SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4612

(SENATE AUTHORS: WIKLUND)

DATE	D-PG	OFFICIAL STATUS
03/18/2026	6819	Introduction and first reading
		Referred to Health and Human Services
04/21/2026	8549a	Comm report: To pass as amended and re-refer to Finance
04/27/2026	9114a	Comm report: To pass as amended
	9172	Second reading
04/29/2026	9212a	Special Order: Amended
	9236	Third reading Passed as amended

A bill for an act

relating to state government; modifying provisions relating to the Departments of Health, Human Services, and Children, Youth, and Families; making changes for federal compliance; establishing work or community engagement requirements; providing for pharmacy dispensing reimbursements; modifying reimbursement rates for mental health services; modifying mental health provider credentialing requirements; modifying the county share for Supplemental Nutrition Assistance Program costs; modernizing child care and family child care licensing; modifying the Minnesota African American Family Preservation and Child Welfare Disproportionality Act; establishing a committee, legislative commission, and advisory task force; establishing a hospital stabilization program; transferring regulatory oversight of health maintenance organizations to the commissioner of commerce; requiring coverage of infertility treatment; regulating gas resource development; requiring reports; authorizing rulemaking; requiring transfer; appropriating money; amending Minnesota Statutes 2024, sections 16A.103, by adding a subdivision; 60A.50, subdivision 3; 60A.951, subdivision 3; 60A.985, subdivision 8; 60A.9853, subdivision 1; 60A.9854; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4; 62A.02, subdivision 8; 62A.021, subdivision 1; 62A.61; 62A.65, subdivisions 7, 8; 62D.08, subdivisions 1, 2, 3, 7; 62D.12, subdivision 1; 62D.124, subdivision 5; 62D.221, subdivisions 1, 2; 62E.11, subdivisions 9, 13; 62J.60, subdivision 5; 62L.02, subdivision 8; 62L.08, subdivision 11; 62L.09, subdivision 3; 62L.10, subdivision 4; 62L.11, subdivision 2; 62M.11; 62Q.01, subdivision 2; 62Q.096; 62Q.106; 62Q.188, subdivision 2; 62Q.37, subdivision 2; 62Q.47; 62Q.51, subdivision 3; 62Q.556, subdivisions 3, 4; 62Q.679; 62Q.69, subdivisions 2, 3; 62Q.71; 62Q.73, subdivisions 3, 10; 62Q.81, subdivision 7; 62U.04, subdivision 13, by adding a subdivision; 103I.001; 103I.005, subdivisions 9, 21, by adding subdivisions; 103I.601, subdivision 1, by adding subdivisions; 142D.21, subdivision 3; 142F.05, by adding subdivisions; 144.1222, subdivision 4, by adding a subdivision; 144.1501, subdivision 2; 144.1503, subdivision 7; 144.1505, subdivisions 1, 2, 3; 144.1507, subdivisions 1, 2, 4, by adding a subdivision; 144.1911, subdivisions 1, 5, 6; 145A.14, subdivision 2a; 151.741, subdivision 4; 245.462, by adding a subdivision; 245.4711, subdivision 5; 245.4881, subdivision 5; 245A.211, subdivision 1; 256.01, by adding a subdivision; 256.017, subdivision 2; 256B.04, subdivision 27; 256B.056, subdivisions 1, 2a, 7, 7a; 256B.0561, subdivision 2; 256B.06, subdivision 4; 256B.0625, by adding a subdivision; 256B.076, subdivision 1, by adding subdivisions; 256B.094, subdivisions 2, 3, 6; 256B.75; 256B.76, subdivision 2; 260.63, subdivision 10; 260.64, subdivision 2; 260.67, subdivision 2; 260.68, subdivision 2; 260.69, subdivision 1; 260.693,

subdivision 2; 295.52, subdivision 8; Minnesota Statutes 2025 Supplement, sections 62D.21; 62D.211; 142A.03, subdivision 2; 144.125, subdivision 1; 151.741, subdivision 5; 245A.07, subdivision 3; 245C.02, subdivision 15a; 245C.05, subdivision 5; 256.043, subdivision 3; 256.9657, subdivision 2b; 256.969, subdivision 2f; 256B.0625, subdivisions 8, 20; 256B.0924, subdivision 6; 256B.1973, subdivision 9; 256B.69, subdivision 6d; 256B.761, by adding a subdivision; 260.691, subdivision 1; 260.692, subdivisions 1, 2, 3; Laws 2024, chapter 117, sections 21; 22; Laws 2024, chapter 127, article 67, section 7; proposing coding for new law in Minnesota Statutes, chapters 62D; 62Q; 103I; 142D; 144; 245A; 256; 256B; 260; proposing coding for new law as Minnesota Statutes, chapters 142H; 142I; repealing Minnesota Statutes 2024, sections 142B.01, subdivisions 11, 12, 13, 25, 26, 27; 142B.41, subdivisions 4, 6, 7, 8, 10, 11, 12, 13; 142B.54, subdivisions 1, 2, 3; 142B.62; 142B.65, subdivisions 1, 2, 3, 4, 5, 6, 7, 10; 142B.66, subdivisions 1, 2, 4, 5; 142B.70, subdivisions 1, 2, 3, 4, 5, 6, 9, 10, 11, 12; 142B.71; 142B.72; 142B.74; 142B.75; 142B.76; 142B.77; 151.741, subdivisions 2, 3, 6; 256B.0625, subdivision 38; 256B.198; 260.63, subdivision 9; Minnesota Statutes 2025 Supplement, sections 142B.41, subdivision 9; 142B.65, subdivisions 8, 9; 142B.66, subdivision 3; 142B.70, subdivisions 7, 8; 256B.69, subdivision 6i; Minnesota Rules, parts 9502.0300; 9502.0315; 9502.0325; 9502.0335; 9502.0341; 9502.0345; 9502.0355; 9502.0365; 9502.0367; 9502.0375; 9502.0395; 9502.0405; 9502.0415; 9502.0425; 9502.0435; 9502.0445; 9503.0005; 9503.0010; 9503.0015; 9503.0030; 9503.0031; 9503.0032; 9503.0033; 9503.0034; 9503.0040; 9503.0045; 9503.0050; 9503.0055; 9503.0060; 9503.0065; 9503.0070; 9503.0075; 9503.0080; 9503.0085; 9503.0090; 9503.0095; 9503.0100; 9503.0105; 9503.0110; 9503.0115; 9503.0120; 9503.0125; 9503.0130; 9503.0140; 9503.0145; 9503.0150; 9503.0155; 9503.0170.

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

ARTICLE 1

DEPARTMENT OF HEALTH

Section 1. Minnesota Statutes 2024, section 62U.04, subdivision 13, is amended to read:

Subd. 13. **Expanded access to and use of the all-payer claims data.** (a) The commissioner or the commissioner's designee shall make the data submitted under subdivisions 4, 5, 5a, and 5b, including data classified as private or nonpublic, available to individuals and organizations engaged in research on, or efforts to effect transformation in, health care outcomes, access, quality, disparities, or spending, provided the use of the data serves a public benefit. Data made available under this subdivision may not be used to:

(1) create an unfair market advantage for any participant in the health care market in Minnesota, including health plan companies, payers, and providers;

(2) reidentify or attempt to reidentify an individual in the data; or

(3) publicly report contract details between a health plan company and provider and derived from the data.

(b) To implement paragraph (a), the commissioner shall:

(1) establish detailed requirements for data access; a process for data users to apply to access and use the data; legally enforceable data use agreements to which data users must consent; a clear and robust oversight process for data access and use, including a data management plan, that ensures compliance with state and federal data privacy laws; agreements for state agencies and the University of Minnesota to ensure proper and efficient use and security of data; and technical assistance for users of the data and for stakeholders;

(2) ~~develop a~~ assess fees according to the fee schedule in subdivision 14 to support the cost of expanded access to and use of the data, provided the fees charged under the schedule do not create a barrier to access or use for those most affected by disparities; ~~and~~

(3) create a research advisory group to advise the commissioner on applications for data use under this subdivision, including an examination of the rigor of the research approach, the technical capabilities of the proposed user, and the ability of the proposed user to successfully safeguard the data~~.~~; and

(4) annually publish on the Department of Health website a list of projects authorized under this subdivision.

Sec. 2. Minnesota Statutes 2024, section 62U.04, is amended by adding a subdivision to read:

Subd. 14. **Fees for expanded access to and use of the all-payer claims database.** (a) For purposes of this section:

(1) "custom data set or analysis" means a de-identified data set or report for which a standard data set or limited use data sets are not appropriate, that only provides the minimum necessary data, and that is de-identified using the expert determination method as defined in Code of Federal Regulations, title 45, section 164.514(b)(1);

(2) "data file" means a data file derived from medical claims, pharmacy claims, dental claims, eligibility information, membership information, or provider information for a single year;

(3) "limited use data set" means a data set that meets the requirements in Code of Federal Regulations, title 45, section 164.514(e)(2), and may include protected health information from which certain direct identifiers of individuals have been removed under the principle of minimum information necessary; and

(4) "standard data set" means a static data release, designed by the commissioner to serve a wide range of projects, in which nearly all de-identified data elements are disclosed in one release after applying the safe harbor de-identification method defined in Code of

Federal Regulations, title 45, section 164.514(b)(2), and from which protected health information and any combination of data elements that directly identify any person are excluded.

(b) The commissioner must assess fees on an individual or organization that receives data under subdivision 13 for the cost of accessing or receiving the data. Costs under this paragraph may include but are not limited to the cost of producing and releasing data to the individual or organization under subdivision 13 and the cost of managing infrastructure and operations. The commissioner must assess fees according to the following schedule based on the type of data requested and number of years for which access is requested:

(1) the fee for a standard data set is $3,500 per data file per year;

(2) the fee for a limited use data set is $7,000 per data file per year; and

(3) the fee for a custom data set or analysis is $89 per hour of staff time expended, but the fee must not exceed $5,785.

(c) An individual or organization that receives approval to access or receive data under subdivision 13 must pay all the required fees in full before accessing or receiving the requested data.

(d) The commissioner may grant a partial or full waiver of the fees in paragraph (b) if the individual or organization requesting the data meets at least one of the following criteria:

(1) the fees represent a financial hardship to the individual or organization;

(2) the organization is a self-insured data submitter under this section;

(3) the individual or organization is affiliated with an academic institution;

(4) the individual or organization requests a high volume of data files; or

(5) the request is from a Tribal health director for, or the governing body of, one of the 11 federally recognized Tribes in Minnesota.

In determining whether to grant a waiver under this paragraph, the commissioner may consult the research advisory group established under subdivision 13.

(e) Fees paid by an individual or organization approved to access or receive data under subdivision 13 are nonrefundable. Fees collected under this subdivision must be deposited into an account in the special revenue fund. Money in that account does not cancel and is appropriated to the commissioner to offset the cost of providing access to data under subdivision 13 and the cost of maintaining data submitted under subdivisions 4 to 5b.

(f) The commissioner must publish the fee schedule in paragraph (b) on the Department of Health website.

Sec. 3. **[103I.2091] SUBMERGED CLOSED LOOP HEAT EXCHANGER SYSTEM; VARIANCES.**

(a) The commissioner must consider a variance for an undue burden under Minnesota Rules, part 4717.7010, to isolation distance requirements for a water supply well used in a submerged closed loop heat exchanger system if:

(1) the water supply well will be used for the sole purpose of heating and cooling;

(2) the water supply well will be constructed with additional protective casing and grout to prevent potential contamination of the well and groundwater and will exceed the well construction standards in Minnesota Rules, parts 4725.3050, subpart 3, and 4725.4825, sufficient to protect against potential contamination sources associated with the isolation distance requirements; and

(3) strict compliance with the isolation distance requirements would prevent the property owner from installing an effectively designed submerged closed loop heat exchanger system.

(b) The variance application must include an evaluation by a third-party licensed professional engineer that quantifies a loss of system efficiency or describes a loss of construction feasibility for the submerged closed loop heat exchanger system that results from complying with isolation distance requirements. Any licensed professional engineer who is not employed by the variance applicant or the firm designing the submerged closed loop heat exchanger system is considered a third party under this statute.

Sec. 4. Minnesota Statutes 2024, section 144.1222, is amended by adding a subdivision to read:

Subd. 2e. **Private residential pool used for certified swimming classes.** Notwithstanding Minnesota Rules, part 4717.0250, subpart 7, a private residential pool may be used as part of a business if the private residential pool is used by a paying guest of the homeowner and the guest is participating in a certified swimming class conducted by the homeowner, provided that:

(1) the homeowner is a certified swimming instructor and is conducting a certified swimming class on a one-on-one basis;

(2) not more than four individuals are in the pool at the same time during the class;

(3) prior to each new paying guest beginning participation in a certified swimming class:

(i) the guest, or the guest's parent or legal guardian if the guest is a minor, provides written consent to use of the pool. The written consent must include a statement that the guest, or the guest's parent or legal guardian if the guest is a minor, has received and read materials provided by the Department of Health with information on the risk of disease transmission and other risks associated with pools; and a statement that the Department of Health does not monitor or inspect the homeowner's pool to ensure compliance with the requirements in this section or Minnesota Rules, chapter 4717; and

(ii) the homeowner tests the pool's water for the concentration of chlorine or bromine, pH, and alkalinity, and the water in the pool meets the requirements for disinfection residual, pH, and alkalinity in Minnesota Rules, part 4717.1750, subparts 3 to 6; and

(4) the following notice is conspicuously posted at the pool and, prior to each new paying guest beginning participation in a certified swimming class, is provided to the guest or to the guest's parent or legal guardian if the guest is a minor:

"NOTICE

This pool is exempt from state and local anti-entrapment and sanitary requirements that prevent waterborne diseases such as Legionnaires' disease, Pseudomonas folliculitis (hot tub rash), and chemical burns and is not subject to inspection.

USE AT YOUR OWN RISK"

Sec. 5. Minnesota Statutes 2024, section 144.1222, subdivision 4, is amended to read:

Subd. 4. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "ASME/ANSI standard" means a safety standard accredited by the American National Standards Institute and published by the American Society of Mechanical Engineers.

(c) "ASTM standard" means a safety standard issued by ASTM International, formerly known as the American Society for Testing and Materials.

(d) "Public pool" means any pool other than a private residential pool, that is: (1) open to the public generally, whether for a fee or free of charge; (2) open exclusively to members of an organization and their guests; (3) open to residents of a multiunit apartment building, apartment complex, residential real estate development, or other multifamily residential area; (4) open to patrons of a hotel or lodging or other public accommodation facility; or (5) operated by a person in a park, school, licensed child care facility, group home, motel,

camp, resort, club, condominium, manufactured home park, or political subdivision with the exception of swimming pools at family day care homes licensed under section 142B.41, subdivision 9, paragraph (a).

(e) "Unblockable suction outlet or drain" means a drain of any size and shape that a human body cannot sufficiently block to create a suction entrapment hazard and meets ASME/ANSI standards.

(f) "Certified swimming class" means an infant swimming resource (ISR) class; an American Red Cross swimming class, swimming lesson, or learn-to-swim class; or any other swimming class certified by a nationally accredited organization that operates in all 50 states.

(g) "Certified swimming instructor" means a certified ISR instructor; a certified American Red Cross swimming instructor or swim coach; or any other swimming instructor certified by a nationally accredited organization that operates in all 50 states.

Sec. 6. Minnesota Statutes 2025 Supplement, section 144.125, subdivision 1, is amended to read:

Subdivision 1. **Duty to perform testing.** (a) It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age, (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, or (3) the nurse midwife or midwife in attendance at the birth, to arrange to have administered to every infant or child in its care tests for heritable and congenital disorders according to subdivision 2 and rules prescribed by the state commissioner of health.

(b) Testing, recording of test results, reporting of test results, and follow-up of infants with heritable congenital disorders, including hearing loss detected through the early hearing detection and intervention program in section 144.966, shall be performed at the times and in the manner prescribed by the commissioner of health.

(c) The fee to support the newborn screening program, including tests administered under this section and section 144.966, shall be $184.35 per specimen. This fee amount shall be deposited in the state treasury and credited to the state government special revenue fund. If the individual described in paragraph (a) submits a claim for reimbursement to an insurer but does not receive reimbursement, the individual may request a special fee exemption form from the newborn screening program. To qualify for the exemption, the individual must provide documentation to the newborn screening program that the insurer did not reimburse them.

(d) The fee to offset the cost of the support services provided under section 144.966, subdivision 3a, shall be $15 per specimen. This fee shall be deposited in the state treasury and credited to the general fund.

Sec. 7. Minnesota Statutes 2024, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Availability.** (a) The commissioner of health shall use money appropriated for health professional education loan forgiveness in this section:

(1) for medical residents, physicians, mental health professionals, and alcohol and drug counselors agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home; in an intermediate care facility for persons with developmental disability; in a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; in an assisted living facility as defined in section 144G.08, subdivision 7; or for a home care provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses who agree to practice in designated rural areas;

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51c.303; and

(7) for nurses employed as a hospital nurse by a nonprofit hospital and providing direct care to patients at the nonprofit hospital.

(b) Appropriations made for health professional education loan forgiveness in this section do not cancel and are available until expended~~, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund~~.

Sec. 8. Minnesota Statutes 2024, section 144.1503, subdivision 7, is amended to read:

Subd. 7. **Selection process.** The commissioner shall determine a maximum award for grants and loan forgiveness, and shall make selections based on the information provided in the grant application, including the demonstrated need for an applicant provider to enhance the education of its workforce, the proposed employee scholarship or loan forgiveness selection process, the applicant's proposed budget, and other criteria as determined by the commissioner. Notwithstanding any law or rule to the contrary, amounts appropriated for purposes of this section do not cancel and are available until expended~~, except that at the end of each biennium, any remaining amount that is not committed by contract and not needed to fulfill existing commitments shall cancel to the general fund~~.

