent and child relationship upon a showing that the parent's parental rights to one or more other children were involuntarily terminated or that the parent's custodial rights to another child have been involuntarily transferred to a relative under ~~Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (e), clause (1), section 260C.515, subdivision 4, a juvenile protection proceeding~~ or a similar ~~law~~ process of another jurisdiction;

(5) that following the child's placement out of the home, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the child's placement. It is presumed that reasonable efforts under this clause have failed upon a showing that:

(i) a child has resided out of the parental home under court order for a cumulative period of 12 months within the preceding 22 months. In the case of a child under age eight at the time the petition was filed alleging the child to be in need of protection or services, the presumption arises when the child has resided out of the parental home under court order for six months unless the parent has maintained regular contact with the child and the parent is complying with the out-of-home placement plan;

(ii) the court has approved the out-of-home placement plan required under section 260C.212 and filed with the court under section 260C.178;

(iii) conditions leading to the out-of-home placement have not been corrected. It is presumed that conditions leading to a child's out-of-home placement have not been corrected upon a showing that the parent or parents have not substantially complied with the court's orders and a reasonable case plan; and

(iv) reasonable efforts have been made by the social services agency to rehabilitate the parent and reunite the family.

This clause does not prohibit the termination of parental rights prior to one year, or in the case of a child under age eight, prior to six months after a child has been placed out of the home.

270.1 It is also presumed that reasonable efforts have failed under this clause upon a showing
270.2 that:

270.3 (A) the parent has been diagnosed as chemically dependent by a professional certified
270.4 to make the diagnosis;

270.5 (B) the parent has been required by a case plan to participate in a chemical dependency
270.6 treatment program;

270.7 (C) the treatment programs offered to the parent were culturally, linguistically, and
270.8 clinically appropriate;

270.9 (D) the parent has either failed two or more times to successfully complete a treatment
270.10 program or has refused at two or more separate meetings with a caseworker to participate
270.11 in a treatment program; and

270.12 (E) the parent continues to abuse chemicals.

270.13 (6) that a child has experienced egregious harm in the parent's care which is of a nature,
270.14 duration, or chronicity that indicates a lack of regard for the child's well-being, such that a
270.15 reasonable person would believe it contrary to the best interest of the child or of any child
270.16 to be in the parent's care;

270.17 (7) that in the case of a child born to a mother who was not married to the child's father
270.18 when the child was conceived nor when the child was born the person is not entitled to
270.19 notice of an adoption hearing under section 259.49 and the person has not registered with
270.20 the fathers' adoption registry under section 259.52;

270.21 (8) that the child is neglected and in foster care; or

270.22 (9) that the parent has been convicted of a crime listed in section 260.012, paragraph
270.23 (g), clauses (1) to (5).

270.24 In an action involving an American Indian child, sections 260.751 to 260.835 and the
270.25 Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, control to
270.26 the extent that the provisions of this section are inconsistent with those laws.

270.27 Sec. 28. Minnesota Statutes 2023 Supplement, section 260C.317, subdivision 3, is amended
270.28 to read:

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

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

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

271.11 (d) Upon terminating parental rights or upon a parent's consent to adoption under ~~section~~
271.12 ~~260C.515, subdivision 3,~~ this chapter resulting in an order for guardianship to the
271.13 commissioner of human services, the court shall retain jurisdiction:

271.14 (1) until the child is adopted;

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

271.16 (3) as long as the child continues in or reenters foster care, until the individual becomes
271.17 21 years of age according to sections 260C.193, subdivision 6, and 260C.451.

271.18 Sec. 29. Minnesota Statutes 2022, section 260D.02, subdivision 5, is amended to read:

271.19 Subd. 5. **Child in voluntary foster care for treatment.** "Child in voluntary foster care
271.20 for treatment" means a child ~~who is emotionally disturbed or developmentally disabled or~~
271.21 ~~has~~ with emotional disturbance or developmental disability, or who has a related condition
271.22 and is in foster care under a voluntary foster care agreement between the child's parent and
271.23 the agency due to concurrence between the agency and the parent when it is determined
271.24 that foster care is medically necessary:

271.25 (1) due to a determination by the agency's screening team based on its review of the
271.26 diagnostic and functional assessment under section 245.4885; or

271.27 (2) due to a determination by the agency's screening team under section 256B.092 and
271.28 Minnesota Rules, parts 9525.0004 to 9525.0016.

271.29 A child is not in voluntary foster care for treatment under this chapter when there is a
271.30 current determination under chapter 260E that the child requires child protective services
271.31 or when the child is in foster care for any reason other than the child's emotional or
271.32 developmental disability or related condition.

272.1 Sec. 30. Minnesota Statutes 2022, section 260D.02, subdivision 9, is amended to read:

272.2 Subd. 9. ~~Emotionally disturbed or~~ **Emotional disturbance.** ~~"Emotionally disturbed"~~
272.3 ~~or~~ "Emotional disturbance" means emotional disturbance as described in section 245.4871,
272.4 subdivision 15.

272.5 Sec. 31. Minnesota Statutes 2023 Supplement, section 260E.02, subdivision 1, is amended
272.6 to read:

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

272.20 Sec. 32. Minnesota Statutes 2022, section 260E.02, subdivision 2, is amended to read:

272.21 Subd. 2. **Duties of team.** A multidisciplinary child protection team may provide public
272.22 and professional education, develop resources for prevention, intervention, and treatment,
272.23 and provide case consultation to the local welfare agency or other interested community-based
272.24 agencies. The community-based agencies may request case consultation from the
272.25 multidisciplinary child protection team regarding a child or family for whom the
272.26 community-based agency is providing services. As used in this section, "case consultation"
272.27 means a case review process in which recommendations are made concerning services to
272.28 be provided to the identified children and family. Case consultation may be performed by
272.29 a committee or subcommittee of members representing human services or children's services,
272.30 including mental health and substance use disorder providers; law enforcement, including
272.31 probation and parole; the county attorney; a children's advocacy center; health care;
272.32 education; community-based agencies and other necessary agencies; and persons directly
272.33 involved in an individual case as designated by other members performing case consultation.

273.1 Sec. 33. Minnesota Statutes 2022, section 260E.03, subdivision 23, is amended to read:

273.2 Subd. 23. **Threatened injury.** (a) "Threatened injury" means a statement, overt act,
273.3 condition, or status that represents a substantial risk of physical or sexual abuse or mental
273.4 injury.

273.5 (b) Threatened injury includes, but is not limited to, exposing a child to a person
273.6 responsible for the child's care, as defined in subdivision 17, who has:

273.7 (1) subjected a child to, or failed to protect a child from, an overt act or condition that
273.8 constitutes egregious harm under subdivision 5 or a similar law of another jurisdiction;

273.9 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph
273.10 (b), clause (4), or a similar law of another jurisdiction;

273.11 (3) committed an act that resulted in an involuntary termination of parental rights under
273.12 section 260C.301, or a similar law of another jurisdiction; or

273.13 (4) committed an act that resulted in the involuntary transfer of permanent legal and
273.14 physical custody of a child to a relative under ~~Minnesota Statutes 2010, section 260C.201,~~
273.15 ~~subdivision 11, paragraph (d), clause (1),~~ section 260C.515, subdivision 4, or a similar law
273.16 of another jurisdiction.

273.17 (c) A child is the subject of a report of threatened injury when the local welfare agency
273.18 receives birth match data under section 260E.14, subdivision 4, from the Department of
273.19 Human Services.

273.20 Sec. 34. Minnesota Statutes 2022, section 260E.14, subdivision 1, is amended to read:

273.21 Subdivision 1. **Facilities and schools.** (a) The local welfare agency is the agency
273.22 responsible for investigating allegations of maltreatment in child foster care, family child
273.23 care, legally nonlicensed child care, and reports involving children served by an unlicensed
273.24 personal care provider organization under section 256B.0659. Copies of findings related to
273.25 personal care provider organizations under section 256B.0659 must be forwarded to the
273.26 Department of Human Services provider enrollment.

273.27 (b) The Department of Human Services is the agency responsible for screening and
273.28 investigating allegations of maltreatment in juvenile correctional facilities listed under
273.29 section 241.021 located in the local welfare agency's county and in facilities licensed or
273.30 certified under chapters 245A, and 245D, and 245H, ~~except for child foster care and family~~
273.31 ~~child care.~~

274.1 (c) The Department of Health is the agency responsible for screening and investigating
274.2 allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43
274.3 to 144A.482 or chapter 144H.

274.4 (d) The Department of Education is the agency responsible for screening and investigating
274.5 allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11,
274.6 and 13, and chapter 124E. The Department of Education's responsibility to screen and
274.7 investigate includes allegations of maltreatment involving students 18 to 21 years of age,
274.8 including students receiving special education services, up to and including graduation and
274.9 the issuance of a secondary or high school diploma.

274.10 (e) A health or corrections agency receiving a report may request the local welfare agency
274.11 to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

274.12 (f) The Department of Children, Youth, and Families is the agency responsible for
274.13 screening and investigating allegations of maltreatment in facilities or programs not listed
274.14 in paragraph (a) that are licensed or certified under chapters 142B and 142C.

