

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

**S.F. No. 2705**

**(SENATE AUTHORS: WIKLUND)**

**DATE**  
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**D-PG**  
912

**OFFICIAL STATUS**

Introduction and first reading  
Referred to Health and Human Services

1.1

A bill for an act

1.2       relating to children; the Department of Children, Youth, and Families governor's  
1.3       budget bill; modifying provisions related to department administration, child safety  
1.4       and permanency, and early childhood; appropriating money; amending Minnesota  
1.5       Statutes 2024, sections 127A.41, subdivisions 8, 9; 127A.45, subdivision 13;  
1.6       142A.03, subdivision 2; 142D.08, subdivision 8; 142D.093; 142D.11, subdivisions  
1.7       1, 2, 10; 142D.21, subdivisions 6, 10; 142D.31, subdivision 2; 142E.03, subdivision  
1.8       3; 142E.11, subdivisions 1, 2; 142E.13, subdivision 2; 142E.15, subdivision 1;  
1.9       142E.16, subdivisions 3, 7; 260.810, subdivisions 1, 2; 260.821, subdivision 2.

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

**ARTICLE 1**

**DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES**

1.13      Section 1. Minnesota Statutes 2024, section 127A.41, subdivision 8, is amended to read:

1.14      **Subd. 8. Appropriation transfers.** (a) If a direct appropriation from the general fund  
1.15      to the department for any education aid or grant authorized in this chapter and chapters  
1.16      122A, 123A, 123B, 124D, 124E, 125A, 126C, and 134, excluding appropriations under  
1.17      sections ~~124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56,~~  
1.18      exceeds the amount required, the commissioner may transfer the excess to any education  
1.19      aid or grant appropriation that is insufficient. However, section 126C.20 applies to a  
1.20      deficiency in the direct appropriation for general education aid. Excess appropriations must  
1.21      be allocated proportionately among aids or grants that have insufficient appropriations. The  
1.22      commissioner of management and budget shall make the necessary transfers among  
1.23      appropriations according to the determinations of the commissioner. If the amount of the  
1.24      direct appropriation for the aid or grant plus the amount transferred according to this

2.1 subdivision is insufficient, the commissioner shall prorate the available amount among  
2.2 eligible districts. The state is not obligated for any additional amounts.

2.3 (b) Transfers for aids paid under section 127A.45, subdivisions 12 and 13, shall be made  
2.4 during the fiscal year after the fiscal year of the entitlement. Transfers for aids paid under  
2.5 section 127A.45, subdivisions 11 and 12a, shall be made during the fiscal year of the  
2.6 appropriation.

2.7 Sec. 2. Minnesota Statutes 2024, section 127A.41, subdivision 9, is amended to read:

2.8 **Subd. 9. Appropriation transfers for community education programs.** If a direct  
2.9 appropriation from the general fund to the Department of Education for an education aid  
2.10 or grant authorized under section ~~124D.135, 124D.16, 124D.20, 124D.22, 124D.52,~~  
2.11 ~~124D.531, 124D.55, or 124D.56~~ exceeds the amount required, the commissioner of education  
2.12 may transfer the excess to any education aid or grant appropriation that is insufficiently  
2.13 funded under these sections. Excess appropriations shall be allocated proportionately among  
2.14 aids or grants that have insufficient appropriations. The commissioner of management and  
2.15 budget shall make the necessary transfers among appropriations according to the  
2.16 determinations of the commissioner of education. If the amount of the direct appropriation  
2.17 for the aid or grant plus the amount transferred according to this subdivision is insufficient,  
2.18 the commissioner shall prorate the available amount among eligible districts. The state is  
2.19 not obligated for any additional amounts.

2.20 Sec. 3. Minnesota Statutes 2024, section 127A.45, subdivision 13, is amended to read:

2.21 **Subd. 13. Aid payment percentage.** Except as provided in subdivisions 11, 12, 12a,  
2.22 14, and 14a, each fiscal year, all education aids and credits in this chapter ~~and~~; chapters  
2.23 120A, 120B, 121A, 122A, 123A, 123B, 124D, 124E, 125A, 125B, 126C, and 134; and  
2.24 ~~section~~ sections 142D.06, 142D.093, 142D.11, and 273.1392; shall be paid at the current  
2.25 year aid payment percentage of the estimated entitlement during the fiscal year of the  
2.26 entitlement. For the purposes of this subdivision, a district's estimated entitlement for special  
2.27 education aid under section 125A.76 for fiscal year 2014 and later equals 97.4 percent of  
2.28 the district's entitlement for the current fiscal year. The final adjustment payment, according  
2.29 to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual  
2.30 data, minus the payments made during the fiscal year of the entitlement.

3.1        Sec. 4. Minnesota Statutes 2024, section 142A.03, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.16      (j) The commissioner shall act as designated guardian of children pursuant to chapter  
5.17      260C. For children under the guardianship of the commissioner or a Tribe in Minnesota  
5.18      recognized by the Secretary of the Interior whose interests would be best served by adoptive  
5.19      placement, the commissioner may contract with a licensed child-placing agency or a  
5.20      Minnesota Tribal social services agency to provide adoption services. For children in  
5.21      out-of-home care whose interests would be best served by a transfer of permanent legal and  
5.22      physical custody to a relative under section 260C.515, subdivision 4, or equivalent in Tribal  
5.23      code, the commissioner may contract with a licensed child-placing agency or a Minnesota  
5.24      Tribal social services agency to provide permanency services. A contract with a licensed  
5.25      child-placing agency must be designed to supplement existing county efforts and may not  
5.26      replace existing county programs or Tribal social services, unless the replacement is agreed  
5.27      to by the county board and the appropriate exclusive bargaining representative, Tribal  
5.28      governing body, or the commissioner has evidence that child placements of the county  
5.29      continue to be substantially below that of other counties. Funds encumbered and obligated  
5.30      under an agreement for a specific child shall remain available until the terms of the agreement  
5.31      are fulfilled or the agreement is terminated.

5.32      (k) The commissioner has the authority to conduct and administer experimental projects  
5.33      to test methods and procedures of administering assistance and services to recipients or  
5.34      potential recipients of public benefits. To carry out the experimental projects, the

6.1 commissioner may waive the enforcement of existing specific statutory program  
6.2 requirements, rules, and standards in one or more counties. The order establishing the waiver  
6.3 must provide alternative methods and procedures of administration and must not conflict  
6.4 with the basic purposes, coverage, or benefits provided by law. No project under this  
6.5 paragraph shall exceed four years. No order establishing an experimental project as authorized  
6.6 by this paragraph is effective until the following conditions have been met:

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

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

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

6.15 (m) The commissioner shall allocate federal fiscal disallowances or sanctions that are  
6.16 based on quality control error rates for the aid to families with dependent children (AFDC)  
6.17 program formerly codified in sections 256.72 to 256.87 or the Supplemental Nutrition  
6.18 Assistance Program (SNAP) in the following manner:

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

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

7.1 payment or recover from the county or counties, in the manner prescribed in clause (1), an  
7.2 amount equal to the portion of the total disallowance that resulted from the noncompliance  
7.3 and may distribute the balance of the disallowance according to clause (1).