Sec. 9. Minnesota Statutes 2024, section 144.1505, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(1) "eligible advanced practice registered nurse program" means a program that is located in Minnesota and is currently accredited as a master's, doctoral, or postgraduate level advanced practice registered nurse program by the Commission on Collegiate Nursing Education or by the Accreditation Commission for Education in Nursing, or ~~is~~ presents a credible plan as a candidate for accreditation;

(2) "eligible dental therapy program" means a dental therapy education program or advanced dental therapy education program that is located in Minnesota and ~~is either~~:

(i) is approved by the Board of Dentistry; ~~or~~

(ii) is currently accredited by the Commission on Dental Accreditation; or

(iii) presents a credible plan as a candidate for accreditation;

(3) "eligible mental health professional program" means a program that is located in Minnesota and is ~~listed~~ currently accredited as a mental health professional program by the appropriate accrediting body for clinical social work, psychology, marriage and family

therapy, or licensed professional clinical counseling, or ~~is~~ presents a credible plan as a candidate for accreditation;

(4) "eligible pharmacy program" means a program that is located in Minnesota, ~~and~~ is currently accredited as a doctor of pharmacy program by the Accreditation Council on Pharmacy Education, or presents a credible plan as a candidate for accreditation;

(5) "eligible physician assistant program" means a program that is located in Minnesota, ~~and~~ is currently accredited as a physician assistant program by the Accreditation Review Commission on Education for the Physician Assistant, or ~~is~~ presents a credible plan as a candidate for accreditation;

(6) "mental health professional" means an individual providing clinical services in the treatment of mental illness who meets one of the qualifications under section 245.462, subdivision 18;

(7) "eligible physician training program" means a medical school training program or a physician residency training program located in Minnesota ~~and~~ that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation;

(8) "eligible dental program" means a dental education program or a dental residency training program located in Minnesota and that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation; ~~and~~

(9) "rural community" means a Tribal Nation, statutory city, home rule charter city, or township in Minnesota that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2;

(10) "underserved community" means a Minnesota area or population included in the list of designated primary medical care health professional shortage areas, medically underserved areas, or medically underserved populations maintained and updated by the United States Department of Health and Human Services; and

(11) "project" means a project to ~~establish or expand~~ (i) plan or implement a new eligible clinical training ~~for physician assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced dental therapists, or mental health professionals in Minnesota~~ program or increase the base number of trainees in an existing eligible clinical training program, or (ii) add or expand rural rotations or clinical training experiences in an existing eligible clinical training program.

Sec. 10. Minnesota Statutes 2024, section 144.1505, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) For advanced practice provider clinical training expansion grants, the commissioner of health shall award ~~health professional training site~~ grants to eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, and mental health professional programs to plan and implement ~~expanded~~ a new eligible clinical training program or increase the base number of trainees in an existing eligible clinical training program. Clinical training must take place in a rural community or an underserved community. A planning grant shall not exceed $75,000, and a three-year training grant shall not exceed $300,000 per project. The commissioner may provide a ~~one-year,~~ no-cost extension for grants.

(b) For health professional rural ~~and underserved~~ clinical rotations grants, the commissioner of health shall award ~~health professional training site~~ grants to existing eligible physician, physician assistant, advanced practice registered nurse, pharmacy, dentistry, dental therapy, and mental health professional training programs to ~~augment existing clinical training programs to~~ add, expand, or enhance rural ~~and underserved~~ rotations or clinical training experiences, such as credential or certificate rural tracks or other specialized training. Rotations and clinical training experiences must take place in rural communities, excluding the cities of Duluth, Moorhead, Rochester, and St. Cloud. For physician and dentist training, the expanded training must include rotations in primary care settings such as community clinics, hospitals, health maintenance organizations, or practices in rural communities.

(c) Advanced practice provider clinical training expansion grant funds may be used for:

(1) ~~establishing or expanding rotations~~ planning and implementing a new clinical training program or increasing the base number of trainees in an existing clinical training program as described in paragraph (a);

(2) recruitment, training, and retention of students ~~and~~, faculty, and preceptors;

(3) connecting students with appropriate clinical training sites, internships, practicums, or externship ~~activities~~ opportunities;

(4) travel and lodging for students;

(5) faculty, student, and preceptor salaries, incentives, or other financial support;

(6) development and implementation of health equity and cultural ~~competency~~ responsiveness training;

(7) evaluations of the clinical training program to inform program improvements;

(8) training site improvements, fees, equipment, and supplies required to establish, maintain, or expand a training program; ~~and~~

(9) supporting clinical education in which trainees are part of a primary care team model~~.~~; and

(10) onboarding expenses for trainees to meet clinical training site requirements.

(d) Health professional rural clinical rotation grant funds may be used for:

(1) adding, expanding, or enhancing rural rotations and clinical training experiences in an existing clinical training program as described in paragraph (b);

(2) recruitment, training, and retention of students, faculty, and preceptors;

(3) connecting students with appropriate clinical training sites, internships, practicums, or externship opportunities;

(4) travel and lodging for students;

(5) faculty, student, and preceptor salaries, stipends, or other financial support;

(6) development and implementation of health equity and cultural responsiveness training;

(7) evaluations of the rural rotation or clinical training experience to inform program improvements;

(8) training site improvements, fees, equipment, and supplies required to establish or expand rural rotations or clinical training experiences;

(9) supporting clinical education in which trainees are part of a primary care team model; and

(10) onboarding expenses for trainees to meet clinical training site requirements.

Sec. 11. Minnesota Statutes 2024, section 144.1505, subdivision 3, is amended to read:

Subd. 3. **Applications.** Eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, dental, physician, and mental health professional programs seeking a grant shall apply to the commissioner. Applications for advanced practice provider clinical training expansion grants must include a description of the number of additional students who will be trained using grant funds~~;~~ and attestation that funding will be used to support an increase in the number of clinical training slots~~;~~.

All applications must include a description of the problem that the proposed project will address; a description of the project, including all costs associated with the project~~,~~; sources

of funds for the project~~,~~; detailed uses of all funds for the project, and the results expected; and a plan to maintain or operate ~~any component included in~~ the project after the grant period, including a description of potential barriers to sustainability.

~~The applicant~~ Applicants must describe achievable objectives, a timetable, and roles and capabilities of responsible individuals in the organization.

~~Applicants applying under subdivision 2, paragraph (b),~~ Applications for rural clinical rotation grants must include a description of the new, expanded, or enhanced rural rotations or clinical training experiences; attestation that funding will be used to support improved rural clinical training experiences; and information about length of training and training site settings, geographic location of rural sites, and rural populations expected to be served.

Sec. 12. Minnesota Statutes 2024, section 144.1507, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible program" means a program that meets the following criteria:

(1) is located in Minnesota;

(2) trains medical residents in the specialties of family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, or general surgery in rural residency training programs or in community-based ambulatory care centers that primarily serve the underserved, or trains postdoctoral psychology residents; and

(3) is accredited by the Accreditation Council for Graduate Medical Education or the American Psychological Association or presents a credible plan to obtain accreditation.

(c) "Rural community" means a Tribal Nation, statutory city, home rule charter city, or township in Minnesota that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

~~(c)~~ (d) "Rural residency training program" means a rural medical residency program or a rural psychology residency program that provides ~~an initial year of~~ training in an accredited residency program in Minnesota. ~~The subsequent years of the residency program are~~ At least two-thirds of the residency training must be based in rural communities, utilizing local clinics and community hospitals, with specialty rotations in nearby regional medical centers. When specialty rotations cannot take place within rural communities, training may occur in nonrural sites provided that at least one-half of all training occurs in rural communities.

For residency training programs in general surgery, pediatrics, and psychiatry, at least one-half of the residency training must be based in communities outside the seven-county metropolitan area, with rotations in rural communities.

~~(d)~~ (e) "Community-based ambulatory care centers" means federally qualified health centers, community mental health centers, rural health clinics, health centers operated by the Indian Health Service, an Indian Tribe or Tribal organization, or an urban American Indian organization or an entity receiving funds under Title X of the Public Health Service Act.

~~(e)~~ (f) "Eligible project" means a project to establish and maintain a rural residency training program.

Sec. 13. Minnesota Statutes 2024, section 144.1507, subdivision 2, is amended to read:

Subd. 2. **Rural residency training program.** (a) The commissioner of health shall award rural residency training program grants to eligible programs to plan, implement, and sustain rural residency training programs. A rural medical residency training program grant shall not exceed $250,000 per year for up to three years for planning and development, and $225,000 per resident per year for each year thereafter to sustain the program. A rural psychology residency training program grant shall not exceed $150,000 per year for up to three years for planning and development and $150,000 per resident per year for each year thereafter to sustain the program. Medical and psychology residency programs that meet eligibility guidelines and continue to demonstrate financial need shall be granted sustaining funds, renewable every five years.

(b) Funds may be spent to cover the costs of:

(1) planning related to establishing accredited rural residency training programs;

(2) obtaining accreditation by the Accreditation Council for Graduate Medical Education, the American Psychological Association, or another national body that accredits rural residency training programs;

(3) establishing new rural residency training programs;

(4) recruitment, training, and retention of new residents and faculty related to the new rural residency training program;

(5) travel and lodging for new residents;

(6) faculty, new resident, and preceptor salaries related to new rural residency training programs;

(7) training site improvements, fees, equipment, and supplies required for new rural residency training programs; and

(8) supporting clinical education in which trainees are part of a primary care team model.

Sec. 14. Minnesota Statutes 2024, section 144.1507, subdivision 4, is amended to read:

Subd. 4. **Consideration of grant applications.** The commissioner shall review each application to determine if the residency program application is complete, if the proposed rural residency program and residency slots are eligible for a grant, and if the program is eligible for federal graduate medical education funding, and when the funding is available. If eligible programs are not eligible for federal graduate medical education funding, the commissioner may award continuation funding to the eligible program beyond the initial grant period without requiring a competitive application. The commissioner shall award grants to support training programs in family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, general surgery, psychology, and other primary care focus areas.

Sec. 15. Minnesota Statutes 2024, section 144.1507, is amended by adding a subdivision to read:

Subd. 6. **Clinical training program coordination.** The commissioner may award grants to the University of Minnesota to provide technical assistance to residency training programs for coordinated development of rural clinical training programs statewide.

Sec. 16. Minnesota Statutes 2024, section 144.1911, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The international medical graduates assistance program is established to address barriers to practice and facilitate pathways to assist immigrant international medical graduates to integrate into the Minnesota health care delivery system, with the goal of increasing access to primary care in rural and underserved areas of the state. Notwithstanding any law to the contrary, appropriations made to the program do not cancel and are available until expended.

Sec. 17. Minnesota Statutes 2024, section 144.1911, subdivision 5, is amended to read:

Subd. 5. **Clinical preparation.** (a) The commissioner shall award grants to support clinical preparation for Minnesota international medical graduates needing additional clinical preparation or experience to qualify for residency. The grant program shall include:

(1) proposed training curricula;

(2) associated policies and procedures for clinical training sites, which must be part of existing clinical medical education programs in Minnesota; and

(3) monthly stipends for international medical graduate participants. Priority shall be given to primary care sites in rural or underserved areas of the state~~, and~~. International medical graduate participants who receive funding through the international medical graduate primary care residency grant program must commit to serving at least five years in a rural or underserved community of the state.

(b) The policies and procedures for the clinical preparation grants must be developed by December 31, 2015, including an implementation schedule that begins awarding grants to clinical preparation programs beginning in June of 2016.

Sec. 18. Minnesota Statutes 2024, section 144.1911, subdivision 6, is amended to read:

Subd. 6. **International medical graduate primary care residency grant program and revolving account.** (a) The commissioner shall award grants to support primary care residency positions designated for Minnesota immigrant physicians who are willing to serve in rural or underserved areas of the state. No grant shall exceed $150,000 per residency position per year. Eligible primary care residency grant recipients include accredited family medicine, general surgery, internal medicine, obstetrics and gynecology, psychiatry, and pediatric residency programs. Eligible primary care residency programs shall apply to the commissioner. Applications must include the number of anticipated residents to be funded using grant funds and a budget. ~~Notwithstanding any law to the contrary, funds awarded to grantees in a grant agreement do not lapse until the grant agreement expires.~~ Before any funds are distributed, a grant recipient shall provide the commissioner with the following:

(1) a copy of the signed contract between the primary care residency program and the participating international medical graduate;

(2) certification that the participating international medical graduate has lived in Minnesota for at least two years and is certified by the Educational Commission on Foreign Medical Graduates. Residency programs may also require that participating international medical graduates hold a Minnesota certificate of clinical readiness for residency, once the certificates become available; and

(3) verification that the participating international medical graduate has executed a participant agreement pursuant to paragraph (b).

(b) Upon acceptance by a participating residency program, international medical graduates shall enter into an agreement with the commissioner to provide primary care for at least

five years in a rural or underserved area of Minnesota after graduating from the residency program and make payments to the revolving international medical graduate residency account for five years beginning in their second year of postresidency employment. Participants shall pay $15,000 or ten percent of their annual compensation each year, whichever is less.

(c) A revolving international medical graduate residency account is established as an account in the special revenue fund in the state treasury. The commissioner of management and budget shall credit to the account appropriations, payments, and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the account. Funds in the account are appropriated annually to the commissioner to award grants and administer the grant program established in paragraph (a). Notwithstanding any law to the contrary, any funds deposited in the account do not expire. The commissioner may accept contributions to the account from private sector entities subject to the following provisions:

(1) the contributing entity may not specify the recipient or recipients of any grant issued under this subdivision;

(2) the commissioner shall make public the identity of any private contributor to the account, as well as the amount of the contribution provided; and

(3) a contributing entity may not specify that the recipient or recipients of any funds use specific products or services, nor may the contributing entity imply that a contribution is an endorsement of any specific product or service.

Sec. 19. Minnesota Statutes 2024, section 145A.14, subdivision 2a, is amended to read:

Subd. 2a. **Tribal governments.** (a) Of the funding available for local public health grants, $1,500,000 per year is available to Tribal governments for:

(1) maternal and child health activities ~~under section 145.882, subdivision 7~~;

(2) activities to reduce health disparities ~~under section 145.928, subdivision 10~~; ~~and~~

(3) emergency preparedness; and

(4) additional public health activities identified by each Tribal government.

(b) The commissioner, in consultation with Tribal governments, shall establish a formula for distributing the funds and developing the outcomes to be measured.

ARTICLE 2
DEPARTMENT OF HUMAN SERVICES

Section 1. **[245A.034] CONDUCT TOWARD PUBLIC OFFICIALS.**

(a) Applicants, license holders, certification holders, and controlling individuals must not engage in conduct that threatens the safety or well-being of Department of Human Services staff, county employees, or other individuals acting under the authority of the commissioner for duties authorized under this chapter, chapter 260E, or section 626.557. The conduct described under this paragraph includes but is not limited to:

(1) assault, including attempts, under sections 609.221, 609.222, 609.223, 609.2231, and 609.224, regardless of whether there is a criminal proceeding or conviction;

(2) threats of violence under section 609.713, regardless of whether there is a criminal proceeding or conviction;

(3) harassment or stalking under section 609.749, regardless of whether there is a criminal proceeding or conviction;

(4) damage to property under section 609.595, regardless of whether there is a criminal proceeding or conviction; or

(5) any other act with the intent to cause harm to personal safety.

(b) If the commissioner determines that an applicant, license holder, certification holder, or controlling individual engaged in conduct described under paragraph (a) against an individual performing licensing, certification, investigation, or compliance activities, the commissioner may take action under section 245A.05, 245A.06, or 245A.07 against the applicant, license holder, certification holder, or controlling individual.

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

Sec. 2. Minnesota Statutes 2025 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:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095;

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

(6) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made 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 ten calendar days after the license holder receives notice that the license has been suspended or revoked. 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. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (i) and (j), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing

under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made 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 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 human services, 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 or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(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) the license holder shall forfeit ~~$200~~ $500 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

(iv) the license holder shall forfeit ~~$100~~ $300 for each occurrence of a violation of law or rule other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iii).

For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide home and community-based services, as identified in section 245D.03, subdivision 1, and a community residential setting or day services facility license under chapter 245D where the services are provided, may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

Sec. 3. Minnesota Statutes 2025 Supplement, section 256.9657, subdivision 2b, is amended to read:

Subd. 2b. **Hospital assessment.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "eligible hospital" means:

(i) PrairieCare psychiatric hospital; or

(ii) a hospital licensed under section 144.50, located in Minnesota, and with a Medicare cost report filed and showing in the Healthcare Cost Report Information System (HCRIS), except for the following:

(A) federal Indian Health Service facilities;

(B) state-owned or state-operated regional treatment centers and all state-operated services;

(C) federal Veterans Administration Medical Centers; and

(D) long-term acute care hospitals;

(2) "net outpatient revenue" means total outpatient revenue less Medicare revenue as calculated from:

(i) values on Worksheet G of the hospital's Medicare cost report; or

(ii) for PrairieCare psychiatric hospital, data available to the commissioner; and

(3) "total patient days" means total hospital inpatient days as reported on:

(i) Worksheet S-3 of the hospital's Medicare cost report; or

(ii) for PrairieCare psychiatric hospital, data available to the commissioner.

(b) Subject to paragraphs (m) to ~~(o)~~ (p), each eligible hospital must pay assessments to the hospital directed payment program account in the special revenue fund, with an aggregate annual assessment amount equal to the sum of the following:

(1) $120.22 multiplied by total patient days; and

(2) 5.96 percent of the hospital's net outpatient revenue.

(c) The assessment amount for calendar years 2026 and 2027 must be based on the total patient days and net outpatient revenue reflected on an eligible hospital's Medicare cost report as follows:

(1) an eligible hospital with a fiscal year ending on March 31 or June 30 must use data from a cost report from the hospital's fiscal year 2022; and

(2) an eligible hospital with a fiscal year ending on September 30 or December 31 must use data from a cost report from the hospital's fiscal year 2021.

(d) The annual assessment amount for calendar years after 2027 must be set for a two-year period and must be based on the total patient days and net outpatient revenue reflected on an eligible hospital's most recent Medicare cost report filed and showing in HCRIS as of August 1 of the year prior to the subsequent two-year period.

(e) The commissioner may, after consultation with the Minnesota Hospital Association, modify the rates of assessment in paragraph (b) as necessary to comply with federal law,

obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72, or otherwise maximize under this section federal financial participation for medical assistance. Notwithstanding the foregoing authorization to maximize federal financial participation for medical assistance, the commissioner must reduce the rates of assessment in paragraph (b) as necessary to ensure:

(1) the state's aggregated health care-related taxes on inpatient hospital services do not exceed 5.75 percent of the net patient revenue attributable to those services; and

(2) the state's aggregated health care-related taxes on outpatient hospital services do not exceed 5.75 percent of the net patient revenue attributable to those services.