274.15 Sec. 35. Minnesota Statutes 2022, section 260E.20, subdivision 3, is amended to read:

274.16 Subd. 3. **Collection of information.** (a) The local welfare agency responsible for
274.17 conducting a family assessment or investigation shall collect available and relevant
274.18 information to determine child safety, risk of subsequent maltreatment, and family strengths
274.19 and needs and share not public information with an Indian's Tribal social services agency
274.20 without violating any law of the state that may otherwise impose a duty of confidentiality
274.21 on the local welfare agency in order to implement the Tribal state agreement.

274.22 (b) The local welfare agency or the agency responsible for investigating the report shall
274.23 collect available and relevant information to ascertain whether maltreatment occurred and
274.24 whether protective services are needed.

274.25 (c) Information collected includes, when relevant, information ~~with regard to~~ regarding
274.26 the person reporting the alleged maltreatment, including the nature of the reporter's
274.27 relationship to the child and to the alleged offender, and the basis of the reporter's knowledge
274.28 for the report; the child allegedly being maltreated; the alleged offender; the child's caretaker;
274.29 and other collateral sources having relevant information related to the alleged maltreatment.

274.30 (d) Information relevant to the assessment or investigation must be ~~asked for~~ requested,
274.31 and may include:

274.32 (1) the child's sex and age; prior reports of maltreatment, including any maltreatment
274.33 reports that were screened out and not accepted for assessment or investigation; information

275.1 relating to developmental functioning; credibility of the child's statement; and whether the
275.2 information provided under this clause is consistent with other information collected during
275.3 the course of the assessment or investigation;

275.4 (2) the alleged offender's age, a record check for prior reports of maltreatment, and
275.5 criminal charges and convictions;

275.6 (3) collateral source information regarding the alleged maltreatment and care of the
275.7 child. Collateral information includes, when relevant: (i) a medical examination of the child;
275.8 (ii) prior medical records relating to the alleged maltreatment or the care of the child
275.9 maintained by any facility, clinic, or health care professional and an interview with the
275.10 treating professionals; and (iii) interviews with the child's caretakers, including the child's
275.11 parent, guardian, foster parent, child care provider, teachers, counselors, family members,
275.12 relatives, and other persons who may have knowledge regarding the alleged maltreatment
275.13 and the care of the child; and

275.14 (4) information on the existence of domestic abuse and violence in the home of the child,
275.15 and substance abuse.

275.16 (e) Nothing in this subdivision precludes the local welfare agency, the local law
275.17 enforcement agency, or the agency responsible for assessing or investigating the report from
275.18 collecting other relevant information necessary to conduct the assessment or investigation.

275.19 (f) Notwithstanding section 13.384 or 144.291 to 144.298, the local welfare agency has
275.20 access to medical data and records for purposes of paragraph (d), clause (3).

275.21 Sec. 36. Minnesota Statutes 2022, section 260E.20, subdivision 5, is amended to read:

275.22 Subd. 5. **Law enforcement fact finding.** If the report alleges maltreatment by a person
275.23 who is not a parent, guardian, sibling, person responsible for the child's care functioning
275.24 within the family unit, or a person who lives in the child's household and who has a
275.25 significant relationship to the child, in a setting other than a facility as defined in section
275.26 260E.03, the local welfare agency may rely on the fact-finding efforts of the law enforcement
275.27 investigation to ~~make a determination whether or not~~ determine if threatened injury or other
275.28 maltreatment has occurred under section 260E.03, subdivision 12, if an alleged offender
275.29 has minor children or lives with minors.

275.30 Sec. 37. Minnesota Statutes 2022, section 260E.24, subdivision 5, is amended to read:

275.31 Subd. 5. **Notifications at conclusion of family investigation.** (a) Within ten working
275.32 days of the conclusion of an investigation, the local welfare agency or agency responsible

for investigating the report shall notify the parent or guardian of the child and the person determined to be maltreating the child, if not the parent or guardian of the child, of the determination and a summary of the specific reasons for the determination.

(b) The notice must include a certification that the information collection procedures under section 260E.20 were followed and a notice of the right of a data subject to obtain access to other private data on the subject collected, created, or maintained under this section.

(c) In addition, the notice shall include the length of time that the records will be kept under section 260E.35, subdivision 6. The investigating agency shall notify the parent or guardian of the child who is the subject of the report and any person determined to have maltreated the child of their appeal or review rights under this chapter.

(d) The notice must also state that a finding of maltreatment may result in denial of a license or certification application or background study disqualification under chapter 245C related to employment or services that are licensed or certified by the Department of Human Services under chapter 245A ~~or 245H~~; the Department of Children, Youth, and Families under chapter 142B or 142C; the Department of Health under chapter 144 or 144A; or the Department of Corrections under section 241.021; and from providing services related to an unlicensed personal care provider organization under chapter 256B.

Sec. 38. Minnesota Statutes 2022, section 260E.28, subdivision 1, is amended to read:

Subdivision 1. **Immediate investigation for alleged maltreatment in a facility.** (a) The commissioner of human services; children, youth, and families; health; or education, whichever is responsible for investigating the report, shall immediately investigate if the report alleges that:

(1) a child who is in the care of a facility as defined in section 260E.03 is the victim of maltreatment in a facility by an individual in that facility or has been the victim of maltreatment in a facility by an individual in that facility within the three years preceding the report; or

(2) a child is the victim of maltreatment in a facility by an individual in a facility defined in section 260E.03, subdivision 6, while in the care of that facility within the three years preceding the report.

(b) The commissioner of the agency responsible for investigating the report shall arrange for the transmittal to the commissioner of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. The commissioner of the agency responsible for investigating the report or local welfare agency may interview any children

277.1 who are or have been in the care of a facility under investigation and the children's parents,
277.2 guardians, or legal custodians.

277.3 (c) In conducting an investigation under this section, the commissioner has the powers
277.4 and duties specified for a local welfare agency under this chapter.

277.5 Sec. 39. Minnesota Statutes 2022, section 260E.28, subdivision 3, is amended to read:

277.6 Subd. 3. **Facility records.** The commissioner of human services; the commissioner of
277.7 children, youth, and families; the ombudsman for mental health and developmental
277.8 disabilities; the local welfare agencies responsible for investigating reports; the
277.9 commissioner of education; and the local law enforcement agencies have the right to enter
277.10 a facility as defined in section 260E.03 and to inspect and copy the facility's records,
277.11 including medical records, as part of the investigation. Notwithstanding the provisions of
277.12 chapter 13, the commissioner of human services; the commissioner of children, youth, and
277.13 families; the ombudsman for mental health and developmental disabilities; the local welfare
277.14 agencies responsible for investigating reports; the commissioner of education; and the
277.15 local law enforcement agencies also have the right to inform the facility under investigation
277.16 that an investigation is being conducted, to disclose to the facility the names of the individuals
277.17 under investigation for maltreating a child, and to provide the facility with a copy of the
277.18 report and the investigative findings.

277.19 Sec. 40. Minnesota Statutes 2022, section 260E.29, subdivision 2, is amended to read:

277.20 Subd. 2. **Notification requirements for other types of facilities.** When a report is
277.21 received that alleges maltreatment of a child while in the care of a licensed or unlicensed
277.22 day care facility, residential facility, agency, hospital, ~~sanitarium,~~ or other facility or
277.23 institution required to be licensed or certified according to sections 144.50 to 144.58;
277.24 241.021; or 245A.01 to 245A.16; or chapter 142B, 142C, 144H, or 245D, ~~or 245H;~~ or a
277.25 school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or a
277.26 nonlicensed personal care provider organization as defined in section 256B.0625, subdivision
277.27 19a, the commissioner of the agency responsible for investigating the report or local welfare
277.28 agency investigating the report shall provide the following information to the parent,
277.29 guardian, or legal custodian of a child alleged to have been the victim of maltreatment in
277.30 the facility: the name of the facility; the fact that a report alleging maltreatment in the facility
277.31 has been received; the nature of the alleged maltreatment in the facility; that the agency is
277.32 conducting an investigation; any protective or corrective measures being taken pending the

278.1 outcome of the investigation; and that a written memorandum will be provided when the
278.2 investigation is completed.

278.3 Sec. 41. Minnesota Statutes 2022, section 260E.30, subdivision 3, is amended to read:

278.4 Subd. 3. **Nonmaltreatment mistake.** (a) If paragraph (b) applies, rather than making a
278.5 determination of substantiated maltreatment by the individual, the commissioner of ~~human~~
278.6 ~~services~~ children, youth, and families shall determine that the individual made a
278.7 nonmaltreatment mistake ~~was made by the individual~~.