7.4 (n) The commissioner shall develop and implement special projects that maximize  
7.5 reimbursements and result in the recovery of money to the state. For the purpose of recovering  
7.6 state money, the commissioner may enter into contracts with third parties. Any recoveries  
7.7 that result from projects or contracts entered into under this paragraph shall be deposited  
7.8 in the state treasury and credited to a special account until the balance in the account reaches  
7.9 \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be  
7.10 transferred and credited to the general fund. All money in the account is appropriated to the  
7.11 commissioner for the purposes of this paragraph.

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

7.14 (1) the commissioner shall establish fiscal and statistical reporting requirements necessary  
7.15 to account for the expenditure of funds allocated to counties for programs administered by  
7.16 the commissioner. When establishing financial and statistical reporting requirements, the  
7.17 commissioner shall evaluate all reports, in consultation with the counties, to determine if  
7.18 the reports can be simplified or the number of reports can be reduced;

7.19 (2) the county board shall submit monthly or quarterly reports to the department as  
7.20 required by the commissioner. Monthly reports are due no later than 15 working days after  
7.21 the end of the month. Quarterly reports are due no later than 30 calendar days after the end  
7.22 of the quarter, unless the commissioner determines that the deadline must be shortened to  
7.23 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss  
7.24 of federal funding. Only reports that are complete, legible, and in the required format shall  
7.25 be accepted by the commissioner;

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

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

8.1 notify the county board of the reason the county board is considered noncompliant and  
8.2 request that the county board develop a corrective action plan stating how the county board  
8.3 plans to correct the problem. The corrective action plan must be submitted to the  
8.4 commissioner within 45 days after the date the county board received notice of  
8.5 noncompliance;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9.32       (aa) The commissioner shall have the power and authority to accept on behalf of the  
9.33       state contributions and gifts for the use and benefit of children under the guardianship or  
9.34       custody of the commissioner. The commissioner may also receive and accept on behalf of

10.1 such children money due and payable to them as old age and survivors insurance benefits,  
10.2 veterans benefits, pensions, or other such monetary benefits. Gifts, contributions, pensions,  
10.3 and benefits under this paragraph must be deposited in and disbursed from the social welfare  
10.4 fund provided for in sections 256.88 to 256.92.

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

10.7 Sec. 5. Minnesota Statutes 2024, section 142D.08, subdivision 8, is amended to read:

10.8 **Subd. 8. Funding.** The commissioner and the commissioner of education shall enter  
10.9 into an agreement under which the commissioner of education shall distribute funds  
10.10 appropriated for programs under this section. Funding is subject to sections 127A.41 and  
10.11 127A.45, subdivision 13.

10.12 Sec. 6. Minnesota Statutes 2024, section 142D.093, is amended to read:

10.13 **142D.093 DEVELOPMENTAL SCREENING AID.**

10.14 (a) Each school year, the state must pay a district for each child or student screened by  
10.15 the district according to the requirements of section 142D.091. The amount of state aid for  
10.16 each child or student screened shall be: (1) \$98 for a child screened at age three; (2) \$65  
10.17 for a child screened at age four; (3) \$52 for a child screened at age five or six prior to  
10.18 kindergarten; and (4) \$39 for a student screened within 30 days after first enrolling in a  
10.19 public school kindergarten if the student has not previously been screened according to the  
10.20 requirements of section 142D.091. If this amount of aid is insufficient, the district may  
10.21 permanently transfer from the general fund an amount that, when added to the aid, is  
10.22 sufficient. Developmental screening aid shall not be paid for any student who is screened  
10.23 more than 30 days after the first day of attendance at a public school kindergarten, except  
10.24 if a student transfers to another public school kindergarten within 30 days after first enrolling  
10.25 in a Minnesota public school kindergarten program. In this case, if the student has not been  
10.26 screened, the district to which the student transfers may receive developmental screening  
10.27 aid for screening that student when the screening is performed within 30 days of the transfer  
10.28 date.

10.29 (b) The commissioner and the commissioner of education shall enter into an agreement  
10.30 under which the commissioner of education shall distribute funds appropriated for programs  
10.31 under this section. Funding is subject to section 127A.45, subdivision 13.

11.1 Sec. 7. Minnesota Statutes 2024, section 142D.11, subdivision 1, is amended to read:

11.2 Subdivision 1. **Revenue.** The revenue for early childhood family education programs  
11.3 for a school district equals the formula allowance under section 126C.10, subdivision 2, for  
11.4 the year times 0.023 times the greater of:

11.5 (1) 150; or

11.6 (2) the number of people under five years of age residing in the district on October 1 of  
11.7 the previous school year.

11.8 Sec. 8. Minnesota Statutes 2024, section 142D.11, subdivision 2, is amended to read:

11.9 Subd. 2. **Population.** For the purposes of subdivision 1, data reported to the Department  
11.10 of Education may be used to determine the number of people under five years of age residing  
11.11 in the district. The commissioner, with the assistance of the state demographer, shall review  
11.12 the number reported by any district operating an early childhood family education program.  
11.13 If requested, the district shall submit to the commissioner an explanation of its methods and  
11.14 other information necessary to document accuracy. If the commissioner determines that the  
11.15 district has not provided sufficient documentation of accuracy, the commissioner may  
11.16 request the state demographer to prepare an estimate of the number of people under five  
11.17 years of age residing in the district and may use this estimate for the purposes of subdivision  
11.18 1.

11.19 Sec. 9. Minnesota Statutes 2024, section 142D.11, subdivision 10, is amended to read:

11.20 Subd. 10. **Funding.** The commissioner and the commissioner of education shall enter  
11.21 into an agreement under which the commissioner of education shall distribute funds  
11.22 appropriated for programs under this section. Funding is subject to section 127A.45,  
11.23 subdivision 13.