(f) Eligible hospitals must pay the annual assessment amount under paragraph (b) to the commissioner by paying four equal, quarterly assessments. Eligible hospitals must pay the quarterly assessments by January 1, April 1, July 1, and October 1 each year. Assessments must be paid in the form and manner specified by the commissioner. An eligible hospital is prohibited from paying a quarterly assessment until the eligible hospital has received the applicable invoice under paragraph (g).

(g) The commissioner must provide eligible hospitals with an invoice by December 1 for the assessment due January 1, March 1 for the assessment due April 1, June 1 for the assessment due July 1, and September 1 for the assessment due October 1 each year.

(h) The commissioner must notify each eligible hospital of the hospital's estimated annual assessment amount for the subsequent calendar year by October 15 each year.

(i) If any of the dates for assessments or invoices in paragraphs (f) to (h) fall on a holiday, the applicable date is the next business day.

(j) A hospital that has merged with another hospital must have the surviving hospital's assessment revised at the start of the hospital's first full fiscal year after the merger is complete. A closed hospital is retroactively responsible for assessments owed for services provided through the final date of operations.

(k) If the commissioner determines that a hospital has underpaid or overpaid an assessment, the commissioner must notify the hospital of the unpaid assessment or of any refund due. The commissioner must refund a hospital's overpayment from the hospital directed payment program account created in section 256B.1975, subdivision 1.

(l) Revenue from an assessment under this subdivision must only be used by the commissioner to pay the nonfederal share of the directed payment program under section 256B.1974.

(m) The commissioner is prohibited from collecting any assessment under this subdivision during any period of time when:

(1) federal financial participation is unavailable or disallowed, or if the approved aggregate federal financial participation for the directed payment under section 256B.1974 is less than 51 percent; or

(2) a directed payment under section 256B.1974 is not approved by the Centers for Medicare and Medicaid Services.

(n) The commissioner must make the following discounts from the inpatient portion of the assessment under paragraph (b), clause (1), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) Hennepin Healthcare, with a discount of 25 percent;

(2) Mayo Rochester, with a discount of ten percent;

(3) Gillette Children's Hospital, with a discount of 90 percent;

(4) each hospital not included in another discount category, and with greater than $200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service and managed care, as reported in state fiscal year 2022 medical assistance fee-for-service and managed care claims data, with a discount of five percent; and

(5) any hospital responsible for greater than 12 percent of the total assessment annually collected statewide, with a discount in the amount necessary such that the hospital is responsible for 12 percent of the total assessment annually collected statewide.

(o) The commissioner must make the following discounts from the outpatient portion of the assessment under paragraph (b), clause (2), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) each critical access hospital or independent hospital located outside a city of the first class and paid under the Medicare prospective payment system, with a discount of 40 percent;

(2) Gillette Children's Hospital, with a discount of 90 percent;

(3) Hennepin Healthcare, with a discount of 60 percent;

(4) Mayo Rochester, with a discount of 20 percent; and

(5) each hospital not included in another discount category, and with greater than $200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service

and managed care, as reported in state fiscal year 2022 medical assistance fee-for-service and managed care claims data, with a discount of ten percent.

(p) The commissioner must not impose any assessment under this subdivision on a hospital that does not receive payments under section 256B.1974.

~~(p)~~ (q) If the federal share of the hospital directed payment program under section 256B.1974 is increased as the result of an increase to the federal medical assistance percentage, the commissioner must reduce the assessment on a uniform percentage basis across eligible hospitals on which the assessment is imposed, such that the aggregate amount collected from hospitals under this subdivision does not exceed the total amount needed to maintain the same aggregate state and federal funding level for the directed payments authorized by section 256B.1974.

~~(q)~~ (r) Eligible hospitals must submit to the commissioner on an annual basis, in the form and manner specified by the commissioner in consultation with the Minnesota Hospital Association, all documentation necessary to determine the assessment amounts under this subdivision.

EFFECTIVE DATE. This section is effective the date that Laws 2025, First Special Session chapter 3, article 8, section 4, becomes effective.

Sec. 4. Minnesota Statutes 2025 Supplement, section 256.969, subdivision 2f, is amended to read:

Subd. 2f. **Alternate inpatient payment rate.** (a) Effective January 1, 2022, for a hospital eligible to receive disproportionate share hospital payments under subdivision 9, paragraph (d), clause (6), the commissioner shall reduce the amount calculated under subdivision 9, paragraph (d), clause (6), by ~~99~~ one percent and compute an alternate inpatient payment rate. The alternate payment rate shall be structured to target a total aggregate reimbursement amount equal to what the hospital would have received for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance had the hospital received the entire amount calculated under subdivision 9, paragraph (d), clause (6). This paragraph expires when paragraph (b) becomes effective.

(b) For hospitals eligible to receive payment under section 256B.1973 or 256B.1974 and meeting the criteria in subdivision 9, paragraph (d), the commissioner ~~must~~ may reduce the amount calculated under subdivision 9, paragraph (d), by one percent and compute an alternate inpatient payment rate. The alternate payment rate must be structured to target a total aggregate reimbursement amount equal to the amount that the hospital would have

received for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance had the hospital received 99 percent of the entire amount calculated under subdivision 9, paragraph (d). Hospitals that do not meet federal requirements for Medicaid disproportionate share hospitals are not eligible for the alternate payment rate.

EFFECTIVE DATE. This section is effective the date that Laws 2025, First Special Session chapter 3, article 8, section 5, becomes effective.

Sec. 5. Minnesota Statutes 2024, section 256B.056, subdivision 1, is amended to read:

Subdivision 1. **Residency.** (a) To be eligible for medical assistance, a person must reside in Minnesota, or, if absent from the state, be deemed to be a resident of Minnesota, in accordance with Code of Federal Regulations, title 42, section 435.403. A child who is placed in a family foster home in Minnesota by another state is a Minnesota resident in accordance with Minnesota's interstate agreements and Code of Federal Regulations, title 42, section 435.403(k). For the purposes of this paragraph, "family foster home" has the meaning given in section 260C.007, subdivision 16b.

(b) The commissioner shall identify individuals who are enrolled in medical assistance and who are absent from the state for more than 30 consecutive days, but who continue to qualify for medical assistance in accordance with paragraph (a).

(c) If the individual is absent from the state for more than 30 consecutive days but still deemed a resident of Minnesota in accordance with paragraph (a), any covered service provided to the individual must be paid through the fee-for-service system and not through the managed care capitated rate payment system under section 256B.69 or 256L.12.

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

Sec. 6. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 8, is amended to read:

Subd. 8. **Physical therapy.** (a) Medical assistance covers physical therapy and related services. Specialized maintenance therapy is covered for recipients age 20 and under.

(b) Services provided by a physical therapy assistant shall be reimbursed at the same rate as services performed by a physical therapist when the services of the physical therapy assistant are provided under the direction of a physical therapist who is on the premises. Services provided by a physical therapy assistant that are provided under the direction of a physical therapist who is not on the premises shall be reimbursed at 65 percent of the physical therapist rate.

(c) Payment for physical therapy and related services is limited to 14 visits per year unless prior authorization of a greater number of visits is obtained. This paragraph expires upon the effective date of paragraph (d).

(d) Effective January 1, 2027, or upon federal approval, whichever is later, payment for physical therapy and related services is limited to the following number of visits per year unless prior authorization of a greater number of visits is obtained:

(1) for children following an inpatient or outpatient hospital-based surgery, 30 visits; and

(2) for all other recipients, 14 visits.

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

Sec. 7. Minnesota Statutes 2025 Supplement, section 256B.1973, subdivision 9, is amended to read:

Subd. 9. **Interaction with other directed payments.** (a) An eligible provider under subdivision 3 may participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both. A provider participating in the hospital directed payment program must not receive a directed payment under this section for any provider classes paid via the hospital directed payment program. A hospital subject to this section must notify the commissioner in writing no later than 30 days after enactment of this subdivision of the hospital's intention to participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both.

(b) The election under this subdivision is a onetime election, except that if an eligible provider elects to participate in the hospital directed payment program, and the hospital directed payment program expires or is not federally approved, the eligible provider may subsequently elect to participate in the directed payment under this section.

(c) If an eligible provider elects not to participate in the hospital directed payment program under section 256B.1974 and the federal statutes or regulations related to hospital directed payment programs are subsequently substantially changed, the eligible provider may elect to participate in the hospital directed payment program under section 256B.1974.

(d) The effective date of the election to participate in the hospital directed payment program under this section must align with the beginning of the calendar year in which payment rates under this section are updated. The eligible provider must notify the

commissioner of the eligible provider's intention to make the election ten months before the effective date of the election.

Sec. 8. Minnesota Statutes 2024, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program. Effective for services provided on or after July 1, 2015, rates established for critical access hospitals under this paragraph for the applicable payment year shall be the final payment and shall not be settled to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal year ending in 2017, the rate for outpatient hospital services shall be computed using information from each hospital's Medicare cost report as filed with Medicare for the year that is two years before the year that the rate is being computed. Rates shall be computed using information from Worksheet C series until the department finalizes the medical assistance cost reporting process for critical access hospitals. After the cost reporting process is finalized, rates shall be computed using information from Title XIX Worksheet D series. The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs related to rural health clinics and federally qualified health clinics, divided by ancillary

charges plus outpatient charges, excluding charges related to rural health clinics and federally qualified health clinics. Effective for services delivered on or after January 1, 2024, the rates paid to critical access hospitals under this section must be adjusted to include the amount of any distributions under section 62J.692, subdivision 4, paragraph (a), that were not included in the rate adjustment described under section 256.969, subdivision 2b, paragraph (k).

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision. When implementing prospective payment methodologies, the commissioner shall use general methods and rate calculation parameters similar to the applicable Medicare prospective payment systems for services delivered in outpatient hospital and ambulatory surgical center settings unless other payment methodologies for these services are specified in this chapter.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(g) Critical access hospitals that convert to rural emergency hospitals in accordance with section 1861(kkk) of the Social Security Act must be paid the rate described in paragraph (b). The rate must be classified as either an outpatient hospital rate or a clinic rate as determined upon federal approval.

Sec. 9. Minnesota Statutes 2024, section 256B.76, subdivision 2, is amended to read:

Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

(c) Effective for services rendered on or after January 1, 2000, payment rates for dental services shall be increased by three percent over the rates in effect on December 31, 1999.

(d) Effective for services provided on or after January 1, 2002, payment for diagnostic examinations and dental x-rays provided to children under age 21 shall be the lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

(e) The increases listed in paragraphs (b) and (c) shall be implemented January 1, 2000, for managed care.

(f) Effective for dental services rendered on or after October 1, 2010, by a state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based on the Medicare principles of reimbursement. This payment shall be effective for services rendered on or after January 1, 2011, to recipients enrolled in managed care plans or county-based purchasing plans.

(g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics in paragraph (f), including state and federal shares, are less than $1,850,000 per fiscal year, a supplemental state payment equal to the difference between the total payments in paragraph (f) and $1,850,000 shall be paid from the general fund to state-operated services for the operation of the dental clinics.

(h) Effective for services rendered on or after January 1, 2014, through December 31, 2021, payment rates for dental services shall be increased by five percent from the rates in effect on December 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, and Indian health services. Effective January 1, 2014, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase described in this paragraph.

(i) Effective for services provided on or after January 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 9.65 percent for dental services provided outside of the seven-county metropolitan area. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health services. Effective January 1, 2017, payments to managed care plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph.

(j) Effective for services provided on or after July 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 23.8 percent for dental services provided to enrollees under the age of 21. This rate increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health centers. This rate increase does not apply to managed care plans and county-based purchasing plans.

(k) Effective for services provided on or after January 1, 2022, the commissioner shall exclude from medical assistance and MinnesotaCare payments for dental services to public health and community health clinics the 20 percent increase authorized under Laws 1989, chapter 327, section 5, subdivision 2, paragraph (b).

(l) Effective for services provided on or after January 1, 2022, the commissioner shall increase payment rates by 98 percent for all dental services. This rate increase does not apply to state-operated dental clinics, federally qualified health centers, rural health centers, or Indian health services.

(m) Effective for services provided on or after January 1, 2028, payment for dental services shall be the lower of submitted charges, or 50 percent of the 50th percentile of 2024 submitted charges. This paragraph does not apply to federally qualified health centers, rural health centers, state-operated dental clinics, or Indian health centers.

(n) Beginning January 1, 2030, and every two years thereafter, the commissioner must rebase payment rates for dental services to a percentile of submitted charges for the applicable base year using charge data from claims paid by the commissioner so that the total aggregate expenditures does not exceed the total spend as outlined in paragraph (m) plus the change in the Medical Economic Index (MEI). In 2030, the change in MEI must be measured from midyear of 2028 and 2030. For each subsequent rebasing, the change in MEI must be measured between the years that are one year after the rebasing years. The base year used for each rebasing shall be the calendar year that is two years prior to the effective date of

the rebasing. This paragraph does not apply to federally qualified health centers, rural health centers, state-operated dental clinics, or Indian health centers.

~~(m)~~ (o) Managed care plans and county-based purchasing plans shall reimburse providers at a level that is at least equal to the rate paid under fee-for-service for dental services. If, for any coverage year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed an amount equal to any increase in rates that results from this provision. If, for any coverage year, federal approval is not received for this paragraph, the commissioner shall not implement this paragraph for subsequent coverage years.

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

Sec. 10. **REPEALER.**

Minnesota Statutes 2024, section 256B.198, is repealed.

ARTICLE 3
HUMAN SERVICES FEDERAL COMPLIANCE

Section 1. Minnesota Statutes 2024, section 245.462, is amended by adding a subdivision to read:

Subd. 2a. **Case management contact.** "Case management contact" means interactive communication conducted either in person, by interactive video that meets the requirements of section 256B.0625, subdivision 20b, or by telephone with the client; client's parent; legal guardian, guardian ad litem, or attorney for clients that are children or youth under 19 years of age; or client's attorney for clients that are adults 19 years of age or older.

Sec. 2. Minnesota Statutes 2024, section 245.4711, subdivision 5, is amended to read:

Subd. 5. **Coordination between case manager and community support services.** (a) The county board must establish procedures that ensure ongoing contact and coordination between the case manager and the community support services program as well as other mental health services.

(b) The case manager must have at least one case management contact in every calendar month with a documented core service component, as defined by the commissioner, to claim reimbursement for adult mental health targeted case management. Adult mental health case managers must not conduct the case management contact by telephone with the adult client or the adult client's legal representative for more than two consecutive calendar months.

Sec. 3. Minnesota Statutes 2024, section 245.4881, subdivision 5, is amended to read:

Subd. 5. **Coordination between case manager and family community support services.** (a) The county board must establish procedures that ensure ongoing contact and coordination between the case manager and the family community support services as well as other mental health services for each child.

(b) The case manager must have at least one case management contact in every calendar month with the child, the child's parents, or the child's legal representative.

Sec. 4. Minnesota Statutes 2025 Supplement, section 245C.02, subdivision 15a, is amended to read:

Subd. 15a. **Reasonable cause to require a national criminal history record check.** (a) "Reasonable cause to require a national criminal history record check" means information or circumstances exist that provide the commissioner with articulable suspicion that further pertinent information may exist concerning a background study subject that merits conducting a national criminal history record check on that subject. The commissioner has reasonable cause to require a national criminal history record check when:

(1) information from the Bureau of Criminal Apprehension indicates that the subject is a multistate offender;

(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined;

(3) the commissioner has received a report from the subject or a third party indicating that the subject has a criminal history in a jurisdiction other than Minnesota; or

(4) information from the Bureau of Criminal Apprehension for a state-based name and date of birth background study in which the subject is a minor that indicates that the subject has a criminal history.

(b) In addition to the circumstances described in paragraph (a), the commissioner has reasonable cause to require a national criminal history record check if the subject is not

currently residing in Minnesota or resided in a jurisdiction other than Minnesota during the previous five years.

(c) Reasonable cause to require a national criminal history check does not apply to family child foster care ~~or~~, adoption, adult day services, or adult foster care studies.

EFFECTIVE DATE. This section is effective January 25, 2028.

Sec. 5. Minnesota Statutes 2025 Supplement, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints and photograph.** (a) Notwithstanding paragraph (c), for background studies conducted by the commissioner for current or prospective child foster or adoptive parents, and for any adult working in a children's residential facility, the subject of the background study shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency for a national criminal history record check.

(b) Notwithstanding paragraph (c), for background studies conducted by the commissioner for Head Start programs, the subject of the background study shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency for a national criminal history record check.

(c) For background studies initiated on or after the implementation of NETStudy 2.0, except as provided under subdivision 5a, every subject of a background study must provide the commissioner with a set of the background study subject's classifiable fingerprints and photograph. The photograph and fingerprints must be recorded at the same time by the authorized fingerprint collection vendor or vendors and sent to the commissioner through the commissioner's secure data system described in section 245C.32, subdivision 1a, paragraph (b).

(d) The fingerprints shall be submitted by the commissioner to the Bureau of Criminal Apprehension and, when specifically required by law, submitted to the Federal Bureau of Investigation for a national criminal history record check.

(e) The fingerprints must not be retained by the Department of Public Safety, Bureau of Criminal Apprehension, or the commissioner. The Federal Bureau of Investigation will not retain background study subjects' fingerprints.

(f) The authorized fingerprint collection vendor or vendors shall, for purposes of verifying the identity of the background study subject, be able to view the identifying information entered into NETStudy 2.0 by the entity that initiated the background study, but shall not retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The

authorized fingerprint collection vendor or vendors shall retain no more than the name and date and time the subject's fingerprints were recorded and sent, only as necessary for auditing and billing activities.

(g) For any background study conducted under this chapter, except for family child foster care ~~or~~, adoption, adult day services, or adult foster care studies, the subject shall provide the commissioner with a set of classifiable fingerprints when the commissioner has reasonable cause to require a national criminal history record check as defined in section 245C.02, subdivision 15a.

EFFECTIVE DATE. This section is effective January 25, 2028.

Sec. 6. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 45. **Health care eligibility oversight unit.** (a) The commissioner shall establish and maintain a Department of Human Services health care eligibility oversight unit responsible for collaboration at a regional level to ensure federal and state Medicaid eligibility requirements are consistently applied by all processing entities.

(b) The oversight unit must monitor compliance, identify systemic issues, and provide guidance and technical assistance to lead agencies.