278.8 (b) A nonmaltreatment mistake occurs when:

278.9 (1) at the time of the incident, the individual was performing duties identified in the
278.10 ~~center's~~ facility's child care program plan required under Minnesota Rules, part 9503.0045;

278.11 (2) the individual has not been determined responsible for a similar incident that resulted
278.12 in a finding of maltreatment for at least seven years;

278.13 (3) the individual has not been determined to have committed a similar nonmaltreatment
278.14 mistake under this paragraph for at least four years;

278.15 (4) any injury to a child resulting from the incident, if treated, is treated only with
278.16 remedies that are available over the counter, whether ordered by a medical professional or
278.17 not; and

278.18 (5) except for the period when the incident occurred, the facility and the individual
278.19 providing services were both in compliance with all licensing requirements relevant to the
278.20 incident.

278.21 (c) This subdivision only applies to child care centers licensed under Minnesota Rules,
278.22 chapter 9503.

278.23 Sec. 42. Minnesota Statutes 2022, section 260E.30, subdivision 6, is amended to read:

278.24 Subd. 6. **Notification to parent, child, or offender following investigation.** (a) Within
278.25 ten working days of the conclusion of an investigation, the local welfare agency or agency
278.26 responsible for investigating the report of maltreatment in a facility shall notify the parent
278.27 or guardian of the child, the person determined to be maltreating the child, and the director
278.28 of the facility of the determination and a summary of the specific reasons for the
278.29 determination.

278.30 (b) When the investigation involves a child foster care setting that is monitored by a
278.31 private licensing agency under section 245A.16, the local welfare agency responsible for

investigating the report shall notify the private licensing agency of the determination and shall provide a summary of the specific reasons for the determination. The notice to the private licensing agency must include identifying private data, but not the identity of the reporter of maltreatment.

(c) The notice must also include a certification that the information collection procedures under section 260E.20, subdivision 3, were followed and a notice of the right of a data subject to obtain access to other private data on the subject collected, created, or maintained under this section.

(d) In addition, the notice shall include the length of time that the records will be kept under section 260E.35, subdivision 6.

(e) The investigating agency shall notify the parent or guardian of the child who is the subject of the report and any person or facility determined to have maltreated a child of their appeal or review rights under this section.

(f) The notice must also state that a finding of maltreatment may result in denial of a license or certification application or background study disqualification under chapter 245C related to employment or services that are licensed by the Department of Human Services under chapter 245A ~~or 245H~~; the Department of Children, Youth, and Families under chapter 142B or 142C; the Department of Health under chapter 144 or 144A; or the Department of Corrections under section 241.021; and from providing services related to an unlicensed personal care provider organization under chapter 256B.

Sec. 43. Minnesota Statutes 2022, section 260E.32, subdivision 3, is amended to read:

Subd. 3. **Report to Department of Health.** Physicians shall report to the Department of Health the results of tests performed under subdivisions 1 and 2. A report shall be made on the certificate of live birth medical supplement or the report of fetal death medical supplement ~~filed on or after February 1, 1991~~. The reports are medical data under section 13.384.

Sec. 44. Minnesota Statutes 2022, section 260E.33, subdivision 2, is amended to read:

Subd. 2. **Request for reconsideration.** (a) Except as provided under subdivision 5, an individual or facility that the commissioner of human services; commissioner of children, youth, and families; a local welfare agency; or the commissioner of education determines has maltreated a child, an interested person acting on behalf of the child, regardless of the determination, who contests the investigating agency's final determination regarding

280.1 maltreatment may request the investigating agency to reconsider its final determination
280.2 regarding maltreatment. The request for reconsideration must be submitted in writing to the
280.3 investigating agency within 15 calendar days after receipt of notice of the final determination
280.4 regarding maltreatment or, if the request is made by an interested person who is not entitled
280.5 to notice, within 15 days after receipt of the notice by the parent or guardian of the child.
280.6 If mailed, the request for reconsideration must be postmarked and sent to the investigating
280.7 agency within 15 calendar days of the individual's or facility's receipt of the final
280.8 determination. If the request for reconsideration is made by personal service, it must be
280.9 received by the investigating agency within 15 calendar days after the individual's or facility's
280.10 receipt of the final determination.

280.11 (b) An individual who was determined to have maltreated a child under this chapter and
280.12 who was disqualified on the basis of serious or recurring maltreatment under sections
280.13 245C.14 and 245C.15 may request reconsideration of the maltreatment determination and
280.14 the disqualification. The request for reconsideration of the maltreatment determination and
280.15 the disqualification must be submitted within 30 calendar days of the individual's receipt
280.16 of the notice of disqualification under sections 245C.16 and 245C.17. If mailed, the request
280.17 for reconsideration of the maltreatment determination and the disqualification must be
280.18 postmarked and sent to the investigating agency within 30 calendar days of the individual's
280.19 receipt of the maltreatment determination and notice of disqualification. If the request for
280.20 reconsideration is made by personal service, it must be received by the investigating agency
280.21 within 30 calendar days after the individual's receipt of the notice of disqualification.

280.22 Sec. 45. Minnesota Statutes 2022, section 260E.33, subdivision 3, is amended to read:

280.23 Subd. 3. **Request for fair hearing.** (a) Except as provided under subdivisions 5 and 6,
280.24 if the investigating agency denies the request or fails to act upon the request within 15
280.25 working days after receiving the request for reconsideration, the person or facility entitled
280.26 to a fair hearing under section 142A.20 or 256.045 may submit to the commissioner of
280.27 human services; the commissioner of children, youth, and families; or the commissioner of
280.28 education a written request for a hearing under section 142A.20 or 256.045. Section 256.045
280.29 also governs hearings requested to contest a final determination of the commissioner of
280.30 education. Section 142A.20 governs hearings requested to contest a final determination of
280.31 the commissioner of children, youth, and families. The investigating agency shall notify
280.32 persons who request reconsideration of their rights under this paragraph. The hearings
280.33 specified under this section are the only administrative appeal of a decision issued under
280.34 subdivision 2. Determinations under this section are not subject to accuracy and completeness
280.35 challenges under section 13.04.

281.1 (b) Except as provided under subdivision 6, if an individual or facility contests the
281.2 investigating agency's final determination regarding maltreatment by requesting a fair
281.3 hearing under section 142A.20 or 256.045, the commissioner of human services or children,
281.4 youth, and families shall ensure that the hearing is conducted and a decision is reached
281.5 within 90 days of receipt of the request for a hearing. The time for action on the decision
281.6 may be extended for as many days as the hearing is postponed or the record is held open
281.7 for the benefit of either party.

281.8 Sec. 46. Minnesota Statutes 2022, section 260E.33, subdivision 5, is amended to read:

281.9 Subd. 5. **Consolidation.** If an individual was disqualified under sections 245C.14 and
281.10 245C.15 on the basis of a determination of maltreatment which was serious or recurring,
281.11 and the individual requested reconsideration of the maltreatment determination under
281.12 subdivision 2 and requested reconsideration of the disqualification under sections 245C.21
281.13 to 245C.27, reconsideration of the maltreatment determination and reconsideration of the
281.14 disqualification shall be consolidated into a single fair hearing. If reconsideration of the
281.15 maltreatment determination is denied and the individual remains disqualified following a
281.16 reconsideration decision, the individual may request a fair hearing under section 142A.20
281.17 or 256.045. If an individual requests a fair hearing on the maltreatment determination and
281.18 the disqualification, the scope of the fair hearing shall include both the maltreatment
281.19 determination and the disqualification.

281.20 Sec. 47. Minnesota Statutes 2022, section 260E.34, is amended to read:

281.21 **260E.34 IMMUNITY.**

281.22 (a) The following persons are immune from any civil or criminal liability that otherwise
281.23 might result from the person's actions if the person is acting in good faith:

281.24 (1) a person making a voluntary or mandated report under this chapter or assisting in an
281.25 assessment under this chapter;

281.26 (2) a person with responsibility for performing duties under this section or supervisor
281.27 employed by a local welfare agency, the commissioner of an agency responsible for operating
281.28 or supervising a licensed or unlicensed day care facility, residential facility, agency, hospital,
281.29 sanitarium, or other facility or institution required to be licensed or certified under sections
281.30 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter ~~245B or 245H~~ 142B or 142C;
281.31 or a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or
281.32 a nonlicensed personal care provider organization as defined in section 256B.0625,
281.33 subdivision 19a, complying with sections 260E.23, subdivisions 2 and 3, and 260E.30; and

282.1 (3) a public or private school, facility as defined in section 260E.03, or the employee of
282.2 any public or private school or facility who permits access by a local welfare agency, the
282.3 Department of Education, or a local law enforcement agency and assists in an investigation
282.4 or assessment pursuant to this chapter.

282.5 (b) A person who is a supervisor or person with responsibility for performing duties
282.6 under this chapter employed by a local welfare agency;~~;~~ the commissioner of human services;~~;~~
282.7 the commissioner of children, youth, and families; or the commissioner of education
282.8 complying with this chapter or any related rule or provision of law is immune from any
282.9 civil or criminal liability that might otherwise result from the person's actions if the person
282.10 is (1) acting in good faith and exercising due care, or (2) acting in good faith and following
282.11 the information collection procedures established under section 260E.20, subdivision 3.