## 11.24 ARTICLE 2

### 11.25 CHILD SAFETY AND PERMANENCY

11.26 Section 1. Minnesota Statutes 2024, section 260.810, subdivision 1, is amended to read:

11.27 Subdivision 1. **Payments.** The commissioner shall make grant payments to each approved  
11.28 program in four quarterly installments a year. The commissioner may certify an advance  
11.29 payment for the first quarter of the state fiscal year. Later payments must be made ~~upon~~  
11.30 ~~receipt by the state of a quarterly report on finances and program activities~~ quarterly.

12.1 Sec. 2. Minnesota Statutes 2024, section 260.810, subdivision 2, is amended to read:

12.2 Subd. 2. **Quarterly report Reporting**. The commissioner shall specify engage Tribal  
12.3 and urban Indian organizations to establish requirements for reports and reporting timelines,  
12.4 including quarterly fiscal reports submitted to the commissioner at least annually, according  
12.5 to section 142A.03, subdivision 2, paragraph (o). Each quarter reporting period as agreed  
12.6 upon by the commissioner and grantee, an approved program receiving an Indian child  
12.7 welfare grant shall submit a report to the commissioner that includes:

12.8 (1) a detailed accounting of grant money expended during the preceding quarter reporting  
12.9 period, specifying expenditures by line item and year to date; and

12.10 (2) a description of Indian child welfare activities conducted during the preceding quarter  
12.11 reporting period, including the number of clients served and the type of services provided.

12.12 The quarterly Reports must be submitted no later than 30 days after the end of each  
12.13 quarter agreed upon reporting timelines of the state fiscal year.

12.14 Sec. 3. Minnesota Statutes 2024, section 260.821, subdivision 2, is amended to read:

12.15 Subd. 2. **Special focus grants**. The amount available for grants established under section  
12.16 260.785, subdivision 2, for child-placing agencies, Tribes, Indian organizations, and other  
12.17 social services organizations is one-fifth of the total annual appropriation for Indian child  
12.18 welfare grants. The maximum award under this subdivision is \$100,000 a year for programs  
12.19 approved by the commissioner.

## 12.20 **ARTICLE 3**

### 12.21 **EARLY CHILDHOOD**

12.22 Section 1. Minnesota Statutes 2024, section 142D.21, subdivision 6, is amended to read:

12.23 Subd. 6. **Payments**. (a) The commissioner shall provide payments under this section to  
12.24 all eligible programs on a noncompetitive basis. The payment amounts shall be based on  
12.25 the number of full-time equivalent staff who regularly care for children in the program,  
12.26 including any employees, sole proprietors, or independent contractors.

12.27 (b) For purposes of this section, "one full-time equivalent" is defined as an individual  
12.28 caring for children 32 hours per week. An individual can count as more or less than one  
12.29 full-time equivalent staff, but as no more than two full-time equivalent staff.

12.30 (c) The commissioner must establish an amount to award per full-time equivalent  
12.31 individual who regularly cares for children in the program.

13.1       (d) Payments must be increased by ten percent for programs receiving child care  
13.2 assistance payments under section 142E.08 or 142E.17 or early learning scholarships under  
13.3 section 142D.25, ~~or~~ for programs located in a child care access equity area, or for Tribally  
13.4 licensed child care programs. The commissioner must develop a method for establishing  
13.5 child care access equity areas. For purposes of this section, "child care access equity area"  
13.6 means an area with low access to child care, high poverty rates, high unemployment rates,  
13.7 low homeownership rates, and low median household incomes or an area within the  
13.8 boundaries of Tribal reservation land in Minnesota.

13.9       (e) The commissioner shall establish the form, frequency, and manner for making  
13.10 payments under this section.

13.11      Sec. 2. Minnesota Statutes 2024, section 142D.21, subdivision 10, is amended to read:

13.12       Subd. 10. **Account; carryforward authority.** ~~Money appropriated under this section~~  
13.13 ~~is available until expended.~~ (a) An account is established in the special revenue fund known  
13.14 as the great start compensation support payment program account.

13.15       (b) Money appropriated under this section must be transferred to the great start  
13.16 compensation support payment program account in the special revenue fund.

13.17       (c) Money in the account is annually appropriated to the commissioner for the purposes  
13.18 of this section. Any returned funds are available to be regranted.

13.19      Sec. 3. Minnesota Statutes 2024, section 142D.31, subdivision 2, is amended to read:

13.20       Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:  
13.21       (1) tuition scholarships ~~up to \$10,000 per year~~ in amounts per year consistent with the  
13.22 national TEACH early childhood program requirements for courses leading to the nationally  
13.23 recognized child development associate credential or college-level courses leading to an  
13.24 associate's degree or bachelor's degree in early childhood development and school-age care;  
13.25 and

13.26       (2) education incentives of a minimum of \$250 to participants in the tuition scholarship  
13.27 program if they complete a year of working in the early care and education field.

13.28       (b) Applicants for the scholarship must be employed by a licensed or certified early  
13.29 childhood or child care program and working directly with children, a licensed family child  
13.30 care provider, employed by a public prekindergarten program, employed by a Head Start  
13.31 program, or an employee in a school-age program exempt from licensing under section  
13.32 142B.05, subdivision 2, paragraph (a), clause (8). Lower wage earners must be given priority

14.1 in awarding the tuition scholarships. Scholarship recipients must contribute at least ten  
14.2 percent of the total scholarship and must be sponsored by their employers, who must also  
14.3 contribute at least five percent of the total scholarship. Scholarship recipients who are  
14.4 self-employed work in licensed family child care under Minnesota Rules, chapter 9502,  
14.5 must contribute 20 at least ten percent of the total scholarship and are not required to receive  
14.6 employer sponsorship or employer match.

14.7 Sec. 4. Minnesota Statutes 2024, section 142E.03, subdivision 3, is amended to read:

14.8 Subd. 3. **Redeterminations.** (a) Notwithstanding Minnesota Rules, part 3400.0180, item  
14.9 A, the county shall conduct a redetermination according to paragraphs (b) and (c).

14.10 (b) The county shall use the redetermination form developed by the commissioner. The  
14.11 county must verify the factors listed in subdivision 1, paragraph (a), as part of the  
14.12 redetermination.