(c) The commissioner shall require lead agencies to work directly with the oversight unit on corrective action planning and implementation to achieve compliance and strengthen performance outcomes.

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

Sec. 7. Minnesota Statutes 2024, section 256B.04, subdivision 27, is amended to read:

Subd. 27. **Disenrollment under medical assistance and MinnesotaCare.** (a) The commissioner shall regularly obtain and use information from reliable data sources, including but not limited to managed care and county-based purchasing plans, state health and human services programs, mail returned by the United States Postal Service with a forwarding address, and the National Change of Address database maintained by the United States Postal Service, to update mailing addresses and other contact information for medical assistance and MinnesotaCare enrollees ~~in cases of returned mail and nonresponse using information available through managed care and county-based purchasing plans, state health and human services programs, and other sources~~.

(b) The commissioner shall not disenroll an individual from medical assistance or MinnesotaCare in cases of returned mail until the commissioner makes at least two attempts by phone, email, or other methods to contact the individual. The commissioner may disenroll the individual after providing no less than 30 days for the individual to respond to the most recent contact attempt.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 8. Minnesota Statutes 2024, section 256B.056, subdivision 2a, is amended to read:

Subd. 2a. **Home equity limit for medical assistance payment of long-term care services.** (a) Effective for requests of medical assistance payment of long-term care services filed on or after July 1, 2006, and for renewals on or after July 1, 2006, for persons who received payment of long-term care services under a request filed on or after January 1, 2006, the equity interest in the home of a person whose eligibility for long-term care services is determined on or after January 1, 2006, shall not exceed $500,000, unless it is the lawful residence of the person's spouse or child who is under age 21, or a child of any age who is blind or permanently and totally disabled as defined in the Supplemental Security Income program. The amount specified in this paragraph shall be increased beginning in year 2011, from year to year based on the percentage increase in the Consumer Price Index for all urban consumers (all items; United States city average), rounded to the nearest $1,000.

(b) Effective January 1, 2028, the amount specified in paragraph (a) must not exceed $1,000,000.

~~(b)~~ (c) For purposes of this subdivision, a "home" means any real or personal property interest, including an interest in an agricultural homestead as defined under section 273.124, subdivision 1, that, at the time of the request for medical assistance payment of long-term care services, is the primary dwelling of the person or was the primary dwelling of the person before receipt of long-term care services began outside of the home.

~~(c)~~ (d) A person denied or terminated from medical assistance payment of long-term care services because the person's home equity exceeds the home equity limit may seek a waiver based upon a hardship by filing a written request with the county agency. Hardship is an imminent threat to the person's health and well-being that is demonstrated by documentation of no alternatives for payment of long-term care services. The county agency shall make a decision regarding the written request to waive the home equity limit within 30 days if all necessary information has been provided. The county agency shall send the person and the person's representative a written notice of decision on the request for a

demonstrated hardship waiver that also advises the person of appeal rights under the fair hearing process of section 256.045.

Sec. 9. Minnesota Statutes 2024, section 256B.056, subdivision 7, is amended to read:

Subd. 7. **Period of eligibility.** (a) Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. ~~A redetermination of eligibility must occur every 12 months.~~

(b) Notwithstanding any other law to the contrary:

(1) a child under 19 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months;

(2) a child 19 years of age and older but under 21 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months; and

(3) a child under six years of age who is determined eligible for medical assistance must remain eligible through the month in which the child reaches six years of age.

(c) A child's eligibility under paragraph (b) may be terminated earlier if:

(1) the child or the child's representative requests voluntary termination of eligibility;

(2) the child ceases to be a resident of this state;

(3) the child dies;

(4) the child attains the maximum age; or

(5) the agency determines eligibility was erroneously granted at the most recent eligibility determination due to agency error or fraud, abuse, or perjury attributed to the child or the child's representative.

(d) For a person eligible for an insurance affordability program as defined in section 256B.02, subdivision 19, who reports a change that makes the person eligible for medical assistance, eligibility is available for the month the change was reported and for three months prior to the month the change was reported, if the person was eligible in those prior months.

(e) The period of eligibility for a person eligible for medical assistance under section 256B.055, subdivision 15, is six months. The period of eligibility for all other medical assistance enrollees is 12 months.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 10. Minnesota Statutes 2024, section 256B.056, subdivision 7a, is amended to read:

Subd. 7a. **Periodic renewal of eligibility.** (a) Except as provided in paragraphs (d) and (e), the commissioner shall make an annual redetermination of eligibility based on information contained in the enrollee's case file and other information available to the agency, including but not limited to information accessed through an electronic database, without requiring the enrollee to submit any information when sufficient data is available for the agency to renew eligibility.

(b) If the commissioner cannot renew eligibility in accordance with paragraph (a), the commissioner must provide the enrollee with a prepopulated renewal form containing eligibility information available to the agency and permit the enrollee to submit the form with any corrections or additional information to the agency and sign the renewal form via any of the modes of submission specified in section 256B.04, subdivision 18.

(c) An enrollee who is terminated for failure to complete the renewal process may subsequently submit the renewal form and required information within four months after the date of termination and have coverage reinstated without a lapse, if otherwise eligible under this chapter. The local agency may close the enrollee's case file if the required information is not submitted within four months of termination.

(d) Notwithstanding paragraph (a), a person who is eligible under subdivision 5 ~~shall be~~ is subject to a review of the person's income every six months.

(e) Notwithstanding paragraph (a), a person who is eligible under section 256B.055, subdivision 15, and who is not an American Indian or Alaska Native is subject to a redetermination of eligibility every six months.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 11. Minnesota Statutes 2024, section 256B.0561, subdivision 2, is amended to read:

Subd. 2. **Periodic data matching.** (a) The commissioner shall conduct periodic data matching to identify recipients who, based on available electronic data, may not meet eligibility criteria for the public health care program in which the recipient is enrolled. The commissioner shall conduct data matching for medical assistance or MinnesotaCare recipients at least once during a recipient's 12-month period of eligibility, except as provided in paragraph (f).

(b) If data matching indicates a recipient may no longer qualify for medical assistance or MinnesotaCare, the commissioner must notify the recipient and allow the recipient no more than 30 days to confirm the information obtained through the periodic data matching

or provide a reasonable explanation for the discrepancy to the state or county agency directly responsible for the recipient's case. If a recipient does not respond within the advance notice period or does not respond with information that demonstrates eligibility or provides a reasonable explanation for the discrepancy within the 30-day time period, the commissioner shall terminate the recipient's eligibility in the manner provided for by the laws and regulations governing the health care program for which the recipient has been identified as being ineligible.

(c) The commissioner shall not terminate eligibility for a recipient who is cooperating with the requirements of paragraph (b) and needs additional time to provide information in response to the notification.

(d) A recipient whose eligibility was terminated according to paragraph (b) may be eligible for medical assistance no earlier than the first day of the month in which the recipient provides information that demonstrates the recipient's eligibility.

(e) Any termination of eligibility for benefits under this section may be appealed as provided for in sections 256.045 to 256.0451, and the laws governing the health care programs for which eligibility is terminated.

(f) Effective January 1, 2027, a person receiving medical assistance under section 256B.055, subdivision 15, who is subject to a redetermination of eligibility every six months under section 256B.056, subdivision 7a, paragraph (e), is exempt from periodic data matching under this subdivision.

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

Sec. 12. **[256B.0562] WORK OR COMMUNITY ENGAGEMENT REQUIREMENTS.**

Subdivision 1. **Medical assistance eligibility requirement.** (a) To be eligible for medical assistance under section 256B.055, subdivision 15, a person must either demonstrate work or community engagement or meet an exemption in accordance with section 71119 of the One Big Beautiful Bill Act, Public Law 119-21.

(b) An applicant must meet the requirements under this section for the month immediately preceding the month during which the person submits an application for medical assistance.

(c) To renew eligibility pursuant to section 256B.056, subdivision 7a, a person enrolled in and receiving medical assistance must meet the requirements under this section for at least one month during the person's previous period of eligibility.

Subd. 2. **Compliance and exemptions.** (a) A person demonstrates work or community engagement under this section for a given month if the person meets at least one of the following conditions with respect to that month:

(1) the person works at least 80 hours;

(2) the person completes at least 80 hours of community service;

(3) the person participates in a work program for at least 80 hours;

(4) the person is enrolled in an educational program at least half time;

(5) the person engages in any combination of the activities in clauses (1) to (4) for a total of at least 80 hours;

(6) the person has a monthly income that is not less than the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act of 1938, multiplied by 80 hours; or

(7) the person has an average monthly income during the preceding six months that is equal to or greater than the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act of 1938, multiplied by 80 hours and is a seasonal worker as defined in section 45R(d)(5)(B) of the Internal Revenue Code of 1986.

(b) A person is exempt from the requirement to demonstrate work or community engagement if the person:

(1) is an American Indian or Alaska Native;

(2) is a family caregiver, as defined in section 2 of the RAISE Family Caregivers Act, of a disabled individual;

(3) is a veteran with a disability rated as total under United States Code, title 38, section 1155;

(4) is medically frail or has special medical needs, including a person who:

(i) is blind or disabled, as defined in section 1614 of the Social Security Act;

(ii) has a substance use disorder;

(iii) has a disabling mental disorder;

(iv) has a physical, intellectual, or developmental disability that significantly impairs the person's ability to perform daily living routines; or

(v) has a serious or complex medical condition;

(5) meets the work requirements imposed by the Minnesota family investment program;

(6) is a member of a household that receives Supplemental Nutrition Assistance Program benefits and is not exempt from the requirements under section 142F.10;

(7) is participating in a drug addiction or alcoholic treatment and rehabilitation program; or

(8) is incarcerated.

(c) A person is exempt from the requirement to demonstrate work or community engagement for a given month if for part or all of that month the person is:

(1) described in paragraph (b);

(2) under 21 years of age;

(3) entitled to or enrolled in benefits under Medicare Part A or enrolled in benefits under Medicare Part B;

(4) enrolled in medical assistance under an eligibility category described in section 1902(a)(10)(A)(i), subclauses (I) to (VII), of the Social Security Act; or

(5) incarcerated at any point during the three-month period ending on the first day of the given month.

Subd. 3. **Short-term hardship events.** (a) The commissioner shall seek any approvals necessary from the federal Secretary of Health and Human Services to implement the short-term hardship exemptions described in this subdivision.

(b) A person is exempt from the requirement to demonstrate work or community engagement for a given month if the person experiences a short-term hardship event for part or all of that month.

(c) For purposes of this section, "short-term hardship event" means an event in which a person:

(1) receives inpatient hospital or nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or other services of similar acuity;

(2) resides in a county in which there is an emergency or disaster declared by the President of the United States pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act;

(3) resides in a county that has an unemployment rate at or above the lesser of eight percent or 1.5 times the national unemployment rate; or

(4) must travel outside of the person's community for an extended period of time to receive medical services that are not available within the community of residence necessary to treat a serious or complex medical condition of the person or the person's dependent.

(d) A person must request the short-term hardship event exceptions described in paragraph (c), clauses (1) and (4), to be granted the exception.

Subd. 4. **Noncompliance procedure.** (a) Before denying or terminating medical assistance eligibility for failure to demonstrate work or community engagement or meet an exemption, the commissioner must provide an applicant or enrollee:

(1) a notice of noncompliance; and

(2) a period of 30 calendar days to provide evidence of compliance or exemption from the requirement.

(b) The commissioner must continue to provide medical assistance to an enrollee during the 30-day period under paragraph (a), clause (2). If the person does not provide evidence of compliance or exemption from the requirement within the 30-day period, the commissioner must deny the application or terminate eligibility by the end of the month following the month in which the 30-day period ends.

(c) Before denial or termination of eligibility, the commissioner must:

(1) provide the person with advance notice in accordance with Code of Federal Regulations, title 42, section 431.211; and

(2) determine whether the person may qualify for medical assistance under any other eligibility category or for another insurance affordability program.

Subd. 5. **Limitation and suspension of implementation and enforcement.** (a) The commissioner must implement and enforce this section only to the extent required under federal law as a condition of receiving federal financial participation for the medical assistance program.

(b) The commissioner must immediately suspend implementation and enforcement of this section if any of the following conditions are met:

(1) federal law no longer requires states to impose work or community engagement requirements as a condition of receiving federal financial participation for the medical assistance program;

(2) federal law, regulation, or federal administrative guidance allows the state to discontinue enforcement of medical assistance work or community engagement requirements without the loss, reduction, or withholding of federal financial participation or any other federal financial penalty; or

(3) the commissioner determines that the conditions for the expiration of this section under subdivision 6 have been met.

(c) If implementation and enforcement are suspended under paragraph (a), the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy and the revisor of statutes.

(d) The commissioner must not enforce the work or community engagement requirements established under this section if implementation is suspended under this subdivision.

Subd. 6. **Contingent expiration.** (a) This section expires if federal law requiring or authorizing work or community engagement requirements for individuals eligible for medical assistance, including but not limited to provisions enacted in Public Law 119-21, is repealed or otherwise no longer in effect.

(b) The commissioner must determine whether the conditions in paragraph (a) have been met. Upon making that determination, the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy and the revisor of statutes.

Subd. 7. **Expedited rulemaking authority.** The commissioner may adopt rules necessary to implement and administer this section using the expedited rulemaking process under section 14.389. The 18-month time limit under section 14.125 does not apply to the rulemaking authority under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 13. Minnesota Statutes 2024, section 256B.06, subdivision 4, is amended to read:

Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited to citizens of the United States, qualified noncitizens as defined in this subdivision, and other persons residing lawfully in the United States. Citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) "Qualified noncitizen" means a person who meets one of the following immigration criteria:

(1) admitted for lawful permanent residence according to United States Code, title 8;

(2) admitted to the United States as a refugee according to United States Code, title 8, section 1157;

(3) granted asylum according to United States Code, title 8, section 1158;

(4) granted withholding of deportation according to United States Code, title 8, section 1253(h);

(5) paroled for a period of at least one year according to United States Code, title 8, section 1182(d)(5);

(6) granted conditional entrant status according to United States Code, title 8, section 1153(a)(7);

(7) determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

(8) is a child of a noncitizen determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill, Public Law 104-200; or

(9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public Law 96-422, the Refugee Education Assistance Act of 1980.

(c) All qualified noncitizens who were residing in the United States before August 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation.

(d) Beginning December 1, 1996, qualified noncitizens who entered the United States on or after August 22, 1996, and who otherwise meet the eligibility requirements of this chapter are eligible for medical assistance with federal participation for five years if they meet one of the following criteria:

(1) refugees admitted to the United States according to United States Code, title 8, section 1157;

(2) persons granted asylum according to United States Code, title 8, section 1158;

(3) persons granted withholding of deportation according to United States Code, title 8, section 1253(h);

(4) veterans of the United States armed forces with an honorable discharge for a reason other than noncitizen status, their spouses and unmarried minor dependent children; or

(5) persons on active duty in the United States armed forces, other than for training, their spouses and unmarried minor dependent children.

Beginning July 1, 2010, children and pregnant women who are noncitizens described in paragraph (b) or who are lawfully present in the United States as defined in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation as provided by the federal Children's Health Insurance Program Reauthorization Act of 2009, Public Law 111-3.

(e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter are eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this subdivision, a "nonimmigrant" is a person in one of the classes listed in United States Code, title 8, section 1101(a)(15).

(f) Payment shall also be made for care and services that are furnished to noncitizens, regardless of immigration status, who otherwise meet the eligibility requirements of this chapter, if such care and services are necessary for the treatment of an emergency medical condition.

(g) For purposes of this subdivision, the term "emergency medical condition" means a medical condition that meets the requirements of United States Code, title 42, section 1396b(v).

(h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment of an emergency medical condition are limited to the following:

(i) services delivered in an emergency room or by an ambulance service licensed under chapter 144E that are directly related to the treatment of an emergency medical condition;

(ii) services delivered in an inpatient hospital setting following admission from an emergency room or clinic for an acute emergency condition; and

(iii) follow-up services that are directly related to the original service provided to treat the emergency medical condition and are covered by the global payment made to the provider.

(2) Services for the treatment of emergency medical conditions do not include:

(i) services delivered in an emergency room or inpatient setting to treat a nonemergency condition;

(ii) organ transplants, stem cell transplants, and related care;

(iii) services for routine prenatal care;

(iv) continuing care, including long-term care, nursing facility services, home health care, adult day care, day training, or supportive living services;

(v) elective surgery;

(vi) outpatient prescription drugs, unless the drugs are administered or dispensed as part of an emergency room visit;

(vii) preventative health care and family planning services;

(viii) rehabilitation services;

(ix) physical, occupational, or speech therapy;

(x) transportation services;

(xi) case management;

(xii) prosthetics, orthotics, durable medical equipment, or medical supplies;

(xiii) dental services;

(xiv) hospice care;

(xv) audiology services and hearing aids;

(xvi) podiatry services;

(xvii) chiropractic services;

(xviii) immunizations;

(xix) vision services and eyeglasses;

(xx) waiver services;

(xxi) individualized education programs; or

(xxii) substance use disorder treatment.

(i) Pregnant noncitizens who are ineligible for federally funded medical assistance because of immigration status, are not covered by a group health plan or health insurance

coverage according to Code of Federal Regulations, title 42, section 457.310, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance through the period of pregnancy, including labor and delivery, and 12 months postpartum.

(j) Beginning October 1, 2003, persons who are receiving care and rehabilitation services from a nonprofit center established to serve victims of torture and are otherwise ineligible for medical assistance under this chapter are eligible for medical assistance without federal financial participation. These individuals are eligible only for the period during which they are receiving services from the center. Individuals eligible under this paragraph shall not be required to participate in prepaid medical assistance. The nonprofit center referenced under this paragraph may establish itself as a provider of mental health targeted case management services through a county contract under section 256.0112, subdivision 6. If the nonprofit center is unable to secure a contract with a lead county in its service area, then, notwithstanding the requirements of section 256B.0625, subdivision 20, the commissioner may negotiate a contract with the nonprofit center for provision of mental health targeted case management services. When serving clients who are not the financial responsibility of their contracted lead county, the nonprofit center must gain the concurrence of the county of financial responsibility prior to providing mental health targeted case management services for those clients.