282.12 (c) Any physician or other medical personnel administering a toxicology test under
282.13 section 260E.32 to determine the presence of a controlled substance in a pregnant woman,
282.14 in a woman within eight hours after delivery, or in a child at birth or during the first month
282.15 of life is immune from civil or criminal liability arising from administration of the test if
282.16 the physician ordering the test believes in good faith that the test is required under this
282.17 section and the test is administered in accordance with an established protocol and reasonable
282.18 medical practice.

282.19 (d) This section does not provide immunity to any person for failure to make a required
282.20 report or for committing maltreatment.

282.21 (e) If a person who makes a voluntary or mandatory report under section 260E.06 prevails
282.22 in a civil action from which the person has been granted immunity under this section, the
282.23 court may award the person attorney fees and costs.

282.24 Sec. 48. Minnesota Statutes 2022, section 260E.35, subdivision 3, is amended to read:

282.25 Subd. 3. **Classification and release of data.** (a) A written copy of a report maintained
282.26 by personnel of agencies, other than welfare or law enforcement agencies, which are subject
282.27 to chapter 13 shall be confidential. An individual subject of the report may obtain access
282.28 to the original report as provided by paragraphs (g) to (o).

282.29 (b) All reports and records created, collected, or maintained under this chapter by a local
282.30 welfare agency or law enforcement agency may be disclosed to a local welfare or other
282.31 child welfare agency of another state when the agency certifies that:

282.32 (1) the reports and records are necessary to conduct an investigation of actions that would
282.33 qualify as maltreatment under this chapter; and

(2) the reports and records will be used only for purposes of a child protection assessment or investigation and will not be further disclosed to any other person or agency.

(c) The local ~~social services~~ welfare agency or law enforcement agency in this state shall keep a record of all records or reports disclosed pursuant to this subdivision and of any agency to which the records or reports are disclosed. If, in any case, records or reports are disclosed before a determination is made under section 260E.24, subdivision 3, paragraph (a), or a disposition of a criminal proceeding is reached, the local ~~social services~~ welfare agency or law enforcement agency in this state shall forward the determination or disposition to any agency that has received a report or record under this subdivision.

(d) The responsible authority of a local welfare agency or the responsible authority's designee may release private or confidential data on an active case involving assessment or investigation of actions that are defined as maltreatment under this chapter to a court services agency if:

(1) the court services agency has an active case involving a common client who is the subject of the data; and

(2) the data are necessary for the court services agency to effectively process the court services agency's case, including investigating or performing other duties relating to the case required by law.

(e) The data disclosed under paragraph (d) may be used only for purposes of the active court services case described in paragraph (d), clause (1), and may not be further disclosed to any other person or agency, except as authorized by law.

(f) Records maintained under subdivision 4, paragraph (b), may be shared with another local welfare agency that requests the information because it is conducting an assessment or investigation under this section of the subject of the records.

(g) Except as provided in paragraphs (b), (h), (i), (o), and (p); subdivision 1; and sections 260E.22, subdivision 2; and 260E.23, all records concerning individuals maintained by a local welfare agency or agency responsible for assessing or investigating the report under this chapter, including any written reports filed under sections 260E.06 and 260E.09, shall be private data on individuals, except insofar as copies of reports are required by section 260E.12, subdivision 1 or 2, to be sent to the local police department or the county sheriff.

(h) All records concerning determinations of maltreatment by a facility are nonpublic data as maintained by the Department of Education, except insofar as copies of reports are

284.1 required by section 260E.12, subdivision 1 or 2, to be sent to the local police department
284.2 or the county sheriff.

284.3 (i) Reports maintained by any police department or the county sheriff shall be private
284.4 data on individuals, except the reports shall be made available to the investigating, petitioning,
284.5 or prosecuting authority, including a county medical examiner or county coroner.

284.6 (j) Section 13.82, subdivisions 8, 9, and 14, apply to law enforcement data other than
284.7 the reports.

284.8 (k) The local welfare agency or agency responsible for assessing or investigating the
284.9 report shall make available to the investigating, petitioning, or prosecuting authority,
284.10 including a county medical examiner or county coroner or a professional delegate, any
284.11 records that contain information relating to a specific incident of maltreatment that is under
284.12 investigation, petition, or prosecution and information relating to any prior incident of
284.13 maltreatment involving any of the same persons. The records shall be collected and
284.14 maintained according to chapter 13.

284.15 (l) An individual subject of a record shall have access to the record according to those
284.16 sections, except that the name of the reporter shall be confidential while the report is under
284.17 assessment or investigation except as otherwise permitted by this section.

284.18 (m) Any person conducting an investigation or assessment under this section who
284.19 intentionally discloses the identity of a reporter before the completion of the investigation
284.20 or assessment is guilty of a misdemeanor. After the assessment or investigation is completed,
284.21 the name of the reporter shall be confidential. The subject of the report may compel disclosure
284.22 of the name of the reporter only with the consent of the reporter or upon a written finding
284.23 by the court that the report was false and that there is evidence that the report was made in
284.24 bad faith. This subdivision does not alter disclosure responsibilities or obligations under
284.25 the Rules of Criminal Procedure.

284.26 (n) Upon request of the legislative auditor, data on individuals maintained under this
284.27 chapter must be released to the legislative auditor in order for the auditor to fulfill the
284.28 auditor's duties under section 3.971. The auditor shall maintain the data according to chapter
284.29 13.

284.30 (o) Active law enforcement investigative data received by a local welfare agency or
284.31 agency responsible for assessing or investigating the report under this chapter are confidential
284.32 data on individuals. When this data become inactive in the law enforcement agency, the
284.33 data are private data on individuals.

(p) Section 13.03, subdivision 4, applies to data received by the commissioner of education from a licensing entity.

Sec. 49. Minnesota Statutes 2022, section 260E.36, subdivision 4, is amended to read:

Subd. 4. **Joint training.** The commissioners of ~~human services~~ children, youth, and families and public safety shall cooperate in ~~the development of~~ developing and maintaining a joint program for training child maltreatment services professionals in the appropriate techniques for child maltreatment assessment and investigation. The program shall include but need not be limited to the following areas:

(1) the public policy goals of the state as set forth in section 260C.001 and the role of the assessment or investigation in meeting these goals;

(2) the special duties of child protection workers and law enforcement officers under this chapter;

(3) the appropriate methods for directing and managing affiliated professionals who may be utilized in providing protective services and strengthening family ties;

(4) the appropriate methods for interviewing alleged victims of child maltreatment and other children in the course of performing an assessment or an investigation;

(5) the dynamics of child maltreatment within family systems and the appropriate methods for interviewing parents in the course of the assessment or investigation, including training in recognizing cases in which one of the parents is a victim of domestic abuse and in need of special legal or medical services;

(6) the legal, evidentiary considerations that may be relevant to the conduct of an assessment or an investigation;

(7) the circumstances under which it is appropriate to remove the alleged offender or the alleged victim from the home;

(8) the protective social services that are available to protect alleged victims from further maltreatment, to prevent child maltreatment and domestic abuse, and to preserve the family unit; and training in the preparation of case plans to coordinate services for the alleged child victim with services for any parents who are victims of domestic abuse;

(9) the methods by which child protection workers and law enforcement workers cooperate in conducting assessments and investigations in order to avoid duplication of efforts; and

286.1 (10) appropriate methods for interviewing alleged victims and conducting investigations
286.2 in cases where the alleged victim is developmentally, physically, or mentally disabled.

286.3 Sec. 50. Minnesota Statutes 2022, section 393.07, subdivision 1, is amended to read:

286.4 Subdivision 1. **Public child welfare program.** (a) To assist in carrying out the child
286.5 protection, delinquency prevention and family assistance responsibilities of the state, the
286.6 local social services agency shall administer a program of social services and financial
286.7 assistance to be known as the public child welfare program. The public child welfare program
286.8 shall be supervised by the commissioner of ~~human services~~ children, youth, and families
286.9 and administered by the local social services agency in accordance with law and with rules
286.10 of the commissioner.

286.11 (b) The purpose of the public child welfare program is to assure protection for and
286.12 financial assistance to children who are confronted with social, physical, or emotional
286.13 problems requiring protection and assistance. These problems include, but are not limited
286.14 to the following:

286.15 (1) mental, emotional, or physical disability;

286.16 (2) birth of a child to a mother who was not married to the child's father when the child
286.17 was conceived nor when the child was born, including but not limited to costs of prenatal
286.18 care, confinement and other care necessary for the protection of a child born to a mother
286.19 who was not married to the child's father at the time of the child's conception nor at the
286.20 birth;

286.21 (3) dependency, neglect;

286.22 (4) delinquency;

286.23 (5) abuse or rejection of a child by its parents;

286.24 (6) absence of a parent or guardian able and willing to provide needed care and
286.25 supervision;

286.26 (7) need of parents for assistance with child rearing problems, or in placing the child in
286.27 foster care.

286.28 (c) A local social services agency shall make the services of its public child welfare
286.29 program available as required by law, by the commissioner, or by the courts and shall
286.30 cooperate with other agencies, public or private, dealing with the problems of children and
286.31 their parents as provided in this subdivision.