14.13 (c) An applicant's eligibility must be redetermined no more frequently than every 12  
14.14 months. The following criteria apply:

14.15 (1) a family meets the eligibility redetermination requirements if a complete  
14.16 redetermination form and all required verifications are received within 30 days after the  
14.17 date the form was due;

14.18 (2) if the 30th day after the date the form was due falls on a Saturday, Sunday, or holiday,  
14.19 the 30-day time period is extended to include the next day that is not a Saturday, Sunday,  
14.20 or holiday. Assistance shall be payable retroactively from the redetermination due date;

14.21 (3) for a family where at least one parent is younger than 21 years of age, does not have  
14.22 a high school degree or commissioner of education-selected high school equivalency  
14.23 certification, and is a student in a school district or another similar program that provides  
14.24 or arranges for child care, parenting, social services, career and employment supports, and  
14.25 academic support to achieve high school graduation, the redetermination of eligibility may  
14.26 be deferred beyond 12 months, to the end of the student's school year; and

14.27 (4) starting May 25, 2026, if a new eligible child is added to the family and has care  
14.28 authorized, the redetermination of eligibility must be extended 12 months from the eligible  
14.29 child's arrival date; and

14.30 (4) (5) a family and the family's providers must be notified that the family's  
14.31 redetermination is due at least 45 days before the end of the family's 12-month eligibility  
14.32 period.

15.1 Sec. 5. Minnesota Statutes 2024, section 142E.11, subdivision 1, is amended to read:

15.2 Subdivision 1. **General authorization requirements.** (a) When authorizing the amount  
15.3 of child care, the county agency must consider the amount of time the parent reports on the  
15.4 application or redetermination form that the child attends preschool, a Head Start program,  
15.5 or school while the parent is participating in an authorized activity.

15.6 (b) Care must be authorized and scheduled with a provider based on the applicant's or  
15.7 participant's verified activity schedule when:

- 15.8 (1) the family requests care from more than one provider per child;
- 15.9 (2) the family requests care from a legal nonlicensed provider; or
- 15.10 (3) an applicant or participant is employed by any child care center that is licensed by  
15.11 the Department of Children, Youth, and Families or has been identified as a high-risk  
15.12 Medicaid-enrolled provider.

15.13 This paragraph expires March 2, 2026.

15.14 (c) If the family remains eligible at redetermination, a new authorization with fewer  
15.15 hours, the same hours, or increased hours may be determined.

15.16 Sec. 6. Minnesota Statutes 2024, section 142E.11, subdivision 2, is amended to read:

15.17 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota  
15.18 Rules, chapter 3400, the amount of child care authorized under section 142E.12 for  
15.19 employment, education, or an MFIP employment plan shall continue at the same number  
15.20 of hours or more hours until redetermination, including:

- 15.21 (1) when the other parent moves in and is employed or has an education plan under  
15.22 section 142E.12, subdivision 3, or has an MFIP employment plan; or
- 15.23 (2) when the participant's work hours are reduced or a participant temporarily stops  
15.24 working or attending an approved education program. Temporary changes include, but are  
15.25 not limited to, a medical leave, seasonal employment fluctuations, or a school break between  
15.26 semesters.

15.27 (b) The county may increase the amount of child care authorized at any time if the  
15.28 participant verifies the need for increased hours for authorized activities.

15.29 (c) The county may reduce the amount of child care authorized if a parent requests a  
15.30 reduction or because of a change in:

- 15.31 (1) the child's school schedule;

16.1       (2) the custody schedule; or  
16.2       (3) the provider's availability.  
16.3       (d) The amount of child care authorized for a family subject to subdivision 1, paragraph  
16.4       (b), must change when the participant's activity schedule changes. Paragraph (a) does not  
16.5       apply to a family subject to subdivision 1, paragraph (b). This paragraph expires March 2,  
16.6       2026.

16.7       (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of  
16.8       age, the amount of child care authorized shall continue at the same number of hours or more  
16.9       hours until redetermination.

16.10      Sec. 7. Minnesota Statutes 2024, section 142E.13, subdivision 2, is amended to read:

16.11      Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three  
16.12       months of extended eligibility and redetermination is not due, to continue receiving child  
16.13       care assistance the participant must be employed or have an education plan that meets the  
16.14       requirements of section 142E.12, subdivision 3, or have an MFIP employment plan.

16.15      Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance continues, the  
16.16       amount of child care authorized shall continue at the same number or more hours until  
16.17       redetermination, unless a condition in section 142E.11, subdivision 2, paragraph (c), applies.  
16.18      A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care  
16.19      authorized based on a verified activity schedule.

16.20      (b) If the family's redetermination occurs before the end of the three-month extended  
16.21       eligibility period to continue receiving child care assistance, the participant must verify that  
16.22       the participant meets eligibility and activity requirements for child care assistance under  
16.23       this chapter. If child care assistance continues, the amount of child care authorized is based  
16.24       on section 142E.12. A family subject to section 142E.11, subdivision 1, paragraph (b), shall  
16.25      have child care authorized based on a verified activity schedule.

16.26      **EFFECTIVE DATE.** This section is effective May 25, 2026.

16.27      Sec. 8. Minnesota Statutes 2024, section 142E.15, subdivision 1, is amended to read:

16.28      Subdivision 1. **Fee schedule.** All changes to parent fees must be implemented on the  
16.29       first Monday of the service period following the effective date of the change.

16.30      PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in  
16.31       subdivision 2:

17.1	Income Range (as a percent of the state median income, except at the start of the first gross income tier)	Co-payment (as a percentage of adjusted gross income)
17.4	<del>0-74.99% 0-99.99%</del> of federal poverty guidelines	\$0/biweekly
17.6	<del>75.00-99.99%</del> of federal poverty guidelines	<del>\$2/biweekly</del>
17.7	100.00% of federal poverty guidelines	<del>2.61%</del> <u>2.6%</u>
17.9	<del>27.73-29.04%</del>	<del>2.61%</del>
17.10	<del>29.05-30.36%</del>	<del>2.61%</del>
17.11	<del>30.37-31.68%</del>	<del>2.61%</del>
17.12	<del>31.69-33.00%</del>	<del>2.91%</del>
17.13	<del>33.01-34.32%</del>	<del>2.91%</del>
17.14	<del>34.33-35.65%</del>	<del>2.91%</del>
17.15	<del>35.66-36.96%</del>	<del>2.91%</del>
17.16	<del>36.97-38.29%</del>	<del>3.21%</del>
17.17	<del>38.30-39.61%</del>	<del>3.21%</del>
17.18	<del>39.62-40.93%</del>	<del>3.21%</del>
17.19	<del>40.94-42.25%</del>	<del>3.84%</del>
17.20	<del>42.26-43.57%</del>	<del>3.84%</del>
17.21	<del>43.58-44.89%</del>	<del>4.46%</del>
17.22	<del>44.90-46.21%</del>	<del>4.76%</del>
17.23	<del>46.22-47.53%</del>	<del>5.05%</del>
17.24	<del>47.54-48.85%</del>	<del>5.65%</del>
17.25	<del>48.86-50.17%</del>	<del>5.95%</del>
17.26	<del>50.18-51.49%</del>	<del>6.24%</del>
17.27	<del>51.50-52.81%</del>	<del>6.84%</del>
17.28	<del>52.82-54.13%</del>	<del>7.58%</del>
17.29	<del>54.14-55.45%</del>	<del>8.33%</del>
17.30	<del>55.46-56.77%</del>	<del>9.20%</del>
17.31	<del>56.78-58.09%</del>	<del>10.07%</del>
17.32	<del>58.10-59.41%</del>	<del>10.94%</del>
17.33	<del>59.42-60.73%</del>	<del>11.55%</del>
17.34	<del>60.74-62.06%</del>	<del>12.16%</del>
17.35	<del>62.07-63.38%</del>	<del>12.77%</del>
17.36	<del>63.39-64.70%</del>	<del>13.38%</del>
17.37	<del>64.71-67.00%</del>	<del>14.00%</del>
17.38	<u>28.00-30.99%</u>	<u>2.6%</u>
17.39	<u>31.00-33.99%</u>	<u>2.6%</u>