(k) Notwithstanding paragraph (h), clause (2), the following services are covered as emergency medical conditions under paragraph (f) except where coverage is prohibited under federal law for services under clauses (1) and (2):

(1) dialysis services provided in a hospital or freestanding dialysis facility;

(2) surgery and the administration of chemotherapy, radiation, and related services necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and requires surgery, chemotherapy, or radiation treatment; and

(3) kidney transplant if the person has been diagnosed with end stage renal disease, is currently receiving dialysis services, and is a potential candidate for a kidney transplant.

(l) Effective July 1, 2013, recipients of emergency medical assistance under this subdivision are eligible for coverage of the elderly waiver services provided under chapter 256S, and coverage of rehabilitative services provided in a nursing facility. The age limit for elderly waiver services does not apply. In order to qualify for coverage, a recipient of emergency medical assistance is subject to the assessment and reassessment requirements of section 256B.0911. Initial and continued enrollment under this paragraph is subject to the limits of available funding.

(m) Notwithstanding paragraph (i), medical assistance is only available to noncitizens who are eligible for coverage with federal financial participation provided by Medicaid or the Children's Health Insurance Program.

Sec. 14. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness and children with serious mental illness. Services provided under this section must meet the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

(b) ~~Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with serious mental illness when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.~~ To be eligible for medical assistance reimbursement, an entity must document:

(1) face-to-face contacts between the case manager and the recipient;

(2) telephone contacts between the case manager and the recipient; the recipient's mental health provider or other service providers; the recipient's family members, legal representative, or primary caregiver; or other interested persons;

(3) face-to-face contacts between the case manager and the recipient's mental health provider or other service providers; the recipient's family members, legal representative, or primary caregiver; or other interested persons;

(4) contacts between the case manager and the case manager's clinical supervisor about the recipient;

(5) individual community support plan and assessment development, review, and revision required under section 245.4711, subdivision 4, for an adult, or section 245.4881, subdivision 4, for a child;

(6) travel time spent by the case manager to meet face-to-face with the recipient who resides outside of the county of financial responsibility; and

(7) travel time spent by the case manager within the county of financial responsibility to meet face-to-face with the recipient or the recipient's family, legal representative, or primary caregiver.

(c) For purposes of paragraph (b), clauses (6) and (7), if a case manager arrives on time for a scheduled face-to-face appointment with a recipient or the recipient's family member, legal representative, or primary caregiver and the person fails to keep the appointment, the time spent by the case manager traveling to and from the site of the scheduled appointment is eligible for medical assistance payment. Provider entities must meet all program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, and Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, subpart 9.

~~(c)~~ (d) Medical assistance and MinnesotaCare payment for mental health case management ~~shall~~ must be made ~~on a monthly basis~~ in accordance with section 256B.076, subdivisions 1, 2, 5, and 6. ~~In order to receive payment for an eligible child, the provider must document at least a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the child, the child's parents, or the child's legal representative. To receive payment for an eligible adult, the provider must document:~~

~~(1) at least a face-to-face contact with the adult or the adult's legal representative either in person or by interactive video that meets the requirements of subdivision 20b; or~~

~~(2) at least a telephone contact with the adult or the adult's legal representative and document a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the adult or the adult's legal representative within the preceding two months.~~

~~(d)~~ (e) Payment for mental health case management provided by county or state staff ~~shall~~ must be based on the ~~monthly~~ rate methodology under section ~~256B.094, subdivision 6, paragraph (b), with separate rates calculated for child welfare and mental health, and within mental health, separate rates for children and adults~~ 256B.076, subdivisions 5 and 7.

~~(e)~~ (f) Payment for mental health case management provided by Indian health services or by agencies operated by Indian tribes may be made according to this section or other relevant federally approved rate setting methodology.

~~(f)~~ (g) Payment for mental health case management provided by vendors who contract with a county must be calculated in accordance with section 256B.076, subdivision 2. Payment for mental health case management provided by vendors who contract with a Tribe

must be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or tribe, except to reimburse the county or tribe for advance funding provided by the county or tribe to the vendor.

~~(g)~~ (h) If the service is provided by a team which includes contracted vendors, tribal staff, and county or state staff, the costs for county or state staff participation in the team shall be included in the rate for county-provided services. In this case, the contracted vendor, the tribal agency, and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles of the team members.

~~(h)~~ (i) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for mental health case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds. If the service is provided by a tribal agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the recipient's county of responsibility.

~~(i)~~ (j) Notwithstanding any administrative rule to the contrary, prepaid medical assistance and MinnesotaCare include mental health case management. When the service is provided through prepaid capitation, the nonfederal share is paid by the state and the county pays no share.

~~(j)~~ (k) The commissioner may suspend, reduce, or terminate the reimbursement to a provider that does not meet the ~~reporting or other~~ requirements of this section or section 245.4711, 245.4881, 256B.0924, 256B.094, or 256F.10. The county of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency, is responsible for any federal disallowances. The county or tribe may share this responsibility with its contracted vendors.

~~(k)~~ (l) The commissioner shall set aside a portion of the federal funds earned for county expenditures under this section to repay the special revenue maximization account under section 256.01, subdivision 2, paragraph (n). The repayment is limited to:

(1) the costs of developing and implementing this section; and

(2) programming the information systems.

~~(l)~~ (m) Payments to counties and tribal agencies for case management expenditures under this section shall only be made from federal earnings from services provided under this section. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors shall include the federal earnings, the state share, and the county share.

~~(m)~~ (n) Case management services under this subdivision do not include therapy, treatment, legal, or outreach services.

~~(n)~~ (o) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

~~(o)~~ (p) Payment for case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

~~(p)~~ (q) If the recipient is receiving care in a hospital, nursing facility, or residential setting licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week, mental health targeted case management services must actively support identification of community alternatives for the recipient and discharge planning.

(r) Counties may receive payment for up to 12 15-minute units for use at case initiation and case closing to facilitate the recipient's needs assessments, individualized plan development, referrals, or case documentation without needing to meet the contact requirements specified under sections 245.4711, 245.4881, 256B.0924, 256B.094, and 256F.10.

Sec. 15. Minnesota Statutes 2024, section 256B.076, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) It is the policy of this state to ensure that individuals on medical assistance receive cost-effective and coordinated care, including efforts to address the profound effects of housing instability, food insecurity, and other social determinants of health. Therefore, subject to federal approval, medical assistance covers targeted case management services as described in this section and sections 245.4711; 245.4881; 256B.0625, subdivisions 20 to 20b; 256B.0924; 256B.094; and 256F.10.

(b) The commissioner, in collaboration with Tribes, counties, providers, and individuals served, must propose further modifications to targeted case management services to ensure a program that complies with all federal requirements, delivers services in a cost-effective and efficient manner, creates uniform expectations for targeted case management services, addresses health disparities, and promotes person- and family-centered services.

(c) The commissioner may suspend, reduce, or terminate the reimbursement to a provider that does not meet the requirements of this section or section 245.4711; 245.4881; 256B.0625, subdivisions 20 and 20b; 256B.0924; 256B.094; or 256F.10. The county of financial responsibility, as determined under chapter 256G or, if applicable, the Tribal agency, is responsible for any federal disallowances. The county or Tribal agency may share the financial responsibility with the county's or Tribal agency's contracted vendors.

Sec. 16. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision to read:

Subd. 5. **County-provided fee-for-service rate setting and reconciliation.** (a) Effective January 1 of the implementation year determined in the joint governance agreement under subdivision 6, or upon federal approval, whichever is later, the commissioner must pay targeted case management services for which counties provide the nonfederal share of money and county staff provide the services on a fee-for-service basis according to the cost-based payment methodology in this subdivision and consistent with the federal regulations related to certified public expenditures. To receive federal reimbursement for these services, a county providing eligible targeted case management services must complete a federally approved cost report in accordance with section 256.01, subdivision 2, paragraph (o).

(b) The commissioner must reimburse submitted claims based on an interim rate and must determine a final rate on a calendar-year basis following completion of a cost report reconciliation. The commissioner must notify counties of the final rate and post final rates publicly.

(c) To appeal a final rate determined by the commissioner under paragraph (b), a county must submit a written appeal request to the commissioner within 60 days after the date the commissioner issued the final rate determination. The appeal request must specify the disputed items and the name and address of the person to contact regarding the appeal.

(d) The payment methodology under this section must only be used to reimburse allowable medical assistance costs. The county of financial responsibility, as determined under chapter 256G, is responsible for any federal disallowances.

(e) Upon implementation, the commissioner must base interim rates on data from the testing period. The commissioner must base subsequent interim rates for a calendar year on the most recently completed reconciliation. The commissioner must notify counties of the interim rate by June 30 each year and post interim rates publicly. If the commissioner is unable to notify the counties by June 30, the commissioner must notify each county in writing no later than June 30 that the new interim rate is delayed and must provide an estimate of when the new interim rate will be available.

(f) Payments to counties for targeted case management expenditures under this section must be made only from federal earnings from services provided under this section.

(g) Counties must submit all claims for targeted case management services described in this section using a 15-minute unit.

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

Sec. 17. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision to read:

Subd. 6. **Testing and implementation.** The commissioners of human services and children, youth, and families; the Association of Minnesota Counties (AMC); and the Minnesota Association of County Social Service Administrators (MACSSA) must collaborate to establish a joint governance agreement. The joint governance agreement must:

(1) establish system functionality requirements to (i) meet the business needs of local agencies providing targeted case management services and (ii) comply with applicable state and federal regulations for the Social Services Information System (SSIS), SSIS's replacement, and adjacent systems and the targeted case management cost report under subdivision 5;

(2) establish a schedule for transition planning, including but not limited to fiscal impact assessment and training; and

(3) specify that the rate method established in subdivision 5 must not be implemented without both the completion of a required testing period of 12 calendar months and the express approval by the commissioners of human services and children, youth, and families; AMC; and MACSSA.

Sec. 18. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision to read:

Subd. 7. **Managed care plan units and rates for mental health targeted case management.** The commissioner must ensure that the prepaid health plans providing covered health services for eligible persons pursuant to this chapter and section 256L.03, subdivisions 1a and 1b, reimburse counties at a rate that is at least equal to the fee-for-service rate described in subdivision 5 for targeted case management services provided to Minnesota health care program (MHCP) health plan enrollees covered by medical assistance. If, for any contract year, federal approval is not received for this subdivision, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this subdivision. Contracts between managed care plans and county-based purchasing plans and providers to whom this subdivision applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this subdivision. Payment recoveries must not exceed the amount equal to any increase in rates that results from this subdivision. This subdivision expires if federal approval is not received for this subdivision at any time. This subdivision does not obligate MHCP health plans to contract with counties for the provision of targeted case management services.

Sec. 19. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision to read:

Subd. 8. **Targeted case management gap funding.** (a) For purposes of this subdivision, "unacceptable loss" means when a county's finalized amount of targeted case management federal reimbursement following the commissioner's reconciliation for a calendar year for targeted case management under subdivision 5 is less than 90 percent of the average federal reimbursement received by that county during the base calendar years determined in paragraph (c).

(b) The commissioner must pay targeted case management gap funding in the amount and time frame specified in paragraph (c) to an individual county for calendar years in which the county experiences an unacceptable loss.

(c) The base calendar years are the three calendar years immediately before the testing period of 12 calendar months determined under subdivision 6. In consultation with the county that experienced the unacceptable loss, the commissioner must make appropriate adjustments to base year amounts as needed to prevent the base amounts from being unduly influenced by onetime events, anomalies, or small changes that appear large compared to

a narrow historical base. The commissioner must not make adjustments to the eight county human services agencies that received the greatest amount of targeted case management federal reimbursement during the base calendar years. For agencies other than the eight county human services agencies that received the greatest amount, the total of all adjustments for a given calendar year must not exceed two percent of statewide federal targeted case management federal reimbursement that calendar year.

(d) The commissioner must pay targeted case management gap funding to the applicable county in an amount equaling the difference between the finalized amount of targeted case management federal reimbursement after reconciliation for that calendar year and 90 percent of the average federal reimbursement received by that county during the base calendar years, including any adjustments under paragraph (c). The commissioner must pay the county within 90 days of completing the reconciliation under subdivision 5.

(e) Targeted case management gap funding is a forecasted program under section 16A.11.

Sec. 20. Minnesota Statutes 2025 Supplement, section 256B.0924, subdivision 6, is amended to read:

Subd. 6. **Payment for targeted case management.** (a) ~~Medical assistance and MinnesotaCare payment for targeted case management shall be made on a monthly basis. In order to receive payment for an eligible adult,~~ The provider must ~~document at least one contact per month and not more than two consecutive months without a face-to-face~~ meet the contact ~~either in person or~~ requirements under section 256B.094, subdivision 6. Contact by interactive video ~~that meets~~ must meet the requirements in section 256B.0625, subdivision 20b, with the adult or the adult's legal representative, family, primary caregiver, or other relevant ~~persons~~ person identified as necessary to the development or implementation of the goals of the personal service plan.

(b) Except as provided under paragraph (m), payment for targeted case management provided by county staff under this subdivision ~~shall~~ must be based on the ~~monthly~~ rate ~~methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one combined average rate together with adult mental health case management under section 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001~~ established in section 256B.076, subdivisions 5 and 7. Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

(c) Payment for targeted case management provided by county-contracted vendors shall be based on a monthly rate calculated in accordance with section 256B.076, subdivision 2. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county, except to reimburse the county for advance funding provided by the county to the vendor.

(d) If the service is provided by a team that includes contracted vendors and county staff, the costs for county staff participation on the team shall be included in the rate for county-provided services. In this case, the contracted vendor and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, the county must document, in the recipient's file, the need for team targeted case management and a description of the different roles of the team members.

(e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for targeted case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds.

(f) The commissioner may suspend, reduce, or terminate reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal disallowances. The county may share this responsibility with its contracted vendors.

(g) The commissioner shall set aside five percent of the federal funds received under this section for use in reimbursing the state for costs of developing and implementing this section.

(h) Payments to counties for targeted case management expenditures under this section shall only be made from federal earnings from services provided under this section. Payments to contracted vendors shall include both the federal earnings and the county share.

(i) Notwithstanding section 256B.041, county payments for the cost of case management services provided by county staff shall not be made to the commissioner of management and budget. For the purposes of targeted case management services provided by county staff under this section, the centralized disbursement of payments to counties under section 256B.041 consists only of federal earnings from services provided under this section.

(j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for targeted case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(k) Payment for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(l) Any growth in targeted case management services and cost increases under this section shall be the responsibility of the counties.

(m) The commissioner may make payments for Tribes according to section 256B.0625, subdivision 34, or other relevant federally approved rate setting methodologies for vulnerable adult and developmental disability targeted case management provided by Indian health services and facilities operated by a Tribe or Tribal organization.

Sec. 21. Minnesota Statutes 2024, section 256B.094, subdivision 2, is amended to read:

Subd. 2. **Eligible services.** Services eligible for medical assistance reimbursement include:

(1) assessment of the recipient's need for case management services to gain access to available medical, social, educational, economic support, and other related services;

(2) development, completion, and regular review of a written individual service plan based on the assessment of need for case management services to ensure access to available medical, social, educational, economic support, and other related services;

(3) routine contact or other communication with the client, the client's family, primary caregiver, legal representative, substitute care provider, service providers, or other relevant persons identified as necessary to the development or implementation of the goals of the individual service plan, regarding the status of the client, the individual service plan, or the goals for the client, exclusive of transportation of the child;

(4) coordinating referrals for, and the provision of, case management services for the client with appropriate service providers, consistent with section 1902(a)(23) of the Social Security Act;

(5) coordinating and monitoring the overall service delivery to ensure quality of services;

(6) monitoring and evaluating services on a regular basis to ensure appropriateness and continued need based on the child's and family's or caregiver's current circumstances;

(7) completing and maintaining necessary documentation that supports and verifies the activities in this subdivision;

(8) traveling to conduct a visit with the client or other relevant person necessary to the development or implementation of the goals of the individual service plan; and

(9) coordinating with the medical assistance facility discharge planner in the 30-day period before the client's discharge into the community. This case management service provided to patients or residents in a medical assistance facility is limited to a maximum of two 30-day periods per calendar year.

Sec. 22. Minnesota Statutes 2024, section 256B.094, subdivision 3, is amended to read:

Subd. 3. **Coordination and provision of services.** (a) In a county or reservation where a ~~prepaid medical assistance provider~~ managed care organization (MCO) or county-based purchasing (CBP) plan has contracted under section 256B.69 to provide medical and mental health services, the case management provider shall coordinate with the ~~prepaid provider~~ MCO or CBP plan to ensure that all necessary medical and mental health services required under the contract are provided to recipients of case management services.

~~(b) When the case management provider determines that a prepaid provider is not providing mental health services as required under the contract, the case management provider shall assist the recipient to appeal the prepaid provider's denial pursuant to section 256.045, and may make other arrangements for provision of the covered services.~~

~~(c) The case management provider may bill the provider of prepaid health care services for any mental health services provided to a recipient of case management services which the county or tribal social services arranges for or provides and which are included in the prepaid provider's contract, and which were determined to be medically necessary as a result of an appeal pursuant to section 256.045. The prepaid provider must reimburse the mental health provider, at the prepaid provider's standard rate for that service, for any services delivered under this subdivision.~~

(b) Child welfare targeted case management is carved out of Minnesota health care programs managed care contracts. The case management provider must assist the recipient to ensure access to all medically necessary services listed in section 256B.0625, whether delivered on a fee-for-service basis or by a MCO or CBP plan.

~~(d)~~ (c) If the county or Tribal social services has not obtained prior authorization for this service, or an appeal results in a determination that the services were not medically necessary, the county or Tribal social services may not seek reimbursement from the prepaid provider.

Sec. 23. Minnesota Statutes 2024, section 256B.094, subdivision 6, is amended to read:

Subd. 6. **Medical assistance reimbursement of case management services.** (a) Medical assistance reimbursement for services under this section ~~shall~~ must be made ~~on a monthly basis~~ in accordance with section 256B.076. Payment is based on face-to-face contacts either in person or by interactive video, or telephone contacts between the case manager and the client, client's family, primary caregiver, legal representative, or other relevant person identified as necessary to the development or implementation of the goals of the individual service plan regarding the status of the client, the individual service plan, or the goals for the client. These contacts must meet the following requirements:

(1) there must be a face-to-face contact either in person or by interactive video that meets the requirements of section 256B.0625, subdivision 20b, at least once a month except as provided in clause (2); and

(2) for a client placed outside of the county of financial responsibility, or a client served by Tribal social services placed outside the reservation, in an excluded time facility under section 256G.02, subdivision 6, or through the Interstate Compact for the Placement of Children, section 260.93, and the placement in either case is more than 60 miles beyond the county or reservation boundaries, there must be at least one contact per month and not more than two consecutive months without a face-to-face, in-person contact.