287.1 (d) A local social services agency may rent, lease, or purchase property, or in any other
287.2 way approved by the commissioner, contract with individuals or agencies to provide needed
287.3 facilities for foster care of children. It may purchase services or child care from duly
287.4 authorized individuals, agencies or institutions when in its judgment the needs of a child or
287.5 the child's family can best be met in this way.

287.6 Sec. 51. Minnesota Statutes 2022, section 393.07, subdivision 2, is amended to read:

287.7 Subd. 2. **Administration of public welfare.** The local social services agency, subject
287.8 to the supervision of the ~~commissioner~~ commissioners of human services and children,
287.9 youth, and families, shall administer all forms of public welfare, both for children and adults,
287.10 responsibility for which now or hereafter may be imposed on the ~~commissioner~~
287.11 commissioners of human services and children, youth, and families by law, including general
287.12 assistance, aid to dependent children, county supplementation, if any, or state aid to recipients
287.13 of Supplemental Security Income for aged, blind and disabled, child welfare services, mental
287.14 health services, and other public assistance or public welfare services, provided that the
287.15 local social services agency shall not employ public health nursing or home health service
287.16 personnel other than homemaker-home help aides, but shall contract for or purchase the
287.17 necessary services from existing community agencies. The duties of the local social services
287.18 agency shall be performed in accordance with the standards and rules which may be
287.19 promulgated by the ~~commissioner~~ commissioners of human services and children, youth,
287.20 and families to achieve the purposes intended by law and in order to comply with the
287.21 requirements of the federal Social Security Act in respect to public assistance and child
287.22 welfare services, so that the state may qualify for grants-in-aid available under that act. To
287.23 avoid administrative penalties under section 256.017, the local social services agency must
287.24 comply with (1) policies established by state law and (2) instructions from the commissioner
287.25 relating (i) to public assistance program policies consistent with federal law and regulation
287.26 and state law and rule and (ii) to local agency program operations. The commissioner may
287.27 enforce local social services agency compliance with the instructions, and may delay,
287.28 withhold, or deny payment of all or part of the state and federal share of benefits and federal
287.29 administrative reimbursement, according to the provisions under section 256.017. The local
287.30 social services agency shall supervise wards of the commissioner and, when so designated,
287.31 act as agent of the commissioner of human services or children, youth, and families in the
287.32 placement of the commissioner's wards in adoptive homes or in other foster care facilities.
287.33 The local social services agency shall cooperate as needed when the commissioner of
287.34 children, youth, and families contracts with a licensed child placement agency for adoption
287.35 services for a child under the ~~commissioner's~~ guardianship of the commissioner of children,

288.1 youth, and families. The local social services agency may contract with a bank or other
288.2 financial institution to provide services associated with the processing of public assistance
288.3 checks and pay a service fee for these services, provided the fee charged does not exceed
288.4 the fee charged to other customers of the institution for similar services.

288.5 Sec. 52. Minnesota Statutes 2022, section 393.07, subdivision 3, is amended to read:

288.6 Subd. 3. **Federal Social Security.** The local social services agency shall be charged
288.7 with the duties of administration of all forms of public assistance and public child welfare
288.8 or other programs within the purview of the federal Social Security Act, other than public
288.9 health nursing and home health services, and which now are, or hereafter may be, imposed
288.10 on the ~~commissioner~~ commissioners of human services and children, youth, and families
288.11 by law, of both children and adults. The duties of such local social services agency shall be
288.12 performed in accordance with the standards and rules which may be promulgated by the
288.13 ~~commissioner~~ commissioners of human services and children, youth, and families in order
288.14 to achieve the purposes of the law and to comply with the requirements of the federal Social
288.15 Security Act needed to qualify the state to obtain grants-in-aid available under that act.
288.16 Notwithstanding the provisions of any other law to the contrary, the welfare board shall
288.17 delegate to the director the authority to determine eligibility and disburse funds without
288.18 first securing board action, provided that the director shall present to the board, at the next
288.19 scheduled meeting, any such action taken for ratification by the board.

288.20 Sec. 53. Minnesota Statutes 2022, section 393.07, subdivision 4, is amended to read:

288.21 Subd. 4. **Rules.** The ~~commissioner~~ commissioners of human services and children, youth,
288.22 and families shall be the authority to adopt and enforce rules concerning the use and
288.23 publication of lists of public assistance recipients and governing the custody, use, and
288.24 preservation of public assistance, mental health or child welfare records, files, and
288.25 communications. The ~~commissioner~~ commissioners of human services and children, youth,
288.26 and families shall adopt such rules as may be necessary to comply with the requirements
288.27 of the federal Social Security Act; but in any event shall provide for the annual publication
288.28 of a summary financial statement giving total expenditures for each of the several programs
288.29 of public assistance; and shall make all finance records available for such examinations and
288.30 audits as are required by law. No use or publication of the lists, records, files, and
288.31 communications herein referred to shall be made until such rules are adopted, and then only
288.32 in the manner and form therein provided. All other laws, or parts of laws, now in effect
288.33 inconsistent with the provisions of this chapter are hereby repealed, superseded, modified,
288.34 or amended so far as necessary to conform to and give full force and effect to the provisions

289.1 of this chapter. The provisions of this chapter will not be construed to apply to poor relief
289.2 or direct relief given solely in behalf of adult persons.

289.3 Sec. 54. Minnesota Statutes 2022, section 393.07, subdivision 5, is amended to read:

289.4 Subd. 5. **Compliance with Social Security Act; merit system.** The ~~commissioner~~
289.5 commissioners of human services and children, youth, and families shall have authority to
289.6 require such methods of administration as are necessary for compliance with requirements
289.7 of the federal Social Security Act, as amended, and for the proper and efficient operation
289.8 of all welfare programs. This authority to require methods of administration includes methods
289.9 relating to the establishment and maintenance of personnel standards on a merit basis as
289.10 concerns all employees of local social services agencies except those employed in an
289.11 institution, sanitarium, or hospital. The ~~commissioner~~ commissioners of human services
289.12 and children, youth, and families shall exercise no authority with respect to the selection,
289.13 tenure of office, and compensation of any individual employed in accordance with such
289.14 methods. The adoption of methods relating to the establishment and maintenance of personnel
289.15 standards on a merit basis of all such employees of the local social services agencies and
289.16 the examination thereof, and the administration thereof shall be directed and controlled
289.17 exclusively by the ~~commissioner~~ commissioners of human services and children, youth,
289.18 and families.

289.19 Notwithstanding the provisions of any other law to the contrary, every employee of
289.20 every local social services agency who occupies a position which requires as prerequisite
289.21 to eligibility therefor graduation from an accredited four-year college or a certificate of
289.22 registration as a registered nurse under section 148.231, must be employed in such position
289.23 under the merit system established under authority of this subdivision. Every such employee
289.24 now employed by a local social services agency and who is not under said merit system is
289.25 transferred, as of January 1, 1962, to a position of comparable classification in the merit
289.26 system with the same status therein as the employee had in the county of employment prior
289.27 thereto and every such employee shall be subject to and have the benefit of the merit system,
289.28 including seniority within the local social services agency, as though the employee had
289.29 served thereunder from the date of entry into the service of the local social services agency.

289.30 Sec. 55. Minnesota Statutes 2022, section 393.07, subdivision 7, is amended to read:

289.31 Subd. 7. **Volunteer programs.** In accordance with procedures established by the
289.32 ~~commissioner~~ commissioners of human services and children, youth, and families, the local
289.33 social services agencies may establish volunteer service programs. Persons who participate

290.1 in these programs may be reimbursed for expenses incurred in performing assigned duties.
290.2 For purposes of this section, a volunteer worker shall not receive compensation for services
290.3 rendered but shall be entitled to workers' compensation coverage as provided for in section
290.4 176.011, subdivision 9.

290.5 Sec. 56. Minnesota Statutes 2022, section 393.07, subdivision 8, is amended to read:

290.6 Subd. 8. **Citizens advisory committee.** In accordance with procedures established by
290.7 ~~the commissioner~~ commissioners of human services and children, youth, and families, local
290.8 social services agencies may appoint citizen advisory committees to consult with the agency
290.9 on any of the programs or services administered by the agency. Within the limits of the
290.10 appropriation provided, the agency may authorize the reimbursement of committee members
290.11 for expenses incurred in the performance of their duties.

290.12 Sec. 57. Minnesota Statutes 2022, section 393.07, subdivision 10, is amended to read:

290.13 Subd. 10. **SNAP; Maternal and Child Nutrition Act.** (a) The local social services
290.14 agency shall establish and administer the Supplemental Nutrition Assistance Program
290.15 (SNAP) according to rules of the commissioner of ~~human services~~ children, youth, and
290.16 families, the supervision of the commissioner as specified in section 256.01, and all federal
290.17 laws and regulations. The commissioner of ~~human services~~ children, youth, and families
290.18 shall monitor SNAP delivery on an ongoing basis to ensure that each county complies with
290.19 federal laws and regulations. Program requirements to be monitored include, but are not
290.20 limited to, number of applications, number of approvals, number of cases pending, length
290.21 of time required to process each application and deliver benefits, number of applicants
290.22 eligible for expedited issuance, length of time required to process and deliver expedited
290.23 issuance, number of terminations and reasons for terminations, client profiles by age,
290.24 household composition and income level and sources, and the use of phone certification
290.25 and home visits. The commissioner shall determine the county-by-county and statewide
290.26 participation rate.