18.1	<u>34.00-36.99%</u>	<u>2.9%</u>
18.2	<u>37.00-39.99%</u>	<u>3.2%</u>
18.3	<u>40.00-42.99%</u>	<u>3.8%</u>
18.4	<u>43.00-45.99%</u>	<u>4.4%</u>
18.5	<u>46.00-48.99%</u>	<u>5.0%</u>
18.6	<u>49.00-51.99%</u>	<u>5.6%</u>
18.7	<u>52.00-54.99%</u>	<u>6.2%</u>
18.8	<u>55.00-57.99%</u>	<u>6.8%</u>
18.9	<u>58.00-60.99%</u>	<u>6.9%</u>
18.10	<u>61.00-63.99%</u>	<u>6.9%</u>
18.11	<u>64.00-67.00%</u>	<u>6.9%</u>
18.12	Greater than 67.00%	ineligible
18.13	A family's biweekly co-payment fee is the fixed percentage established for the income range multiplied by the <u>highest</u> <u>lowest</u> possible income within that income range.	
18.14		
18.15	<b><u>EFFECTIVE DATE.</u></b> This section is effective October 13, 2025.	
18.16	Sec. 9. Minnesota Statutes 2024, section 142E.16, subdivision 3, is amended to read:	
18.17	Subd. 3. <b>Training required.</b> (a) Prior to initial authorization as required in subdivision 1, a legal nonlicensed family child care provider must complete first aid and CPR training and provide the verification of first aid and CPR training to the commissioner. The training documentation must have valid effective dates as of the date the registration request is submitted to the commissioner. The training must have been provided by an individual approved to provide first aid and CPR instruction and have included CPR techniques for infants and children.	
18.18		
18.19		
18.20		
18.21		
18.22		
18.23		
18.24	(b) Upon each reauthorization after the authorization period when the initial first aid and CPR training requirements are met, a legal nonlicensed family child care provider must provide verification of at least eight hours of additional training listed in the Minnesota Center for Professional Development Registry.	
18.25		
18.26		
18.27		
18.28	(c) Every 12 months, a legal nonlicensed family child care provider who is unrelated to the child they care for must complete two hours of training in caring for children approved by the commissioner.	
18.29		
18.30		
18.31	(e) (d) This subdivision only applies to legal nonlicensed family child care providers.	
18.32	<b><u>EFFECTIVE DATE.</u></b> This section is effective October 1, 2025.	

19.1 Sec. 10. Minnesota Statutes 2024, section 142E.16, subdivision 7, is amended to read:

19.2 **Subd. 7. Record-keeping requirement.** (a) As a condition of payment, all providers

19.3 receiving child care assistance payments must:

19.4 (1) keep accurate and legible daily attendance records at the site where services are

19.5 delivered for children receiving child care assistance; and

19.6 (2) make those records available immediately to the county or the commissioner upon

19.7 request. Any records not provided to a county or the commissioner at the date and time of

19.8 the request are deemed inadmissible if offered as evidence by the provider in any proceeding

19.9 to contest an overpayment or disqualification of the provider; and

19.10 (3) submit data on child enrollment and attendance in the form and manner specified by

19.11 the commissioner.

19.12 (b) As a condition of payment, attendance records must be completed daily and include

19.13 the date, the first and last name of each child in attendance, and the times when each child

19.14 is dropped off and picked up. To the extent possible, the times that the child was dropped

19.15 off to and picked up from the child care provider must be entered by the person dropping

19.16 off or picking up the child. The daily attendance records must be retained at the site where

19.17 services are delivered for six years after the date of service.

19.18 (c) When the county or the commissioner knows or has reason to believe that a current

19.19 or former provider has not complied with the record-keeping requirement in this subdivision:

19.20 (1) the commissioner may:

19.21 (i) deny or revoke a provider's authorization to receive child care assistance payments

19.22 under section 142E.17, subdivision 9, paragraph (d);

19.23 (ii) pursue an administrative disqualification under sections 142E.51, subdivision 5, and

19.24 256.98; or

19.25 (iii) take an action against the provider under ~~sections 142E.50 to 142E.58~~ section

19.26 142E.51; or

19.27 (2) a county or the commissioner may establish an attendance record overpayment under

19.28 paragraph (d).

19.29 (d) To calculate an attendance record overpayment under this subdivision, the

19.30 commissioner or county agency shall subtract the maximum daily rate from the total amount

19.31 paid to a provider for each day that a child's attendance record is missing, unavailable,

19.32 incomplete, inaccurate, or otherwise inadequate.

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

20.3 **EFFECTIVE DATE.** This section is effective June 22, 2026.

20.4 Sec. 11. **ELIMINATING SCHEDULE REPORTER DESIGNATION.**

20.5 Notwithstanding Minnesota Statutes, section 142E.04, subdivisions 6, 7, and 8, the  
 20.6 commissioner of children, youth, and families must allocate additional basic sliding fee  
 20.7 child care money for calendar years 2026 and 2027 to counties and Tribes to account for  
 20.8 eliminating the schedule reporter designation in the child care assistance program. In  
 20.9 allocating the additional money, the commissioner shall consider:

20.10 (1) the number of children who are in schedule reporter families; and

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

20.12 **ARTICLE 4**

20.13 **APPROPRIATIONS**

20.14 Section 1. **CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS.**

20.15 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
 20.16 and for the purposes specified in this article. The appropriations are from the general fund,  
 20.17 or another named fund, and are available for the fiscal years indicated for each purpose.  
 20.18 The figures "2026" and "2027" used in this article mean that the appropriations listed under  
 20.19 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.  
 20.20 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"  
 20.21 is fiscal years 2026 and 2027.