~~(b) Except as provided under paragraph (c), the payment rate is established using time study data on activities of provider service staff and reports required under sections 245.482 and 256.01, subdivision 2, paragraph (o).~~

~~(c)~~ (b) Payments for Tribes may be made according to section 256B.0625 or other relevant federally approved rate setting methodology for child welfare targeted case management provided by Indian health services and facilities operated by a Tribe or Tribal organization.

~~(d)~~ (c) Payment for case management provided by county contracted vendors must be calculated in accordance with section 256B.076, subdivision 2. Payment for case management provided by vendors who contract with a Tribe must be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged by the vendor for the same service to other payers. ~~If the service is provided by a team of contracted vendors, the team shall~~

~~determine how to distribute the rate among its members.~~ No reimbursement received by contracted vendors shall be returned to the county or Tribal social services, except to reimburse the county or Tribal social services for advance funding provided by the county or Tribal social services to the vendor.

~~(c)~~ (d) If the service is provided by a team that includes contracted vendors and county or Tribal social services staff, the costs for county or Tribal social services staff participation in the team shall be included in the rate for county or Tribal social services provided services. In this case, the contracted vendor and the county or Tribal social services may each receive separate payment for services provided by each entity in the same month. To prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles and services of the team members.

~~Separate payment rates may be established for different groups of providers to maximize reimbursement as determined by the commissioner. The payment rate will be reviewed annually and revised periodically to be consistent with the most recent time study and other data. Payment for services will be made upon submission of a valid claim and verification of proper documentation described in subdivision 7. Federal administrative revenue earned through the time study, or under paragraph (c), shall be distributed according to earnings, to counties, reservations, or groups of counties or reservations which have the same payment rate under this subdivision, and to the group of counties or reservations which are not certified providers under section 256F.10. The commissioner shall modify the requirements set out in Minnesota Rules, parts 9550.0300 to 9550.0370, as necessary to accomplish this.~~

Sec. 24. Minnesota Statutes 2024, section 295.52, subdivision 8, is amended to read:

Subd. 8. **Contingent reduction in tax rate.** (a) By December 1 of each year, beginning in 2011, the commissioner of management and budget shall determine the projected balance in the health care access fund for the biennium.

(b) If the commissioner of management and budget determines that the projected balance in the health care access fund for the biennium reflects a ratio of revenues to expenditures and transfers greater than 125 percent, and if the actual cash balance in the fund is adequate, as determined by the commissioner of management and budget, the commissioner, in consultation with the ~~commissioner~~ commissioners of revenue and human services, shall reduce the tax rates levied under subdivisions 1, 1a, 2, 3, and 4, for the subsequent calendar year sufficient to reduce the structural balance in the fund. The rate may be reduced to the extent that the projected revenues for the biennium do not exceed 125 percent of expenditures and transfers. The new rate shall be rounded to the nearest one-tenth of one percent. The

rate reduction under this paragraph expires at the end of each calendar year and is subject to an annual redetermination by the commissioner of management and budget.

(c) For purposes of the analysis defined in paragraph (b), the commissioner of management and budget shall include projected revenues.

ARTICLE 4
PROVIDER BRIDGE REIMBURSEMENTS

Section 1. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13l. **Bridge pharmacy dispensing payment.** (a) The commissioner must provide, exclusively using state funds, a pharmacy dispensing payment of $2.25 per filled prescription to eligible outpatient retail pharmacies in Minnesota to improve and maintain access to pharmaceutical services in rural and underserved areas of the state. The pharmacy dispensing payment is in addition to any other dispensing fee paid by the commissioner to the pharmacy. Filled prescriptions eligible for a pharmacy dispensing payment under this subdivision include all prescriptions covered under medical assistance, including fee-for-service and managed care medical assistance.

(b) For purposes of this subdivision, "eligible outpatient retail pharmacy" means an outpatient retail pharmacy licensed under chapter 151 that is not owned, either directly or indirectly or through an affiliate or subsidiary, by a pharmacy benefit manager licensed under chapter 62W or a health carrier, as defined in section 62A.011, subdivision 2, and that:

(1) is located in a medically underserved area or primarily serves a medically underserved population, as defined by the United States Department of Health and Human Services Health Resources and Services Administration under United States Code, title 42, section 254; or

(2) shares common ownership with 13 or fewer Minnesota pharmacies.

(c) In order to receive the pharmacy dispensing payment, a pharmacy must submit to the commissioner a form, developed by the commissioner, attesting that the pharmacy meets the requirements under paragraph (b).

(d) The commissioner must pay the pharmacy dispensing payment to eligible outpatient retail pharmacies for eligible pharmacy claims from July 1, 2025, through June 30, 2026,

by October 1, 2026. The commissioner must pay a second payment for eligible claims from July 1, 2026, through December 31, 2026, by April 1, 2027.

(e) This subdivision expires on July 1, 2027.

Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.69, subdivision 6d, is amended to read:

Subd. 6d. **Prescription drugs.** (a) The commissioner may exclude or modify coverage for prescription drugs from the prepaid managed care contracts entered into under this section in order to increase savings to the state by collecting additional prescription drug rebates.

(b) The contracts must maintain incentives for the managed care plan to manage drug costs and utilization and may require that the managed care plans maintain an open drug formulary. In order to manage drug costs and utilization, the contracts may authorize the managed care plans to use preferred drug lists and prior authorization. The contracts must require that the managed care plans enter into contracts with the state's selected pharmacy benefit manager vendor to administer the pharmacy benefit.

(c) This subdivision is contingent on federal approval of the managed care contract changes and the collection of additional prescription drug rebates.

(d) The commissioner must require that the final reimbursement to a pharmacy from managed care and county-based purchasing plans and any pharmacy benefit managers under contract with these entities be at least a dispensing fee of $11.55 per claim for prescriptions filled with drugs meeting the definition of covered outpatient drugs. The commissioner must require the payment of a dispensing fee of at least $3.65 for drugs not meeting the definition of covered outpatient drug.

(e) In addition to the dispensing fee set forth in paragraph (d), the commissioner must require that the final reimbursement to a pharmacy from managed care and county-based purchasing plans and any pharmacy benefit managers under contract with these entities be equal to the ingredient cost for a drug as either:

(1) the lower of the National Average Drug Acquisition Cost (NADAC) or the Minnesota actual acquisition cost (MNAAC) under section 256B.0625, subdivision 13, paragraph (g);

(2) the maximum allowable cost, if a drug ingredient cost is unreported in the NADAC and the MNAAC; or

(3) the wholesale acquisition cost minus two percent, if a drug ingredient cost is unreported in the NADAC and the MNAAC and a maximum allowable cost is unavailable.

(f) The commissioner must monitor the effect of this requirement on access to pharmaceutical services in rural and underserved areas of the state. If, for any contract year, federal approval is not received for paragraphs (d) and (e), the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect removal of paragraphs (d) and (e). A contract between a managed care plan or county-based purchasing plan, or any pharmacy benefit manager under contract with one of those entities, and a provider to whom paragraphs (d) and (e) apply must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from paragraphs (d) and (e). This subdivision expires if federal approval is not received for paragraphs (d) and (e) at any time.

(g) Paragraphs (d) to (g) expire upon the effective date of a master contract under section 256B.696. The commissioner shall notify the revisor of statutes of the effective date.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 3. Minnesota Statutes 2025 Supplement, section 256B.761, is amended by adding a subdivision to read:

Subd. 5. **Psychological testing and assessment rates.** (a) Effective for services rendered on or after January 1, 2027, or on or after the date of federal approval, whichever is later, and notwithstanding other rate increases or decreases, the commissioner must pay 100 percent of the total published Medicare payment rate, as defined in Code of Federal Regulations, title 42, section 438.6, for the following services:

(1) neuropsychological assessments under section 256B.0671, subdivision 8;

(2) neuropsychological testing under section 256B.0671, subdivision 9; and

(3) psychological testing under section 256B.0671, subdivision 10.

(b) Managed care and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this subdivision. The commissioner must monitor the effect of this rate adjustment on enrollee access to mental health services. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts between managed care and county-based purchasing plans and providers to whom

this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph.

(c) This subdivision expires on the effective date of Laws 2025, First Special Session chapter 3, article 8, section 29.

Sec. 4. **REPEALER.**

(a) Minnesota Statutes 2024, section 256B.0625, subdivision 38, is repealed.

(b) Minnesota Statutes 2025 Supplement, section 256B.69, subdivision 6i, is repealed.

ARTICLE 5
CHILDREN, YOUTH, AND FAMILIES

Section 1. Minnesota Statutes 2025 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~~ must 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;

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

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

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

(6) make contracts with and grants to public and private agencies and organizations, both for-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~~ must 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~~ must work in conjunction with the commissioner of human services to carry out the duties of this paragraph when necessary and feasible.

(f) The commissioner ~~shall~~ must 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 and activities administered by the commissioner.

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

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

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

(j) The commissioner ~~shall~~ must act as designated guardian of children pursuant to chapter 260C. 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. For children in out-of-home care whose interests would be best served by a transfer of permanent legal and physical custody to a relative under section 260C.515, subdivision 4, or equivalent in Tribal code, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide permanency 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~~ must remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(k) The commissioner has 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 benefits. To carry out the experimental projects, the commissioner may waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver must provide alternative methods and procedures of administration and must not conflict with the basic purposes, coverage, or benefits provided by law. ~~No project~~ Projects under this paragraph ~~shall~~ must not exceed four years. No order establishing an experimental project as authorized by this paragraph is effective until the following conditions have been met:

(1) 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, has been approved by the Legislative Advisory Commission and filed with the commissioner of administration.

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

(m) The commissioner ~~shall allocate~~ must bear the total amount of any federal fiscal disallowances or sanctions that are 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~~, except if the federal fiscal disallowance or sanction 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 an amount equal to the portion of the total disallowance or sanction that resulted from the noncompliance. Each county ~~shall~~ responsible for knowing noncompliance must 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~~ must 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~~ must 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~~ must 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~~ must 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~~ must 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~~ must 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. The commissioner must only accept 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~~ must 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~~ must 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~~ must 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~~ must 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~~ must 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~~ must 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~~ must 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~~ must 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~~ must create and provide county and Tribal agencies with blank applications, affidavits, and other forms as necessary for public assistance programs.

(v) The commissioner ~~shall~~ must 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~~ must make a biennial report to the governor concerning the activities of the agency.

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

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

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

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

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

Sec. 2. **[142D.095] PRESCHOOL ASSESSMENT.**

(a) For programs serving children under section 142D.08, the commissioner of children, youth, and families must implement a preschool assessment of children's development in the year prior to kindergarten entry that is:

(1) aligned to the state early childhood indicators of progress and based on the criteria for an early learning assessment approved by the commissioner; and

(2) based, in part, on information collected from teachers, early learning professionals, families, and other partners.

(b) The commissioner must evaluate and approve assessment tools that meet the requirements in paragraph (a). School districts and charter schools operating a program under section 142D.08 must choose an assessment tool approved under this paragraph.

(c) The commissioner may provide technical assistance and professional development related to the assessment to educators, school districts, and charter schools.

Sec. 3. Minnesota Statutes 2024, section 142D.21, subdivision 3, is amended to read:

Subd. 3. **Requirements.** (a) As a condition of payment under this section, a program must:

(1) complete an application developed by the commissioner for each payment period for which the program applies for funding. For full-time equivalent staff who regularly care for children in the program, the application must allow required paid break time to count as qualifying hours toward a program's reporting of eligible full-time equivalent staff;

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

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

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

(ii) planned temporary closures for provider vacation and holidays during each payment period. The commissioner must establish the maximum allowed duration for vacations and holidays.

(b) A program must expend money received under this section no later than six months after the date the payment was received.

(c) A program that receives a payment under this section must comply with all requirements listed in the application. The commissioner must establish methods to determine that the application requirements have been met.

Sec. 4. Minnesota Statutes 2024, section 142F.05, is amended by adding a subdivision to read:

Subd. 5. **State share of SNAP benefit costs.** The commissioner of children, youth, and families must pay the state share of SNAP benefit costs as determined by the United States Department of Agriculture to meet the state cost share requirements under United States Code, title 7, section 2013(a)(2)(B).

Sec. 5. Minnesota Statutes 2024, section 142F.05, is amended by adding a subdivision to read:

Subd. 6. **County administrative cost share limitation.** (a) A county agency must not contribute more than 50 percent of the total administrative costs of SNAP. The commissioner must reimburse each county agency for the difference between the federal reimbursement of administrative costs and the county administrative cost share under this subdivision.

(b) SNAP administrative costs eligible for reimbursement under this subdivision are administrative costs as defined by United States Code, title 7, section 2025(a).

Sec. 6. Minnesota Statutes 2024, 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)~~ (a), 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.

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

Sec. 7. **PREPARED MEALS FOOD RELIEF GRANTS.**

Subdivision 1. **Establishment.** The commissioner of children, youth, and families must establish a prepared meals grant program to provide hunger relief to Minnesotans experiencing food insecurity and who have difficulty preparing meals due to limited mobility, disability, or limited resources.

Subd. 2. **Eligible grantees.** (a) Eligible grantees are nonprofit organizations and Minnesota Tribal governments, as defined in Minnesota Statutes, section 10.65, with a demonstrated history of providing and distributing prepared meals customized for the population that they serve, including tailoring meals to cultural, religious, and dietary needs. Eligible grantees must prepare meals in a licensed commercial kitchen and distribute meals according to ServSafe guidelines.

(b) An individual or nonprofit organization affiliated with Feeding Our Future is prohibited from receiving grant money under this section.

Subd. 3. **Application.** Applicants for grant money under this section must apply to the commissioner on the forms and in the time and manner established by the commissioner.

Subd. 4. **Allowable uses of grant money.** Eligible grantees must use grant money awarded under this section to fund a prepared meals program that primarily targets individuals 18 years of age or older and under 61 years of age, and their dependents experiencing food insecurity. Grantees must not receive funding from other state and federal meal programs for activities funded under this section.

Subd. 5. **Duties of the commissioner.** (a) The commissioner must develop a process for determining eligible grantees under this section.

(b) When awarding grants under this section, the commissioner must prioritize applicants that:

(1) have demonstrated the ability to provide prepared meals to racially, ethnically, and geographically diverse populations at greater risk for food insecurity;

(2) work with external community partners to distribute meals targeting nontraditional meal sites reaching those most in need; and

(3) have a demonstrated history of sourcing at least 50 percent of the prepared meal ingredients from:

(i) Minnesota food producers and processors; or

(ii) food that is donated or would otherwise be waste.

(c) The commissioner must consider geographic distribution to ensure statewide coverage when awarding grants and minimize the number of grantees to simplify administrative burdens and costs.

Subd. 6. **Reporting.** (a) Grantees must retain records documenting expenditure of the money and comply with any additional documentation requirements imposed by the commissioner.

(b) Grantees must report on the use of grant money received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

(c) If the commissioner determines that ineligible expenditures were made by a grantee under this section, the ineligible amount must be repaid by the grantee to the commissioner and deposited in the general fund.

Sec. 8. **REGIONAL FOOD BANK GRANTS.**

Subdivision 1. **Establishment.** The commissioner of children, youth, and families must establish regional food bank grants to increase the availability of food to individuals and families in need.

Subd. 2. **Distribution of appropriation.** The commissioner must distribute money appropriated under this section to regional food banks and Minnesota Tribal governments, as defined in Minnesota Statutes, section 10.65, using a formula based on the number of

persons in households having incomes below the federal poverty level and the number of unemployed persons in the service area of the food bank or Minnesota Tribal government.

Subd. 3. **Allowable use of money.** (a) Grant money distributed under this section must be used to purchase, transport, and coordinate the distribution of food to sites approved by the commissioner. Grant money distributed under this section may also be used to purchase personal hygiene products, including but not limited to diapers and toilet paper.

(b) Food and other allowable products purchased with grant money under this section must be available at no cost at sites approved by the commissioner.

(c) Grant money distributed under this section must not be used for the compensation of officers, directors, trustees, key employees, and highest compensated employees as reported on Internal Revenue Service Form 990.

Subd. 4. **Reporting.** (a) Food banks and Minnesota Tribal governments receiving grant money under this section must retain records documenting expenditures of the grant money and comply with any additional documentation requirements imposed by the commissioner.

(b) Food banks and Minnesota Tribal governments must report on the use of grant money received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

Subd. 5. **Ineligible expenditures.** If the commissioner determines that ineligible expenditures were made by a food bank or Minnesota Tribal government under this section, the ineligible amount must be repaid by the food bank or Tribal government to the commissioner and deposited in the general fund.

Sec. 9. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; CRISIS NURSERY LICENSING.**

The commissioner of children, youth, and families must develop a licensing framework for crisis nurseries. The framework must include pathways for organizations to become licensed crisis nurseries, a definition for crisis nurseries, background study and training requirements, and ways to reduce redundancy and resolve conflicting requirements between Minnesota Rules, parts 2960.0510 to 2960.0530, 2960.3000 to 2960.3100, and chapter 9502, and Minnesota Statutes, chapter 142B. In developing the framework, the commissioner must work with stakeholders seeking to develop a crisis nursery license. By January 15, 2028, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families licensing. The report must contain an overview of the licensing framework, a detailed explanation of

the framework, and proposed legislation to make any statutory changes that are needed to implement the new license for crisis nurseries.

ARTICLE 6
CHILD CARE CENTER LICENSING MODERNIZATION

Section 1. **[142H.01] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the terms in this section have the meanings given.

Subd. 2. **Accessible to children.** "Accessible to children" means capable of being reached or utilized by a child without the aid of an adult.

Subd. 3. **Accredited.** "Accredited" means a postsecondary institution or technical college recognized and listed in The Database of Accredited Postsecondary Institutions and Programs maintained by the United States Department of Education.

Subd. 4. **Age categories.** (a) "Infant" means a child who is at least six weeks old but less than 16 months old.

(b) "Toddler" means a child who is at least 16 months old but less than 33 months old.

(c) "Preschooler" means a child who is at least 33 months old up to school age.