290.27 (b) On July 1 of each year, the commissioner of ~~human services~~ children, youth, and
290.28 families shall determine a statewide and county-by-county SNAP participation rate. The
290.29 commissioner may designate a different agency to administer the SNAP in a county if the
290.30 agency administering the program fails to increase the SNAP participation rate among
290.31 families or eligible individuals, or comply with all federal laws and regulations governing
290.32 the SNAP. The commissioner shall review agency performance annually to determine
290.33 compliance with this paragraph.

291.1 (c) A person who commits any of the following acts has violated section 256.98 or
291.2 609.821, or both, and is subject to both the criminal and civil penalties provided under those
291.3 sections:

291.4 (1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a
291.5 willful statement or misrepresentation, or intentional concealment of a material fact, SNAP
291.6 benefits or vouchers issued according to sections 145.891 to 145.897 to which the person
291.7 is not entitled or in an amount greater than that to which that person is entitled or which
291.8 specify nutritional supplements to which that person is not entitled; or

291.9 (2) presents or causes to be presented, coupons or vouchers issued according to sections
291.10 145.891 to 145.897 for payment or redemption knowing them to have been received,
291.11 transferred or used in a manner contrary to existing state or federal law; or

291.12 (3) willfully uses, possesses, or transfers SNAP benefits, authorization to purchase cards
291.13 or vouchers issued according to sections 145.891 to 145.897 in any manner contrary to
291.14 existing state or federal law, rules, or regulations; or

291.15 (4) buys or sells SNAP benefits, authorization to purchase cards, other assistance
291.16 transaction devices, vouchers issued according to sections 145.891 to 145.897, or any food
291.17 obtained through the redemption of vouchers issued according to sections 145.891 to 145.897
291.18 for cash or consideration other than eligible food.

291.19 (d) A peace officer or welfare fraud investigator may confiscate SNAP benefits,
291.20 authorization to purchase cards, or other assistance transaction devices found in the
291.21 possession of any person who is neither a recipient of SNAP benefits nor otherwise authorized
291.22 to possess and use such materials. Confiscated property shall be disposed of as the
291.23 commissioner may direct and consistent with state and federal SNAP law. The confiscated
291.24 property must be retained for a period of not less than 30 days to allow any affected person
291.25 to appeal the confiscation under section 256.045.

291.26 (e) Establishment of an overpayment is limited to 12 months prior to the month of
291.27 discovery due to agency error. Establishment of an overpayment is limited to six years prior
291.28 to the month of discovery due to client error or an intentional program violation determined
291.29 under section 256.046.

291.30 (f) With regard to the federal tax revenue offset program only, recovery incentives
291.31 authorized by the federal food and consumer service shall be retained at the rate of 50 percent
291.32 by the state agency and 50 percent by the certifying county agency.

(g) A peace officer, welfare fraud investigator, federal law enforcement official, or the commissioner of health may confiscate vouchers found in the possession of any person who is neither issued vouchers under sections 145.891 to 145.897, nor otherwise authorized to possess and use such vouchers. Confiscated property shall be disposed of as the commissioner of health may direct and consistent with state and federal law. The confiscated property must be retained for a period of not less than 30 days.

(h) The commissioner of ~~human services~~ children, youth, and families may seek a waiver from the United States Department of Agriculture to allow the state to specify foods that may and may not be purchased in Minnesota with benefits funded by the federal Supplemental Nutrition Assistance Program. The commissioner shall consult with the members of the house of representatives and senate policy committees having jurisdiction over SNAP issues in developing the waiver. The commissioner, in consultation with the commissioners of health and education, shall develop a broad public health policy related to improved nutrition and health status. The commissioner must seek legislative approval prior to implementing the waiver.

Sec. 58. Minnesota Statutes 2022, section 393.11, subdivision 2, is amended to read:

Subd. 2. **Paternity, child support.** The local social services agency or the commissioner of ~~human services~~ children, youth, and families may contract with the county attorney for the provision of legal services to the local social services agency in paternity actions, child support enforcement and related matters as specified in Title IV-D of the Social Security Act. The county attorney may contract as to and perform the services and receive reimbursement therefor as determined by the commissioner. The contract may specify that the reimbursement shall be in addition to the salary of the county attorney as set by the county commissioners pursuant to chapter 388.

Sec. 59. Minnesota Statutes 2022, section 518A.26, is amended by adding a subdivision to read:

Subd. 5a. **Commissioner.** "Commissioner" means the commissioner of children, youth, and families.

Sec. 60. Minnesota Statutes 2022, section 518A.60, is amended to read:

518A.60 COLLECTION; ARREARS ONLY.

(a) Remedies available for the collection and enforcement of support in this chapter and chapters 142A, 256, 257, 518, and 518C also apply to cases in which the child or children

293.1 for whom support is owed are emancipated and the obligor owes past support or has an
293.2 accumulated arrearage as of the date of the youngest child's emancipation. Child support
293.3 arrearages under this section include arrearages for child support, medical support, child
293.4 care, pregnancy and birth expenses, and unreimbursed medical expenses as defined in section
293.5 518A.41, subdivision 1, paragraph (h).

293.6 (b) This section applies retroactively to any support arrearage that accrued on or before
293.7 June 3, 1997, and to all arrearages accruing after June 3, 1997.

293.8 (c) Past support or pregnancy and confinement expenses ordered for which the obligor
293.9 has specific court ordered terms for repayment may not be enforced using drivers' and
293.10 occupational or professional license suspension and credit bureau reporting, unless the
293.11 obligor fails to comply with the terms of the court order for repayment.

293.12 (d) If an arrearage exists at the time a support order would otherwise terminate and
293.13 section 518A.53, subdivision 10, paragraph (c), does not apply to this section, the arrearage
293.14 shall be repaid in an amount equal to the current support order until all arrears have been
293.15 paid in full, absent a court order to the contrary.

293.16 (e) If an arrearage exists according to a support order which fails to establish a monthly
293.17 support obligation in a specific dollar amount, the public authority, if it provides child
293.18 support services, or the obligee, may establish a payment agreement which shall equal what
293.19 the obligor would pay for current support after application of section 518A.34, plus an
293.20 additional 20 percent of the current support obligation, until all arrears have been paid in
293.21 full. If the obligor fails to enter into or comply with a payment agreement, the public
293.22 authority, if it provides child support services, or the obligee, may move the district court
293.23 or child support magistrate, if section 484.702 applies, for an order establishing repayment
293.24 terms.

293.25 (f) If there is no longer a current support order because all of the children of the order
293.26 are emancipated, the public authority may discontinue child support services and close its
293.27 case under title IV-D of the Social Security Act if:

293.28 (1) the arrearage is under \$500; or

293.29 (2) the arrearage is considered unenforceable by the public authority because there have
293.30 been no collections for three years, and all administrative and legal remedies have been
293.31 attempted or are determined by the public authority to be ineffective because the obligor is
293.32 unable to pay, the obligor has no known income or assets, and there is no reasonable prospect
293.33 that the obligor will be able to pay in the foreseeable future.

294.1 (g) At least 60 calendar days before the discontinuation of services under paragraph (f),
294.2 the public authority must mail a written notice to the obligee and obligor at the obligee's
294.3 and obligor's last known addresses that the public authority intends to close the child support
294.4 enforcement case and explaining each party's rights. Seven calendar days after the first
294.5 notice is mailed, the public authority must mail a second notice under this paragraph to the
294.6 obligee.

294.7 (h) The case must be kept open if the obligee responds before case closure and provides
294.8 information that could reasonably lead to collection of arrears. If the case is closed, the
294.9 obligee may later request that the case be reopened by completing a new application for
294.10 services, if there is a change in circumstances that could reasonably lead to the collection
294.11 of arrears.

294.12 Sec. 61. Minnesota Statutes 2023 Supplement, section 609A.015, subdivision 1, is amended
294.13 to read:

294.14 Subdivision 1. **Eligibility; dismissal; exoneration.** (a) A person who is the subject of
294.15 a criminal record or delinquency record is eligible for a grant of expungement relief without
294.16 the filing of a petition:

294.17 (1) if the person was arrested and all charges were dismissed after a case was filed unless
294.18 dismissal was based on a finding that the defendant was incompetent to proceed;

294.19 (2) upon the dismissal and discharge of proceedings against a person under section
294.20 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession
294.21 of a controlled substance; or

294.22 (3) if all pending actions or proceedings were resolved in favor of the person.

294.23 (b) For purposes of this chapter, a verdict of not guilty by reason of mental illness is not
294.24 a resolution in favor of the person. For purposes of this chapter, an action or proceeding is
294.25 resolved in favor of the person if the petitioner received an order under section 590.11
294.26 determining that the person is eligible for compensation based on exoneration.