20.22 **APPROPRIATIONS**

20.23 **Available for the Year**

20.24 **Ending June 30**

20.25 **2026** **2027**

20.26 Sec. 2. **TOTAL APPROPRIATION** \$ 1,443,969,000 \$ 1,508,172,000

20.27 **Appropriations by Fund**

20.28 **2026** **2027**

20.29 **General** 1,144,668,000 1,188,941,000

21.1	<u>State Government</u>		
21.2	<u>Special Revenue</u>	<u>732,000</u>	<u>732,000</u>
21.3	<u>Federal TANF</u>	<u>298,569,000</u>	<u>318,499,000</u>

21.4 The amounts that may be spent for each  
 21.5 purpose are specified in the following sections.

21.6 **Sec. 3. TANF MAINTENANCE OF EFFORT**

21.7 **Subdivision 1. Nonfederal Expenditures**

21.8 The commissioner shall ensure that sufficient  
 21.9 qualified nonfederal expenditures are made  
 21.10 each year to meet the state's maintenance of  
 21.11 effort requirements of the TANF block grant  
 21.12 specified under Code of Federal Regulations,  
 21.13 title 45, section 263.1. In order to meet these  
 21.14 basic TANF maintenance of effort  
 21.15 requirements, the commissioner may report  
 21.16 as TANF maintenance of effort expenditures  
 21.17 only nonfederal money expended for allowable  
 21.18 activities listed in the following clauses:

21.19 (1) MFIP cash, diversionary work program,  
 21.20 and food assistance benefits under Minnesota  
 21.21 Statutes, chapter 142G;

21.22 (2) the child care assistance programs under  
 21.23 Minnesota Statutes, sections 142E.04 and  
 21.24 142E.08, and county child care administrative  
 21.25 costs under Minnesota Statutes, section  
 21.26 142E.02, subdivision 9;

21.27 (3) state and county MFIP administrative costs  
 21.28 under Minnesota Statutes, chapters 142G and  
 21.29 256K;

21.30 (4) state, county, and Tribal MFIP  
 21.31 employment services under Minnesota  
 21.32 Statutes, chapters 142G and 256K;

21.33 (5) expenditures made on behalf of legal  
 21.34 noncitizen MFIP recipients who qualify for

22.1 the MinnesotaCare program under Minnesota  
22.2 Statutes, chapter 256L;  
22.3 (6) qualifying working family credit  
22.4 expenditures under Minnesota Statutes, section  
22.5 290.0671, and child tax credit expenditures  
22.6 under Minnesota Statutes, section 290.0661;  
22.7 (7) qualifying Minnesota education credit  
22.8 expenditures under Minnesota Statutes, section  
22.9 290.0674; and  
22.10 (8) qualifying Head Start expenditures under  
22.11 Minnesota Statutes, section 142D.12.

22.12 **Subd. 2. Nonfederal Expenditures; Reporting**  
22.13 For the activities listed in subdivision 1,  
22.14 clauses (2) to (8), the commissioner may  
22.15 report only expenditures that are excluded  
22.16 from the definition of assistance under Code  
22.17 of Federal Regulations, title 45, section  
22.18 260.31.

22.19 **Subd. 3. Supplemental Expenditures**  
22.20 For the purposes of subdivision 3, the  
22.21 commissioner may supplement the  
22.22 maintenance of effort claim with working  
22.23 family credit expenditures or other qualified  
22.24 expenditures to the extent such expenditures  
22.25 are otherwise available after considering the  
22.26 expenditures allowed in this section.

22.27 **Subd. 4. Reduction of Appropriations; Exception**  
22.28 The requirement in Minnesota Statutes, section  
22.29 142A.06, subdivision 3, that federal grants or  
22.30 aids secured or obtained under that subdivision  
22.31 be used to reduce any direct appropriations  
22.32 provided by law does not apply if the grants  
22.33 or aids are federal TANF funds.

23.1 **Subd. 5. IT Appropriations Generally**

23.2 This appropriation includes funds for  
23.3 information technology projects, services, and  
23.4 support. Funding for information technology  
23.5 project costs must be incorporated into the  
23.6 service level agreement and paid to Minnesota  
23.7 IT Services by the Department of Children,  
23.8 Youth, and Families under the rates and  
23.9 mechanism specified in that agreement.

23.10 **Subd. 6. Receipts for Systems Project**

23.11 Appropriations and federal receipts for  
23.12 information technology systems projects for  
23.13 MAXIS, PRISM, MMIS, ISDS, METS, and  
23.14 SSIS must be deposited in the state systems  
23.15 account authorized in Minnesota Statutes,  
23.16 section 142A.04. Money appropriated for  
23.17 information technology projects approved by  
23.18 the commissioner of Minnesota IT Services  
23.19 funded by the legislature, and approved by the  
23.20 commissioner of management and budget may  
23.21 be transferred from one project to another and  
23.22 from development to operations as the  
23.23 commissioner of children, youth, and families  
23.24 considers necessary. Any unexpended balance  
23.25 in the appropriation for these projects does not  
23.26 cancel and is available for ongoing  
23.27 development and operations.

23.28 **Subd. 7. Federal SNAP Education and Training**  
23.29 **Grants**

23.30 Federal funds available during fiscal years  
23.31 2026 and 2027 for Supplemental Nutrition  
23.32 Assistance Program Education and Training  
23.33 and SNAP Quality Control Performance  
23.34 Bonus grants are appropriated to the  
23.35 commissioner of human services for the

24.1 purposes allowable under the terms of the  
 24.2 federal award. This subdivision is effective  
 24.3 the day following final enactment.

24.4 **Sec. 4. CENTRAL OFFICE; AGENCY**  
 24.5 **SUPPORTS**

24.6 Subdivision 1. **Total Appropriation** \$ 113,569,000 \$ 101,605,000

24.7 Appropriations by Fund

	<u>2026</u>	<u>2027</u>
24.9 <u>General</u>	<u>112,737,000</u>	<u>100,773,000</u>
24.10 <u>State Government</u>		
24.11 <u>Special Revenue</u>	<u>732,000</u>	<u>732,000</u>
24.12 <u>Federal TANF</u>	<u>100,000</u>	<u>100,000</u>

24.13 Subd. 2. **Information Technology**

24.14 \$10,000,000 in fiscal year 2026 is for  
 24.15 information technology improvements to  
 24.16 SSIS. This is a onetime appropriation.