(d) "School age" means a child who is at least of sufficient age to have attended the first day of kindergarten, or is eligible to enter kindergarten within the next four months, but is younger than 13 years of age. A child who becomes 13 during the school year may continue to be considered a school-age child for the remainder of the school year.

Subd. 5. **Applicant.** "Applicant" has the meaning given in section 142B.01, subdivision 4.

Subd. 6. **Arrival and departure times.** "Arrival and departure times" means the times when children typically arrive at or depart from a center. A center cannot designate more than 25 percent of licensed hours of operation as arrival and departure times. The designated arrival and departure times must be used at the beginning or end of a center's licensed hours of operation.

Subd. 7. **Building official.** "Building official" means the person appointed pursuant to section 326B.133 to administer the State Building Code or the building official's authorized representative.

Subd. 8. **Center.** "Center" means a child care program that is not excluded by section 142B.05, subdivision 2, and is not a family child care program, as defined in section 142I.01, subdivision 22.

Subd. 9. **Child.** "Child" means a person receiving child care services who falls within the age categories in subdivision 4.

Subd. 10. **Child care program.** "Child care program" means the organization or arrangement of activities, personnel, materials, and equipment in a facility to promote the physical, intellectual, social, and emotional development of a child in the absence of the parent for a period of less than 24 hours a day.

Subd. 11. **Child care program plan.** "Child care program plan" means the written document that states specific activities that will be provided by the license holder to promote the physical, intellectual, social, and emotional development of the children enrolled in the center.

Subd. 12. **Clean.** "Clean" means free from dirt or other contaminants that can be detected by sight, smell, or touch.

Subd. 13. **Commissioner.** "Commissioner" means the commissioner of children, youth, and families or the commissioner's designated representative, including county agencies and private agencies.

Subd. 14. **Day program.** "Day program" means a nonresidential child care program that operates during waking hours and does not provide overnight care.

Subd. 15. **Department.** "Department" means the Department of Children, Youth, and Families.

Subd. 16. **Direct contact.** "Direct contact" has the meaning given in section 245C.02, subdivision 11.

Subd. 17. **Disinfected.** "Disinfected" means the chemical process to kill most germs and viruses on surfaces and objects after they have been cleaned.

Subd. 18. **Drop-in child care program.** "Drop-in child care program" means a nonresidential program of child care in which children participate on a onetime only or occasional basis up to a maximum of 90 hours per child, per month.

Subd. 19. **Experience.** "Experience" means paid or unpaid employment:

(1) caring for children as a teacher, assistant teacher, aide, or student intern:

(i) in a licensed child care center, a licensed family child care program, or a Tribally licensed child care program in any United States state or territory; or

(ii) in a public or nonpublic school;

(2) caring for children as a staff person or unsupervised volunteer in a certified license-exempt child care center under chapter 142C; or

(3) providing direct contact services in a home or residential facility serving children with disabilities that requires a background study under section 245C.03.

Subd. 20. **Facility.** "Facility" means the indoor and outdoor space where a child care program is provided.

Subd. 21. **Fire marshal.** "Fire marshal" means the person designated by section 299F.011 to administer and enforce the State Fire Code or the fire marshal's authorized representative.

Subd. 22. **Health care provider.** "Health care provider" means a physician or physician's assistant licensed to practice medicine under chapter 147 or an advanced practice registered nurse licensed under chapter 148.

Subd. 23. **Health consultant.** "Health consultant" means a registered nurse, a public health nurse, or a health care provider as defined in subdivision 22 who performs health consultation services for a child care center pursuant to section 142H.29, subdivision 2.

Subd. 24. **Inaccessible to children.** "Inaccessible to children" means not capable of being reached or utilized by a child without the aid of an adult.

Subd. 25. **License.** "License" has the meaning given in section 142B.01, subdivision 16.

Subd. 26. **License holder.** "License holder" has the meaning given in section 142B.01, subdivision 17.

Subd. 27. **Licensed capacity.** "Licensed capacity" means the maximum number of children permitted at any one time in the program for which the license holder is licensed to operate.

Subd. 28. **Medication.** "Medication" means any substance or preparation that is used to prevent or treat a wound, injury, infection, and disease; maintain health; heal; or relieve pain. This includes medication that is over the counter, or prescribed by a physician, physician assistant, dentist, or advance practice registered nurse certified to prescribe medication, and permitted by the parent for administration or application. This term applies to medication taken internally or applied externally.

Subd. 29. **Night care program.** "Night care program" means a nonresidential child care program that provides overnight care to children during sleeping hours, approximately 11:00 p.m. to 5:00 a.m. Night care programs are subject to the requirements in section 142H.16.

Subd. 30. **Parent.** "Parent" means the person or persons who has the legal responsibility for a child such as the child's mother, father, or legally appointed guardian.

Subd. 31. **Program staff person.** "Program staff person" means an employee of the child care center who carries out the child care program plan and has direct contact with children. This includes unsupervised volunteers and substitutes.

Subd. 32. **Sick care program.** "Sick care program" means a nonresidential child care program that exclusively cares for sick children. Sick care programs are subject to the requirements in section 142H.19.

Subd. 33. **Staff supervision.** "Staff supervision" means responsibility to hire, train, assign duties, and direct staff in day-to-day activities and evaluate staff performance. A "supervisor" is a person with staff supervision responsibility.

Subd. 34. **State Building Code.** "State Building Code" means the codes and regulations adopted by the commissioner of the administration according to section 326B.101, and contained in Minnesota Rules, chapter 1300.

Subd. 35. **State Fire Code.** "State Fire Code" means the codes and regulations adopted by the state fire marshal pursuant to section 299F.011, and contained in Minnesota Rules, chapter 7511.

Subd. 36. **Student intern.** "Student intern" means a student of a postsecondary institution assigned by that institution for a supervised experience with children. The experience must be in a licensed center, an elementary school operated by the commissioner of education or a legally constituted local school board, or a private school approved under rules administered by the commissioner of education. Student intern includes a person who is practice teaching, student teaching, or carrying out a practicum or internship.

Subd. 37. **Substitute.** "Substitute" means a person who is temporarily filling a position as a director, teacher, assistant teacher, or aide in a licensed child care center for less than 500 hours total in a calendar year due to the absence of a regularly employed program staff person.

Subd. 38. **Supervision of children.** "Supervision of children" means when a program staff person:

(1) is accountable for the child's care;

(2) is able to intervene to protect the health and safety of the child; and

(3) is within sight and hearing of the child at all times, except as described in section 142H.24, subdivision 1.

Subd. 39. **Variance.** "Variance" means written permission by the commissioner for a license holder or applicant to depart from the provisions of a requirement in this chapter pursuant to section 142B.10, subdivision 16.

Subd. 40. **Volunteer.** (a) "Volunteer" means an individual who assists in the care of a child and is not employed by the child care center.

(b) "Supervised volunteer" means a volunteer who may only have direct contact with children when a program staff person is able to intervene to protect the health and safety of children.

(c) "Unsupervised volunteer" means a volunteer who may have direct contact with children without a program staff person present, must receive the training required under section 142H.08, and may be counted in the staff-to-child ratios under section 142H.10.

Sec. 2. **[142H.02] APPLICABILITY AND LICENSING PROCESS.**

(a) No child care center may operate in Minnesota without a license pursuant to this chapter and chapter 142B. An applicant for a license and the license holder is governed by, and must comply with, the general requirements in this chapter and chapters 142B, 245C, and 260E.

(b) The department may grant variances to the requirements in this chapter if the conditions in section 142B.10, subdivision 16, are met.

Sec. 3. **[142H.03] OPERATING OPTIONS.**

A license holder must operate a day program, drop-in child care program, night care program, sick child care program, or a combination of two or more kinds of programs.

Sec. 4. **[142H.04] POLICIES AND PROCEDURES FOR PROGRAM ADMINISTRATION.**

(a) The license holder must maintain and enforce program policies and procedures necessary to comply with licensing requirements under Minnesota Statutes and Minnesota Rules.

(b) The license holder must:

(1) provide training to employees and volunteers related to their duties in implementing the program's policies and procedures developed under paragraph (a);

(2) document the provision of this training; and

(3) monitor implementation of policies and procedures by employees and volunteers.

(c) The license holder must keep program policies and procedures readily accessible to employees and volunteers and index the policies and procedures with a table of contents or another method approved by the commissioner.

Sec. 5. **[142H.05] DIRECTORS.**

Subdivision 1. **General requirements for a director.** (a) A center must have a director who is responsible for overseeing implementation of written policies relating to the management and control of the daily activities of the program, ensuring the health and safety of program participants, and supervising staff and volunteers.

(b) A director must:

(1) be at least 21 years old;

(2) be a graduate of a high school or hold an equivalent diploma attained through successful completion of the commissioner of education-selected high school equivalency test pursuant to section 124D.549;

(3) have at least 1,040 hours of paid or unpaid staff supervision experience; and

(4) have at least 12 semester credits in accredited coursework in postsecondary child development education, supervision, management, administration, or leadership or 120 hours of training earned in the topics of child development, supervision, management, administration, or leadership.

(c) Paragraph (b), clauses (3) and (4), are satisfied if an individual has completed a Minnesota Association for the Education of Young Children early childhood director's credential; Child Care Aware Minnesota director's credential; Montessori administrator credential; or diploma issued by the American Montessori Society, Association Montessori International, or an institution accredited by the Montessori Accreditation Council for Teacher Education.

Subd. 2. **Director or designee on site.** (a) The director or a designee must be on site while the center is in operation.

(b) Any program staff person who is at least 18 years old may serve as the designee. The designee does not have to meet the director qualifications in subdivision 1 but must be aware of the designation and be able to perform the responsibilities.

Subd. 3. **Director functioning as a teacher.** Notwithstanding section 142H.06, a director may be used as a teacher in any classroom as needed.

Subd. 4. **Incumbent director recognition.** Notwithstanding subdivision 1, an individual who is designated as the director of a licensed child care center on July 1, 2027, meets the director qualification requirements of this section as long as the individual continues to work at the program.

Sec. 6. **[142H.06] TEACHERS.**

Subdivision 1. **Teacher general qualifications.** A teacher must:

(1) be at least 18 years old; and

(2) be a graduate of a high school or hold an equivalent diploma attained through successful completion of the commissioner of education-selected high school equivalency test pursuant to section 124D.549.

Subd. 2. **Teacher education and experience requirements.** In addition to the general requirements in subdivision 1, a teacher must have at least one of:

(1) 12 postsecondary semester credits and 480 hours of experience;

(2) 100 hours of commissioner-approved training within the previous five years and 480 hours of experience. After initial qualification, a teacher qualified under this clause must fulfill at least 50 percent of in-service training requirements under section 142H.09, subdivision 10, with commissioner-approved trainings;

(3) a credential or diploma from the American Montessori Society, Association Montessori International, or an institution accredited by the Montessori Accreditation Council for Teacher Education;

(4) an accredited certificate in child development or early childhood education from a postsecondary institution;

(5) an accredited diploma, associate's degree, or bachelor's degree in child development or early childhood education from a postsecondary institution; or

(6) a Child Development Associate (CDA) credential;

Sec. 7. **[142H.07] ASSISTANT TEACHERS.**

Subdivision 1. **Assistant teacher general qualifications.** An assistant teacher must work under the supervision of a teacher and be:

(1) at least 18 years old; and

(2) a graduate of a high school or hold an equivalent diploma attained through successful completion of the commissioner of education-selected high school equivalency test.

Subd. 2. **Assistant teacher education and experience requirements.** In addition to the general requirements in subdivision 1, an assistant teacher must have at least one of:

(1) at least six postsecondary semester credits;

(2) at least 50 hours of commissioner-approved training within the previous five years. After initial qualification, an assistant teacher qualified under this clause must fulfill at least 50 percent of in-service training requirements under section 142H.09, subdivision 10, with commissioner-approved trainings; or

(3) at least 160 hours of experience and be making progress toward any of the teacher qualifications in section 142H.06, subdivision 2, clauses (3) to (6). An assistant teacher qualified under this clause must be able to provide:

(i) documentation of current enrollment; and

(ii) evidence of working toward the successful completion of the credential.

Sec. 8. **[142H.08] AIDES, VOLUNTEERS, AND SUBSTITUTES.**

Subdivision 1. **Aide qualifications.** (a) An aide must work under the supervision of a teacher or assistant teacher, except when performing the tasks in paragraph (b). An aide must be used pursuant to the staff distribution requirements in section 142H.10, subdivision 2.

(b) An aide may work without being supervised by a teacher or assistant teacher when they are assisting with the supervision of sleeping children; assisting children with washing, toileting, and diapering; or accompanying children to and from the bus stop.

(c) An aide must be at least 16 years old.

Subd. 2. **Volunteers.** (a) A volunteer may work as a teacher, assistant teacher, aide, or substitute if the volunteer meets the requirements of that position.

(b) The license holder must maintain a list of all volunteers with relevant information, including first and last name, whether the volunteer must be supervised at all times or may occasionally be unsupervised, and the first date of direct contact with children.

(c) Unsupervised volunteers must successfully complete training as required in section 142H.09.

(d) Supervised volunteers must successfully complete the training required in section 142H.09, subdivision 7.

Subd. 3. **Substitutes.** (a) A substitute must either meet the requirements for the assigned staff position or be designated as an unqualified substitute by the director or the director designee. A director or director designee can designate a substitute as unqualified if:

(1) a teacher is continuously on site, except as provided in section 142H.10, subdivision 2, paragraph (e);

(2) when substituting as a teacher or assistant teacher, the unqualified substitute is aware of the unqualified substitute's designated staffing position; and

(3) the unqualified substitute is at least 18 years of age.

(b) All substitutes must successfully complete the required training under section 142H.09.

Subd. 4. **Tracking unqualified substitute hours.** (a) The license holder must document the use of unqualified substitute hours on the day the unqualified substitute works.

(b) In a calendar year, a license holder must not use unqualified substitutes more than 60 hours multiplied by the number of the center's classrooms.

(c) A license holder must maintain a log of the use of unqualified substitutes in the center administrative record for review by the commissioner. The log must be on a form prescribed by the commissioner.

Sec. 9. **[142H.09] STAFF ORIENTATION AND TRAINING.**

Subdivision 1. **Orientation training.** (a) Program staff persons must complete orientation training before providing direct contact services to a child.

(b) The orientation training must include the following topics:

(1) abusive head trauma for staff working with a child under school age pursuant to subdivision 8;

(2) the center's policy on administration of medication pursuant to section 142H.29, subdivision 5;

(3) the center's policy on allergy prevention and response pursuant to section 142H.15, subdivision 5;

(4) the center's policy on behavior guidance pursuant to section 142H.13;

(5) child passenger restraint systems pursuant to subdivision 9;

(6) the center's child care program plan pursuant to section 142H.11;

(7) the center's policy on cleaning, sanitizing, and disinfecting pursuant to section 142H.31;

(8) the center's emergency preparedness plan and procedures pursuant to section 142H.23, subdivision 1;

(9) procedures for the handling and disposal of bodily fluids pursuant to section 142H.29, subdivision 10;

(10) the center's emergency and accident policies pursuant to section 142H.23, subdivision 2;

(11) the center's health policies pursuant to section 142H.29;

(12) individual child care program plan or plans pursuant to section 142H.15, if applicable;

(13) job responsibilities specific to the individual's position at the center;

(14) prevention and control of infectious diseases pursuant to section 142H.18;

(15) the center's policy on research, cameras, and social media participation procedures pursuant to section 142H.22;

(16) the center's policy on the use of alcohol, drugs, and tobacco products pursuant to section 142B.10, subdivision 1, paragraph (c);

(17) recognition and reporting of maltreatment, abuse and neglect pursuant to chapter 260E;

(18) the center's risk reduction plan pursuant to section 142H.24;

(19) reduction of risk of sudden unexpected infant death pursuant to the requirements of subdivision 7 and section 142B.46; and

(20) transportation and field trip safety procedures pursuant to section 142H.33.

(c) Training for orientation may be used to meet in-service training requirements.

Subd. 2. **Child care basics training.** (a) Any program staff person hired after July 1, 2027, must complete child care licensing basics training no more than 90 days after the first date of direct contact with a child, unless the person has completed the training within the previous two years.

(b) Child care basics training covers information on effectively working in a child care center setting in Minnesota. Child care basics training must be developed and updated by the commissioner. Child care basics training may be used to meet in-service training requirements.

Subd. 3. **Child development and learning training.** (a) Program staff persons must complete at least two hours of child development and learning training within 90 days after the first date of direct contact with a child and every two calendar years thereafter. For the purposes of this subdivision, "child development and learning training" means any training in understanding how children develop physically, cognitively, emotionally, and socially and learn as part of the children's family, culture, and community.

(b) An individual is exempt from this subdivision if the individual:

(1) has taken a three-credit college course on early childhood development within the past five years;

(2) has received a bachelor's or master's degree in early childhood education or school-age child care within the past five years;

(3) is licensed in Minnesota as a prekindergarten teacher, an early childhood educator, a kindergarten to sixth grade teacher with a prekindergarten specialty, an early childhood special education teacher, or an elementary teacher with a kindergarten endorsement; or

(4) has received a Montessori certificate or diploma issued by American Montessori Society, Association Montessori International, or an institution accredited by the Montessori Accreditation Council for Teacher Education within the past five years.

Subd. 4. **Pediatric first aid.** (a) Before direct contact with a child, a program staff person must satisfactorily complete pediatric first aid. Pediatric first aid training completed within the previous two calendar years meets this requirement.

(b) Notwithstanding paragraph (a), a program staff person who has yet to complete initial pediatric first aid training may provide direct contact services within 90 days after the first date of direct contact with a child while under the continuous direct supervision of an individual who has met the pediatric first aid training requirements of this subdivision. For

purposes of this paragraph, "continuous direct supervision" means the program staff person is within sight or hearing of the program's supervising individual and the program's supervising individual is capable at all times of intervening to protect the health and safety of the children served by the program.

(c) The first aid training must have been provided by an individual approved to provide pediatric first aid instruction.

(d) A program staff person must complete training in pediatric first aid every two calendar years. Documentation of the training must be maintained at the center.

(e) Online training reviewed and approved by the commissioner satisfies the training requirement of this subdivision.

(f) Pediatric first aid training in this subdivision must not be used to meet in-service training requirements under subdivision 10.