294.27 (c) The service requirements in section 609A.03, subdivision 8, do not apply to any
294.28 expungements ordered under this subdivision.

294.29 (d) An expungement order does not apply to records held by the commissioners of
294.30 children, youth, and families; health; and human services.

295.1 Sec. 62. Minnesota Statutes 2023 Supplement, section 609A.015, subdivision 2, is amended
295.2 to read:

295.3 Subd. 2. **Eligibility; diversion and stay of adjudication.** (a) A person is eligible for a
295.4 grant of expungement relief if the person has successfully completed the terms of a diversion
295.5 program or stay of adjudication for a qualifying offense that is not a felony and has not been
295.6 petitioned or charged with a new offense, other than an offense that would be a petty
295.7 misdemeanor, in Minnesota:

295.8 (1) for one year immediately following completion of the diversion program or stay of
295.9 adjudication; or

295.10 (2) for one year immediately preceding a subsequent review performed pursuant to
295.11 subdivision 5, paragraph (a).

295.12 (b) The service requirements in section 609A.03, subdivision 8, do not apply to any
295.13 expungements ordered under this subdivision.

295.14 (c) An expungement order does not apply to records held by the commissioners of
295.15 children, youth, and families; health; and human services.

295.16 Sec. 63. Minnesota Statutes 2023 Supplement, section 609A.015, subdivision 3, is amended
295.17 to read:

295.18 Subd. 3. **Eligibility; certain criminal proceedings.** (a) A person is eligible for a grant
295.19 of expungement relief if the person:

295.20 (1) was convicted of a qualifying offense;

295.21 (2) has not been convicted of a new offense, other than an offense that would be a petty
295.22 misdemeanor, in Minnesota:

295.23 (i) during the applicable waiting period immediately following discharge of the disposition
295.24 or sentence for the crime; or

295.25 (ii) during the applicable waiting period immediately preceding a subsequent review
295.26 performed pursuant to subdivision 5, paragraph (a); and

295.27 (3) is not charged with an offense, other than an offense that would be a petty
295.28 misdemeanor, in Minnesota at the time the person reaches the end of the applicable waiting
295.29 period or at the time of a subsequent review.

295.30 (b) As used in this subdivision, "qualifying offense" means a conviction for:

- 296.1 (1) any petty misdemeanor offense other than a violation of a traffic regulation relating
296.2 to the operation or parking of motor vehicles;
- 296.3 (2) any misdemeanor offense other than:
- 296.4 (i) section 169A.20 under the terms described in section 169A.27 (fourth-degree driving
296.5 while impaired);
- 296.6 (ii) section 518B.01, subdivision 14 (violation of an order for protection);
- 296.7 (iii) section 609.224 (assault in the fifth degree);
- 296.8 (iv) section 609.2242 (domestic assault);
- 296.9 (v) section 609.746 (interference with privacy);
- 296.10 (vi) section 609.748 (violation of a harassment restraining order);
- 296.11 (vii) section 609.78 (interference with emergency call);
- 296.12 (viii) section 609.79 (obscene or harassing phone calls);
- 296.13 (ix) section 617.23 (indecent exposure); or
- 296.14 (x) section 629.75 (violation of domestic abuse no contact order);
- 296.15 (3) any gross misdemeanor offense other than:
- 296.16 (i) section 169A.25 (second-degree driving while impaired);
- 296.17 (ii) section 169A.26 (third-degree driving while impaired);
- 296.18 (iii) section 518B.01, subdivision 14 (violation of an order for protection);
- 296.19 (iv) section 609.2113, subdivision 3 (criminal vehicular operation);
- 296.20 (v) section 609.2231 (assault in the fourth degree);
- 296.21 (vi) section 609.224 (assault in the fifth degree);
- 296.22 (vii) section 609.2242 (domestic assault);
- 296.23 (viii) section 609.233 (criminal neglect);
- 296.24 (ix) section 609.3451 (criminal sexual conduct in the fifth degree);
- 296.25 (x) section 609.377 (malicious punishment of child);
- 296.26 (xi) section 609.485 (escape from custody);
- 296.27 (xii) section 609.498 (tampering with witness);
- 296.28 (xiii) section 609.582, subdivision 4 (burglary in the fourth degree);

- 297.1 (xiv) section 609.746 (interference with privacy);
- 297.2 (xv) section 609.748 (violation of a harassment restraining order);
- 297.3 (xvi) section 609.749 (harassment; stalking);
- 297.4 (xvii) section 609.78 (interference with emergency call);
- 297.5 (xviii) section 617.23 (indecent exposure);
- 297.6 (xix) section 617.261 (nonconsensual dissemination of private sexual images); or
- 297.7 (xx) section 629.75 (violation of domestic abuse no contact order); or
- 297.8 (4) any felony offense listed in section 609A.02, subdivision 3, paragraph (b), other
- 297.9 than:
- 297.10 (i) section 152.023, subdivision 2 (possession of a controlled substance in the third
- 297.11 degree);
- 297.12 (ii) 152.024, subdivision 2 (possession of a controlled substance in the fourth degree);
- 297.13 (iii) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil
- 297.14 commitment for mental illness); or
- 297.15 (iv) section 609.746, subdivision 1, paragraph (e) (interference with privacy; subsequent
- 297.16 violation or minor victim).
- 297.17 (c) As used in this subdivision, "applicable waiting period" means:
- 297.18 (1) if the offense was a petty misdemeanor, two years since discharge of the sentence;
- 297.19 (2) if the offense was a misdemeanor, two years since discharge of the sentence for the
- 297.20 crime;
- 297.21 (3) if the offense was a gross misdemeanor, three years since discharge of the sentence
- 297.22 for the crime;
- 297.23 (4) if the offense was a felony violation of section 152.025, four years since the discharge
- 297.24 of the sentence for the crime; and
- 297.25 (5) if the offense was any other felony, five years since discharge of the sentence for the
- 297.26 crime.
- 297.27 (d) Felony offenses deemed to be a gross misdemeanor or misdemeanor pursuant to
- 297.28 section 609.13, subdivision 1, remain ineligible for expungement under this section. Gross
- 297.29 misdemeanor offenses ineligible for a grant of expungement under this section remain
- 297.30 ineligible if deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2.

298.1 (e) The service requirements in section 609A.03, subdivision 8, do not apply to any
298.2 expungements ordered under this subdivision.

298.3 (f) An expungement order does not apply to records held by the commissioners of
298.4 children, youth, and families; health; and human services.

298.5 Sec. 64. Minnesota Statutes 2023 Supplement, section 609A.06, subdivision 7, is amended
298.6 to read:

298.7 Subd. 7. **Review and determination.** (a) The Cannabis Expungement Board shall review
298.8 all available records to determine whether the conviction or stay of adjudication is eligible
298.9 for an expungement or resentencing to a lesser offense. An expungement under this section
298.10 is presumed to be in the public interest unless there is clear and convincing evidence that
298.11 an expungement or resentencing to a lesser offense would create a risk to public safety.

298.12 (b) If the Cannabis Expungement Board determines that an expungement is in the public
298.13 interest, the board shall determine whether a person's conviction should be vacated and
298.14 charges should be dismissed.

298.15 (c) If the Cannabis Expungement Board determines that an expungement is in the public
298.16 interest, the board shall determine whether the limitations under section 609A.03, subdivision
298.17 5a, apply.

298.18 (d) If the Cannabis Expungement Board determines that an expungement is in the public
298.19 interest, the board shall determine whether the limitations under section 609A.03, subdivision
298.20 7a, paragraph (b), clause (5), apply.

298.21 (e) If the Cannabis Expungement Board determines that an expungement is not in the
298.22 public interest, the board shall determine whether the person is eligible for resentencing to
298.23 a lesser offense.

298.24 (f) In making a determination under this subdivision, the Cannabis Expungement Board
298.25 shall consider:

298.26 (1) the nature and severity of the underlying crime, including but not limited to the total
298.27 amount of marijuana or tetrahydrocannabinols possessed by the person and whether the
298.28 offense involved a dangerous weapon, the intentional infliction of bodily harm on another,
298.29 an attempt to inflict bodily harm on another, or an act committed with the intent to cause
298.30 fear in another of immediate bodily harm or death;

298.31 (2) whether an expungement or resentencing the person a lesser offense would increase
298.32 the risk, if any, the person poses to other individuals or society;

(3) if the person is under sentence, whether an expungement or resentencing to a lesser offense would result in the release of the person and whether release earlier than the date that the person would be released under the sentence currently being served would present a danger to the public or would be compatible with the welfare of society;

(4) aggravating or mitigating factors relating to the underlying crime, including the person's level of participation and the context and circumstances of the underlying crime;

(5) statements from victims and law enforcement, if any;

(6) if an expungement or resentencing the person to a lesser offense is considered, whether there is good cause to restore the person's right to possess firearms and ammunition;

(7) if an expungement is considered, whether an expunged record of a conviction or stay of adjudication may be opened for purposes of a background check required under section 122A.18, subdivision 8; and

(8) other factors deemed relevant by the Cannabis Expungement Board.