24.17 **Sec. 5. CENTRAL OFFICE; CHILD SAFETY**  
 24.18 **AND PERMANENCY** \$ 17,232,000 \$ 16,945,000

24.19 **Sec. 6. CENTRAL OFFICE; EARLY**  
 24.20 **CHILDHOOD** \$ 18,355,000 \$ 14,480,000

24.21 Subdivision 1. **Child Care Attendance and**  
 24.22 **Record-Keeping System**

24.23 \$5,555,000 in fiscal year 2026 and \$1,639,000  
 24.24 in fiscal year 2027 are to develop a statewide  
 24.25 electronic attendance and record-keeping  
 24.26 system for the child care assistance program.  
 24.27 The base for this appropriation is \$1,639,000  
 24.28 in fiscal year 2028 and \$1,638,000 in fiscal  
 24.29 year 2029.

24.30 Subd. 2. **Base Level Adjustment**

24.31 The general fund base is \$14,480,000 in fiscal  
 24.32 year 2028 and \$14,479,000 in fiscal year 2029.

24.33 **Sec. 7. CENTRAL OFFICE; ECONOMIC**  
 24.34 **OPPORTUNITIES AND YOUTH SERVICES** \$ 3,708,000 \$ 3,562,000

25.1	<b>Sec. 8. <u>CENTRAL OFFICE; FAMILY</u></b>			
25.2	<b><u>WELL-BEING</u></b>		<b>\$</b>	<b><u>14,147,000</u></b>
<b><u>14,147,000</u></b>				
25.3	<b><u>Appropriations by Fund</u></b>			
25.4		<u>2026</u>	<u>2027</u>	
25.5	<u>General</u>	<u>10,471,000</u>	<u>10,471,000</u>	
25.6	<u>Federal TANF</u>	<u>3,676,000</u>	<u>3,676,000</u>	
25.7	<b>Sec. 9. <u>FORECASTED PROGRAMS;</u></b>			
25.8	<b><u>MFIP/DWP</u></b>		<b>\$</b>	<b><u>227,404,000</u></b>
<b><u>264,193,000</u></b>				
25.9	<b><u>Appropriations by Fund</u></b>			
25.10		<u>2026</u>	<u>2027</u>	
25.11	<u>General</u>	<u>103,555,000</u>	<u>120,414,000</u>	
25.12	<u>Federal TANF</u>	<u>123,849,000</u>	<u>143,779,000</u>	
25.13	<b>Sec. 10. <u>FORECASTED PROGRAMS; MFIP</u></b>			
25.14	<b><u>CHILD CARE ASSISTANCE</u></b>		<b>\$</b>	<b><u>107,315,000</u></b>
<b><u>146,025,000</u></b>				
25.15	<b>Sec. 11. <u>FORECASTED PROGRAMS;</u></b>			
25.16	<b><u>NORTHSTAR CARE FOR CHILDREN</u></b>		<b>\$</b>	<b><u>110,398,000</u></b>
<b><u>116,346,000</u></b>				
25.17	<b>Sec. 12. <u>FORECASTED PROGRAMS; EARLY</u></b>			
25.18	<b><u>CHILDHOOD FAMILY EDUCATION</u></b>		<b>\$</b>	<b><u>40,005,000</u></b>
<b><u>41,636,000</u></b>				
25.19	<b><u>Subdivision 1. Early Family Education Aid</u></b>			
25.20	<u>(a) \$39,779,000 in 2026 and \$41,444,000 in</u>			
25.21	<u>2027 are for transfer to the Department of</u>			
25.22	<u>Education for early childhood family</u>			
25.23	<u>education aid under Minnesota Statutes,</u>			
25.24	<u>section 142D.11.</u>			
25.25	<u>(b) The 2026 amount in paragraph (a) includes</u>			
25.26	<u>\$3,793,000 for 2025 and \$35,986,000 for</u>			
25.27	<u>2026.</u>			
25.28	<u>(c) The 2027 amount in paragraph (a) includes</u>			
25.29	<u>\$3,998,000 for 2026 and \$37,446,000 for</u>			
25.30	<u>2027.</u>			
25.31	<b><u>Subd. 2. Home Visiting Aid</u></b>			
25.32	<u>(a) \$226,000 in 2026 and \$192,000 in 2027</u>			
25.33	<u>are for transfer to the Department of Education</u>			
25.34	<u>for home visiting aid under Minnesota</u>			
25.35	<u>Statutes, section 142D.11.</u>			

26.1 (b) The 2026 amount in paragraph (a) includes  
 26.2 \$28,000 for 2025 and \$198,000 for 2026.

26.3 (c) The 2027 amount in paragraph (a) includes  
 26.4 \$21,000 for 2026 and \$171,000 for 2027.

26.5 Sec. 13. **FORECASTED PROGRAMS;**  
 26.6 **HEALTH AND DEVELOPMENTAL**  
 26.7 **SCREENING** \$ 4,099,000 \$ 4,051,000

26.8 (a) \$4,099,000 in 2026 and \$4,051,000 in 2027  
 26.9 are for transfer to the Department of Education  
 26.10 for developmental screening aid under  
 26.11 Minnesota Statutes, section 142D.093.

26.12 (b) The 2026 amount in paragraph (a) includes  
 26.13 \$411,000 for 2025 and \$3,688,000 for 2026.

26.14 (c) The 2027 amount in paragraph (a) includes  
 26.15 \$409,000 for 2026 and \$3,642,000 for 2027.

26.16 Sec. 14. **GRANT PROGRAMS; SUPPORT**  
 26.17 **SERVICES GRANTS** \$ 108,741,000 \$ 108,741,000

26.18 Appropriations by Fund

	<u>2026</u>	<u>2027</u>
26.20 <u>General</u>	<u>12,290,000</u>	<u>12,290,000</u>
26.21 <u>Federal TANF</u>	<u>96,451,000</u>	<u>96,451,000</u>

26.22 Sec. 15. **GRANT PROGRAMS; BASIC**  
 26.23 **SLIDING FEE CHILD ASSISTANCE CARE**  
 26.24 **GRANTS** \$ 137,768,000 \$ 135,212,000

26.25 Sec. 16. **GRANT PROGRAMS; CHILD CARE**  
 26.26 **DEVELOPMENT GRANTS** \$ 138,819,000 \$ 138,819,000

26.27 Sec. 17. **GRANT PROGRAMS; CHILD**  
 26.28 **SUPPORT ENFORCEMENT GRANTS** \$ 50,000 \$ 50,000

26.29 Sec. 18. **GRANT PROGRAMS; CHILDREN'S**  
 26.30 **SERVICES GRANTS** \$ 43,204,000 \$ 43,204,000

26.31 The commissioner shall allocate funds from  
 26.32 the state's savings from the Fostering  
 26.33 Connections to Success and Increasing  
 26.34 Adoptions Act's expanded eligibility for Title  
 26.35 IV-E adoption assistance as required in  
 26.36 Minnesota Statutes, section 142A.61, and as

27.1 allowable under federal law. Additional  
 27.2 savings to the state as a result of the Fostering  
 27.3 Connections to Success and Increasing  
 27.4 Adoptions Act's expanded eligibility for Title  
 27.5 IV-E adoption assistance is for postadoption,  
 27.6 foster care, adoption, and kinship services,  
 27.7 including a parent-to-parent support network  
 27.8 and as allowable under federal law.