(g) In making a determination under this subdivision, the Cannabis Expungement Board shall not consider the impact the expungement would have on the offender based on any records held by the Department of Health; Department of Children, Youth, and Families; or Department of Human Services.

(h) The affirmative vote of three members is required for action taken at any meeting.

Sec. 65. Minnesota Statutes 2023 Supplement, section 609A.06, subdivision 12, is amended to read:

Subd. 12. **Order of expungement.** (a) Upon receiving notice that an offense qualifies for expungement, the court shall issue an order sealing all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for an offense described in subdivision 3. The courts shall not order the Department of Health; the Department of Children, Youth, and Families; or the Department of Human Services to seal records under this section. If the Cannabis Expungement Board determined that the person's conviction should be vacated and charges should be dismissed, the order shall vacate and dismiss the charges.

(b) If the Cannabis Expungement Board determined that there is good cause to restore the person's right to possess firearms and ammunition, the court shall issue an order pursuant to section 609.165, subdivision 1d.

(c) If the Cannabis Expungement Board determined that an expunged record of a conviction or stay of adjudication may not be opened for purposes of a background check required under section 122A.18, subdivision 8, the court shall direct the order specifically to the Professional Educator Licensing and Standards Board.

(d) The court administrator shall send a copy of an expungement order issued under this section to each agency and jurisdiction whose records are affected by the terms of the order and send a letter to the last known address of the person whose offense has been expunged identifying each agency to which the order was sent.

(e) In consultation with the commissioner of human services, the court shall establish a schedule on which it shall provide the commissioner of human services a list identifying the name and court file number or, if no court file number is available, the citation number of each record for a person who received an expungement under this section.

(f) Data on the person whose offense has been expunged in a letter sent under this subdivision are private data on individuals as defined in section 13.02, subdivision 12.

Sec. 66. Minnesota Statutes 2022, section 631.40, subdivision 3, is amended to read:

Subd. 3. **Departments of Human Services; Children, Youth, and Families; and Health licensees.** When a person who is affiliated with a program or facility governed by the Department of Human Services, Department of Children, Youth, and Families, or Department of Health is convicted of a disqualifying crime, the probation officer or corrections agent shall notify the commissioner of the conviction, as provided in chapter 245C.

Sec. 67. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber sections or subdivisions in column A as column B.

Column A

Column B

256.741

518A.81

256.87

518A.82

256.978

518A.83

256.979

518A.84

256E.12

256K.10

(b) The revisor of statutes must correct any statutory cross-references consistent with this renumbering.

301.1 Sec. 68. **REVISOR INSTRUCTION.**

301.2 The revisor of statutes shall make necessary cross-reference changes and remove statutory
301.3 cross-references in Minnesota Statutes to conform with this act and Laws 2023, chapter 70,
301.4 article 12. The revisor may make technical and other necessary changes to sentence structure
301.5 to preserve the meaning of the text. The revisor may alter the statutory coding in this act to
301.6 incorporate statutory changes made by other law in the 2024 regular legislative session. If
301.7 a provision repealed in this act is also amended in the 2024 regular legislative session by
301.8 other law, the revisor shall merge the amendment into the recodification, notwithstanding
301.9 Minnesota Statutes, section 645.30.

301.10 Sec. 69. **REVISOR INSTRUCTION.**

301.11 The revisor of statutes shall change "the commissioner of human services" to "the
301.12 commissioner of children, youth, and families" and change "the Department of Human
301.13 Services" to "the Department of Children, Youth, and Families" as necessary to reflect the
301.14 changes in this act and Laws 2023, chapter 70, article 12. The revisor shall also make other
301.15 technical changes resulting from the change of term to the statutory language, sentence
301.16 structure, or both, if necessary to preserve the meaning of the text. If any potential
301.17 commissioner changes identified reflect policy changes not yet addressed in this act or Laws
301.18 2023, chapter 70, article 12, the revisor of statutes shall notify the commissioners of human
301.19 services and children, youth, and families so that the change may be addressed in the 2025
301.20 legislative session.

301.21 Sec. 70. **REPEALER.**

301.22 Minnesota Statutes 2022, section 256.741, subdivision 3, is repealed.

301.23 Sec. 71. **EFFECTIVE DATE; TRANSFER OF RESPONSIBILITIES.**

301.24 (a) This act is effective July 1, 2024.

301.25 (b) Notwithstanding paragraph (a), the powers and responsibilities transferred under this
301.26 act are effective upon notice of the commissioner of children, youth, and families to the
301.27 commissioners of administration, management and budget, and other relevant departments
301.28 along with the secretary of the senate, the chief clerk of the house of representatives, and
301.29 the chairs and ranking minority members of relevant legislative committees and divisions,
301.30 pursuant to Laws 2023, chapter 70, article 12, section 30, subdivision 1.

301.31 (c) By August 1, 2025, the commissioners of human services and children, youth, and
301.32 families shall notify the chairs and ranking minority members of relevant legislative

302.1

committees and divisions and the revisor of statutes of any sections of this act that are

302.2

waiting for federal approval to become effective pursuant to Laws 2023, chapter 70, article

302.3

12, section 30, subdivision 1, paragraph (b).

245A.04 APPLICATION PROCEDURES.

Subd. 17. **Plain-language handbook.** By January 1, 2020, the commissioner of human services shall, following consultation with family child care license holders, parents, and county agencies, develop a plain-language handbook that describes the process and requirements to become a licensed family child care provider. The handbook shall include a list of the applicable statutory provisions and rules that apply to licensed family child care providers. The commissioner shall electronically publish the handbook on the Department of Human Services website, available at no charge to the public. Each county human services office and the Department of Human Services shall maintain physical copies of the handbook for public use.

245A.09 RULES.

Subd. 10. **Rulemaking process; commissioner exempted.** When developing, making, adopting, and issuing interpretive guidelines under the authority granted under subdivision 8, the commissioner is exempt from the rulemaking provisions of chapter 14 until July 1, 1998.

245A.18 CHILD PASSENGER RESTRAINT SYSTEMS.

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section 245A.035, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

245H.12 FEES.

The commissioner shall consult with stakeholders to develop an administrative fee to implement this chapter. By February 15, 2019, the commissioner shall provide recommendations on the amount of an administrative fee to the legislative committees with jurisdiction over health and human services policy and finance.

256.01 COMMISSIONER OF HUMAN SERVICES; POWERS, DUTIES.

Subd. 30. **Donated funds from private postsecondary institutions.** The commissioner may accept, on behalf of the state, funds donated from private postsecondary institutions, as the state's share in claiming federal Title IV-E reimbursement, to support the Child Welfare State/University Partnership, consistent with Code of Federal Regulations, title 45, chapter 235, section 235.66, Sources of State Funds, if the funds:

- (1) are transferred to the state and under the state's administrative control;
- (2) are donated with no restriction that the funds be used for the training of a particular individual or at a particular facility or institution; and
- (3) do not revert to the donor's facility or use.

256.741 CHILD SUPPORT AND MAINTENANCE.

Subd. 3. **Existing assignments.** Assignments based on the receipt of public assistance in existence prior to July 1, 1997, are permanently assigned to the state. Arrears that accrued prior to the receipt of assistance that were assigned to the state between July 1, 1997, and October 1, 2009, must no longer be assigned as of October 1, 2009.

256.9831 BENEFITS; GAMBLING ESTABLISHMENTS.

Subd. 2. **Financial transaction cards.** The commissioner shall take all actions necessary to ensure that no person may obtain benefits under chapter 256, 256D, or 256J through the use of a financial transaction card, as defined in section 609.821, subdivision 1, paragraph (a), at a terminal located in or attached to a gambling establishment, liquor store, tobacco store, or tattoo parlor.

Subd. 3. **Warrants.** The commissioner shall take all actions necessary to ensure that warrants issued to pay benefits under chapter 256 or 256D bear a restrictive endorsement that prevents their being cashed in a gambling establishment.

256J.01 ESTABLISHING MINNESOTA FAMILY INVESTMENT PROGRAM.

Subd. 5. **Compliance system.** The commissioner shall administer a compliance system for the state's temporary assistance for needy families (TANF) program, the SNAP, general assistance, medical assistance, emergency general assistance, Minnesota supplemental aid, preadmission screening, child support program, and alternative care grants under the powers and authorities named in section 256.01, subdivision 2. The purpose of the compliance system is to permit the commissioner to supervise the administration of public assistance programs and to enforce timely and accurate distribution of benefits, completeness of service and efficient and effective program management and operations, to increase uniformity and consistency in the administration and delivery of public assistance programs throughout the state, and to reduce the possibility of sanction and fiscal disallowances for noncompliance with federal regulations and state statutes.

256J.78 TANF DEMONSTRATION PROJECTS OR WAIVER FROM FEDERAL RULES AND REGULATIONS.

Subd. 3. **Report to legislature.** The commissioner shall report to the members of the legislative committees having jurisdiction over human services issues by March 1, 2014, regarding the progress of this waiver or demonstration project.