27.9	<b>Sec. 19. <u>GRANT PROGRAMS; CHILDREN</u></b>			
27.10	<b><u>AND COMMUNITY SERVICE GRANTS</u></b>	<b>\$</b>	<b><u>90,984,000</u></b>	<b>\$</b>
27.11	<b>Sec. 20. <u>GRANT PROGRAMS; CHILDREN</u></b>			
27.12	<b><u>AND ECONOMIC SUPPORT GRANTS</u></b>	<b>\$</b>	<b><u>11,816,000</u></b>	<b>\$</b>
27.13	<b>Sec. 21. <u>GRANT PROGRAMS; EARLY</u></b>			
27.14	<b><u>LEARNING GRANTS</u></b>	<b>\$</b>	<b><u>174,471,000</u></b>	<b>\$</b>
27.15	<u>(a) \$33,683,000 in 2026 and \$33,683,000 in</u>			
27.16	<u>2027 are for transfer to the Department of</u>			
27.17	<u>Education for school readiness aid under</u>			
27.18	<u>Minnesota Statutes, section 142D.06.</u>			
27.19	<u>(b) The 2026 amount in paragraph (a) includes</u>			
27.20	<u>\$3,368,000 for 2025 and \$30,315,000 for</u>			
27.21	<u>2026.</u>			
27.22	<u>(c) The 2027 amount in paragraph (a) includes</u>			
27.23	<u>\$3,368,000 for 2026 and \$30,315,000 for</u>			
27.24	<u>2027.</u>			
27.25	<b>Sec. 22. <u>GRANT PROGRAMS; YOUTH</u></b>			
27.26	<b><u>SERVICES GRANTS</u></b>	<b>\$</b>	<b><u>7,391,000</u></b>	<b>\$</b>
27.27	<b>Sec. 23. <u>TECHNICAL ACTIVITIES</u></b>	<b>\$</b>	<b><u>74,493,000</u></b>	<b>\$</b>
27.28	<u>This appropriation is from the federal TANF</u>			
27.29	<u>fund.</u>			
27.30	<b>Sec. 24. <u>OMBUDSPERSON FOR FAMILIES</u></b>	<b>\$</b>	<b><u>792,000</u></b>	<b>\$</b>
27.31	<b><u>Sec. 25. OMBUDSPERSON FOR AMERICAN</u></b>			
27.32	<b><u>INDIAN FAMILIES</u></b>	<b>\$</b>	<b><u>344,000</u></b>	<b>\$</b>
27.33	<b>Sec. 26. <u>OFFICE OF THE FOSTER YOUTH</u></b>			
27.34	<b><u>OMBUDSPERSON</u></b>	<b>\$</b>	<b><u>772,000</u></b>	<b>\$</b>
				<b><u>785,000</u></b>

28.1 **Sec. 27. CANCELLATIONS.**

28.2 Subdivision 1. Child welfare initiative grants. \$5,294,000 of the fiscal year 2025

28.3 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 22,

28.4 paragraph (b), is canceled to the general fund.

28.5 Subd. 2. Establishing the Department of Children, Youth, and Families. \$8,500,000

28.6 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20,

28.7 section 12, paragraph (b), is canceled to the general fund.

28.8 Subd. 3. Social service information system technology improvements. \$10,000,000

28.9 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20,

28.10 section 2, subdivision 4, paragraph (g), is canceled to the general fund.

28.11 **EFFECTIVE DATE.** This section is effective the day following final enactment, or

28.12 retroactively from June 30, 2025, whichever is earlier.

28.13 **Sec. 28. TRANSFERS.**

28.14 Subdivision 1. Programs and grants. The commissioner of children, youth, and families,

28.15 with the approval of the commissioner of management and budget, may transfer

28.16 unencumbered appropriation balances for the biennium ending June 30, 2027, within fiscal

28.17 years among MFIP; MFIP child care assistance under Minnesota Statutes, section 142E.08;

28.18 the entitlement portion of Northstar Care for Children under Minnesota Statutes, sections

28.19 142A.60 to 142A.612; and early childhood family education under Minnesota Statutes,

28.20 section 142D.11, between fiscal years of the biennium. The commissioner shall inform the

28.21 chairs and ranking minority members of the legislative committees with jurisdiction over

28.22 children and families finance and policy quarterly about transfers made under this

28.23 subdivision.

28.24 Subd. 2. Administration. Positions, salary money, and nonsalary administrative money

28.25 may be transferred within the Department of Children, Youth, and Families as the

28.26 commissioners deem necessary, with the advance approval of the commissioner of

28.27 management and budget. The commissioners shall report to the chairs and ranking minority

28.28 members of the legislative committees with jurisdiction over children and families finance

28.29 quarterly about transfers made under this subdivision.

28.30 Subd. 3. Interdepartmental transfers. Administrative money may be transferred

28.31 between the Department of Children, Youth, and Families and Department of Human

28.32 Services or the Department of Education as the commissioners deem necessary, with the

28.33 advance approval of the commissioner of management and budget. The commissioners

29.1 shall report to the chairs and ranking minority members of the legislative committees with  
29.2 jurisdiction over children and families finance and policy quarterly about transfers made  
29.3 under this subdivision.

29.4 **Sec. 29. EXPIRATION OF UNCODIFIED LANGUAGE.**

29.5 All uncodified language contained in this article expires on June 30, 2027, unless a  
29.6 different expiration date is explicit or an appropriation is made available beyond June 30,  
29.7 2027.

29.8 **Sec. 30. APPROPRIATIONS GIVEN EFFECT ONCE.**

29.9 If an appropriation, transfer, or cancellation in this article is enacted more than once  
29.10 during the 2025 regular session, the appropriation, transfer, or cancellation must be given  
29.11 effect once.

APPENDIX  
Article locations for 25-04387

ARTICLE 1	DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.....	Page.Ln 1.11
ARTICLE 2	CHILD SAFETY AND PERMANENCY.....	Page.Ln 11.24
ARTICLE 3	EARLY CHILDHOOD.....	Page.Ln 12.20
ARTICLE 4	APPROPRIATIONS.....	Page.Ln 20.12