Subd. 5. **Pediatric cardiopulmonary resuscitation.** (a) Before direct contact with a child, a program staff person must satisfactorily complete pediatric cardiopulmonary resuscitation (CPR) training, including CPR techniques for infants and children and the treatment of obstructed airways. Pediatric CPR training completed within the previous two calendar years meets this requirement.

(b) Notwithstanding paragraph (a), a program staff person who has yet to complete initial pediatric CPR training may provide direct contact services within 90 days after the first date of direct contact with a child, if they are under the continuous direct supervision of an individual who has met pediatric CPR training requirements under this subdivision. For the purposes of this paragraph, "continuous direct supervision" means the individual is within sight or hearing of the program's supervising individual to the extent that the program's supervising individual is capable at all times of intervening to protect the health and safety of the children served by the program.

(c) A program staff person must complete training in pediatric CPR every two calendar years. A center must maintain documentation of the trainings on site.

(d) A pediatric CPR training under this subdivision must incorporate a hands-on skill session to support the instruction and have been developed:

(1) by the American Heart Association or the American Red Cross; or

(2) using nationally recognized, evidence-based guidelines for pediatric CPR training.

(e) Pediatric CPR training must not be used to meet in-service training requirements under subdivision 10.

Subd. 6. **Sudden unexpected infant death training.** (a) Before direct contact with infants, program staff persons and volunteers must receive training on the standards under section 142B.46 and on reducing the risk of sudden unexpected infant death during orientation and each calendar year thereafter.

(b) Sudden unexpected infant death reduction training required under this subdivision must be at least one-half hour in length and include at minimum the infant sleep standards under section 142B.46, the risk factors related to sudden unexpected infant death, methods of reducing the risk of sudden unexpected infant death in child care, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death.

(c) Training taken under this subdivision may be used to meet the in-service training requirements under subdivision 10.

Subd. 7. **Abusive head trauma training.** (a) Before direct contact with children under school age, a program staff person must receive training on the risk of abusive head trauma during orientation and each calendar year thereafter.

(b) Abusive head trauma training under this subdivision must be at least one-half hour in length and include at minimum the risk factors related to shaking infants and young children, methods of reducing the risk of abusive head trauma in child care, and license holder communication with parents regarding reducing the risk of abusive head trauma.

(c) training taken under this subdivision may be used to meet the in-service training requirements under subdivision 10.

Subd. 8. **Child passenger restraint systems; training requirement.** (a) Before a license holder transports a child or children under age nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles.

(b) Training required under this subdivision must be repeated at least once every five years and include at minimum the proper use of child restraint systems based on the size, weight, and age of the child 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.

(c) Training required under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety.

(d) Training completed under this subdivision may be used to meet in-service training requirements under subdivision 10. Staff training completed within the previous five years is transferable upon change in employment to another child care center.

Subd. 9. **In-service training requirements.** (a) A license holder must ensure that program staff persons complete in-service training.

(b) In-service training completed within the past 12 months by a program staff person that is not specific to a child care center is transferable upon the program staff person's change in employment to another child care program. The program staff person must provide documentation of the completed training to the new child care program.

(c) All program staff persons, except substitutes and unsupervised volunteers, who work more than 20 hours per week must complete at least 20 hours of in-service training each calendar year.

(d) All program staff persons, except substitutes and unsupervised volunteers, who work 20 hours or less per week must complete at least ten hours of in-service training each calendar year.

(e) Substitutes and unsupervised volunteers must complete a minimum of two hours of training each calendar year and the training must include the topics identified under subdivision 11.

(f) The number of in-service training hours may be prorated for center directors and program staff persons not employed for an entire year.

(g) Pediatric first aid and pediatric CPR training must not be used to meet in-service training requirements.

Subd. 10. **In-service content.** (a) Each calendar year, in-service training must include the following:

(1) abusive head trauma training of at least one-half hour duration for individuals working with a child under school age pursuant to subdivision 8;

(2) the center policies and procedures for maintaining health and safety, including:

(i) allergy prevention and response training pursuant to section 142H.15, subdivision 5;

(ii) emergency preparedness and procedures pursuant to section 142H.23, subdivision 1;

(iii) handling emergencies, accidents, incidents, and injuries pursuant to section 142H.23, subdivision 2; and

(iv) handling and disposal of bodily fluids pursuant to section 142H.29, subdivision 10;

(3) maltreatment, abuse, and neglect reporting pursuant to chapter 260E;

(4) reduction of risk of sudden unexpected infant death training of at least one-half hour duration for individuals working with infants pursuant to the requirements of subdivision 7 and section 142B.46;

(5) a risk reduction plan pursuant to section 142H.24;

(6) the center policies and procedures on behavior guidance pursuant to section 142H.13; and

(7) the center policies and procedures on supervision pursuant to section 142H.24.

(b) At least once every two calendar years, in-service training must include the following:

(1) child development and learning pursuant to subdivision 4;

(2) at least one hour on cultural awareness and inclusion;

(3) pediatric first aid that meets the requirements of subdivision 5;

(4) pediatric cardiopulmonary resuscitation training that meets the requirements of subdivision 5; and

(5) at least one hour on identifying and supporting children with special needs.

(c) At least once every five calendar years, training must include child passenger restraint systems pursuant to subdivision 9, if applicable.

(d) The remaining hours of the in-service training requirement must be met by completing training in the Minnesota knowledge and competency framework areas.

Subd. 11. **Documentation required.** (a) The license holder must document completed training for program staff persons in a manner prescribed by the commissioner.

(b) For pediatric first aid and CPR trainings, the license holder must maintain copies of training cards or certificates issued by the training organization.

Sec. 10. **[142H.10] STAFF RATIOS, GROUP SIZE, AND STAFF DISTRIBUTION.**

Subdivision 1. **Staff-to-child ratios and maximum group size.** (a) Except as provided in this subdivision and section 142H.12 regarding naps and rest, the minimally acceptable staff-to-child ratios and the maximum group size within each age category are:

Age Category	Staff-to-Child Ratio	Maximum Group Size
Infant	1:4	8

Toddler	1:7	14
Preschooler	1:10	20
School-age child	1:15	30

(b) Except for groups that include an infant, the staff-to-child ratio may be doubled for no more than two hours during nap time. During the nap time, there must be enough program staff persons in the facility to meet staff-to-child ratio and staff distribution requirements under paragraph (a) and subdivision 2 for the groups in case of an emergency. The program must return to following the staff-to-child ratios and staff distribution requirements under paragraph (a) and subdivision 2 when the number of awake children exceeds the number of children who could be supervised by one program staff person under subdivision 1.

(c) The maximum group size applies at all times except during meals, outdoor activities, field trips, naps and rest, and special activities at the center such as guest speakers and holiday programs.

Subd. 2. **Staff distribution.** (a) The license holder must ensure that the following requirements for staff distribution are met and a documented staff schedule is kept in the administrative record.

(b) Except as provided in paragraphs (d) and (e), staff distribution within each age category must be as follows:

(1) the first staff member needed to meet the required staff child ratio must be a teacher;

(2) the second staff member must have at least the qualifications of an aide;

(3) the third staff member must have at least the qualifications of an assistant teacher; and

(4) the fourth staff member must have at least the qualifications of an aide.

(c) Only a program staff person can be included in meeting the staff-to-child ratios in this section.

(d) An aide must not work alone with a child unless the aide is performing certain duties as specified in section 142H.08, subdivision 1, paragraph (b).

(e) An assistant teacher or an aide may be substituted for a teacher during arrival and departure times if the total arrival and departure time does not exceed 25 percent of the center's daily hours of operation. For an aide to be substituted for a teacher under this subdivision, the aide must:

(1) be 18 years of age or older;

(2) have been employed by the child care center for a minimum of 30 days; and

(3) have completed the training required under section 142H.09, including orientation and the training required within the first 90 days of the first date of direct contact with a child.

(f) A volunteer who is included in the staff-to-child ratio must meet the requirements for the assigned staff position in sections 142H.06 to 142H.08.

(g) The pattern in paragraph (e) must be repeated until the number of staff needed to meet the staff-to-child ratio for each age category has been achieved.

Subd. 3. **Age category grouping.** (a) Each center must specify arrival and departure times of the day in their program's policies. Children in different age categories may be grouped according to paragraphs (b) and (c).

(b) During arrival and departure times, children in different age categories may be grouped together if:

(1) the staff-to-child ratio, group size, and staff distribution applied are for the age category of the youngest child present; and

(2) the group is divided when the number of children present reaches the maximum group size of the youngest child present.

(c) Outside of arrival and departure times, children in different age categories may be mixed within a group if:

(1) infants are not grouped with children of other age categories;

(2) there is no more than a 36-month range in age among children in a group, unless all children in the group are school age; and

(3) the staff-to-child ratios, group size, and staff distribution applied are for the youngest child present.

Subd. 4. **Age designation.** (a) Except as provided in this subdivision, a child must be designated as a member of the age category that is consistent with the date of birth of the child.

(b) A child with special health care needs must be included in the group that best meets the child's developmental needs, best interest of the child, and in accordance with the individual child care program plan for the child.

(c) A child may be designated as an "infant" up to the age of 18 months if the parent, teacher, and director determine that such a designation is in the best interest of the child. The center must document the determination and designation in the file of the child.

(d) A child may be designated as a "toddler" up to the age of 35 months if the parent, teacher, and director determine that the designation is in the best interest of the child. The center must document the determination and designation in the file of the child.

(e) A child may be designated as a "preschooler" at the age of 31 months if the parent, teacher, and director determine that the designation is in the best interest of the child. The center must document the determination and designation in the file of the child.

(f) When a child is transitioning age groups pursuant to subdivision 5 and with the child's new class, the child must be designated as if the child has already aged into the class.

Subd. 5. **Transitioning children.** (a) Transitions to the next age group may occur up to two weeks prior to the child aging into the next age group. The transition must be planned in advance based on the child's readiness and in consultation with parents and program staff.

(b) A center must develop a written policy on transitioning children to the next age group.

Sec. 11. **[142H.11] CHILD CARE PROGRAM PLAN AND ACTIVITIES.**

Subdivision 1. **General requirements.** The child care program plan must:

(1) include a statement mandating that children are supervised at all times as defined in section 142H.01, subdivision 38, and pursuant to the requirements of section 142H.24, subdivision 1;

(2) specify the age categories and number of children to be served by the program;

(3) specify the days and hours of operation of the program;

(4) describe the general educational methods to be used by the program and the religious, political, or philosophical basis, if any;

(5) be developed and evaluated in writing each calendar year by a program staff person qualified as a teacher or director under sections 142H.05 and 142H.06. Documentation of the evaluation, the date of the evaluation, and the signature of the teacher or director completing the evaluation must be maintained in the center administrative records;

(6) specify planned activities designed to support and nurture the whole child in all areas of the development and learning of the child, including but not limited to the following:

intellectual, social, emotional, and physical development. The activities must be in a manner consistent with the cultural and ethnic backgrounds of a child, as feasible;

(7) specify that the intellectual, social, emotional, and physical development of each child be documented in the record of the child and conveyed to the parent during the conferences specified under section 142H.20, subdivision 2;

(8) include a daily schedule of planned indoor and outdoor activities for each age category served;

(9) specify activities that are quiet, active, teacher directed, and child initiated;

(10) specify a variety of activities that require the use of varied equipment and materials;

(11) include a schedule if equipment is rotated between groups of children;

(12) describe use of technology and screen time for each age category; and

(13) be available to a parent for review upon request.

Subd. 2. **Outdoor activities.** (a) Child care activities must promote the physical, intellectual, social, and emotional development of the child. To facilitate child development, programs must include daily outdoor activities when weather conditions allow, as defined in this subdivision.

(b) The applicant must develop a written outdoor weather and activity policy. The license holder must ensure that the policies and procedures are carried out. The policies and procedures must incorporate guidance from national, state, or local authorities in public health and at a minimum require the provider to consider the following conditions when determining if outdoor play poses a health and safety risk:

(1) heat in excess of 100 degrees Fahrenheit accounting for heat index, or pursuant to advice of the local authority;

(2) cold less than 15 degrees Fahrenheit accounting for wind chill, or pursuant to advice of the local authority;

(3) extreme weather, including but not limited to a lightning storm, blizzard, tornado, or flooding;

(4) an air quality emergency order by a local or state authority on air quality or public health; or

(5) a lockdown notification ordered by a public safety authority.

(c) The center's outdoor weather and activity policy must specify, if children are to go outside beyond the temperature range specified in paragraph (b), clauses (1) and (2), what procedures will be used to keep the children safe, including but not limited to ensuring children have appropriate clothing, providing frequent indoor breaks, or matching the intensity of the activity level to the weather conditions.

(d) For toddlers, preschool, and school-age children attending four or more hours per day, the license holder must provide at least one opportunity for outdoor activity per day pursuant to paragraph (b).

(e) For infants attending four or more hours per day, the license holder must provide at least one opportunity for outdoor activity per day as practicable, pursuant to paragraph (b) and the individual needs of the infants in care.

(f) Programs operating three or fewer hours per day are exempt from the daily outdoor activity requirement.

(g) If the weather is not suitable for outdoor activities, the program must provide indoor gross motor play activities that support physical development.

Sec. 12. **[142H.12] NAPS AND REST.**

Subdivision 1. **Naps and rest policy.** An applicant must develop and a license holder must implement a policy for naps and rest that is consistent with the developmental level of the children enrolled in the center. The policy must include but is not limited to the requirements in this section, as applicable.

Subd. 2. **Parent consultation.** The parent of each child must be informed at the time the child is enrolled of the center's policy on naps and rest and be offered the opportunity to provide information specific to their child.

Subd. 3. **General nap and rest requirements.** (a) The child care center must provide a quiet space for children to nap and rest.

(b) Nap and rest time must be in accordance with the developmental needs of the child.

(c) Nap and rest areas must be lighted to allow for visual supervision of all children at all times.

(d) Evacuation routes must not be blocked by resting or napping children. Each child must have a free and direct means of escape, and the staff must have a clear path to each resting child, including full access to at least one long side of a crib, cot, or mat.

(e) A crib that meets the safety requirements of section 142B.45 must be provided for each infant for whom the center is licensed to provide care.

(f) The license holder must follow the infant safe sleep requirements under section 142B.46.

(g) Cribs, cots, and mats must be placed directly on the floor and must not be stacked when in use.

Subd. 4. **Monitoring napping infants.** (a) An infant must be supervised as defined in section 142H.01, subdivision 38, and pursuant to section 142H.24, subdivision 1, paragraph (b).

(b) Staff must conduct in-person checks of the sleeping infant every 15 minutes.

(c) When a baby monitor or other mechanical equipment is used to hear or see infants during sleep, the monitoring equipment must be:

(1) able to pick up the sounds of all infants in the separate room;

(2) actively monitored by program staff at all times; and

(3) checked daily prior to use to ensure it is working correctly. If equipment is malfunctioning, a program staff person must put in place an alternate means of supervision until the equipment can be fixed.

Subd. 5. **Confinement limitation.** A child who has completed a nap or rested quietly for 30 minutes must not be required to remain on a cot, mat, or in a crib. Any child who does not fall asleep during a designated nap time must have the opportunity to engage in quiet activities.

Subd. 6. **Bedding and sleeping equipment.** Separate bedding must be provided and stored separately for each child in care.

Sec. 13. **[142H.13] BEHAVIOR GUIDANCE.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Behavior guidance" means an ongoing process where a program staff person offers constructive, positive, and developmentally appropriate guidance to a child to help manage the child's behavior in a socially acceptable manner.

(c) "Persistent unacceptable behavior" means when a child:

(1) exhibits behaviors that present a serious safety risk for the child or others and the program is not able to reduce or eliminate the safety concern; or

(2) significantly disrupts the learning environment and requires an increased amount of staff guidance and time to address the child's behavior. Significantly disruptive behavior may include physical aggression, verbal threats, or repetitive behaviors that have been addressed through standard behavior guidance techniques without improvement.

(d) "Redirection" means a positive guidance technique where a program staff person intervenes and guides a child away from potential problems toward constructive activity or talks with a child to help the child calm down and self-regulate.

(e) "Separation" means a form of behavior guidance that involves interruption of unacceptable behavior by the removal of a child from a situation with the intention of allowing the child an opportunity to pause and gain self-control. During a separation a child is isolated from participating in activities with other children. Separation of children must be done pursuant to subdivision 7.

Subd. 2. **Behavior guidance policies and procedures.** The applicant must develop written behavior guidance policies and procedures approved by the commissioner. The license holder must ensure that the policies and procedures are carried out. The policies and procedures must include:

(1) methods of promoting positive behavior as specified under subdivision 3;

(2) prohibited actions as specified under subdivision 4;

(3) addressing persistent unacceptable behavior as specified under subdivision 6; and

(4) separation from the group as specified in subdivision 7.

Subd. 3. **Methods of promoting positive behavior.** A license holder must promote positive behavior by:

(1) ensuring that each child is provided with a positive model of acceptable behavior;

(2) tailoring methods of promoting positive behavior to the developmental level of the children the center is licensed to serve;

(3) ensuring redirection is used, as appropriate in addressing the behavior of a child, to guide a child away from potential problems and toward constructive activity or to talk with a child to help them calm down and self-regulate;

(4) teaching children how to use acceptable alternatives to problem behavior to reduce conflict;

(5) protecting the safety and well-being of children, employees, and volunteers; and

(6) providing immediate and directly related consequences for the unacceptable behavior of a child.

Subd. 4. **Prohibited actions.** A license holder must prohibit the following actions by or at the direction of employees or volunteers:

(1) subjecting a child to corporal or physical punishment, including but not limited to rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, spitting, hitting, or spanking;

(2) subjecting a child to name calling, ostracism, shaming, derogatory remarks about the child or the child's family, cultural or racial slurs, yelling, or profane language that threatens, humiliates, or frightens the child;

(3) forcing a child to maintain an uncomfortable position or to continuously repeat physical movements;

(4) utilizing group punishments for the behavior of an individual child;

(5) separation of a child from the group except as provided in subdivision 7;

(6) punishment for not resting, napping, or sleeping; toileting accidents; failing to eat all or part of meals or snacks; or failing to complete an activity;

(7) denial of food or drink or forcing food or drink upon a child;

(8) denial of light, warmth, clothing, or medical care as a punishment for unacceptable behavior;

(9) the use of physical restraint other than to physically hold a child when containment is necessary to protect the child or others from harm;

(10) the use of mechanical restraints, including tying a child up, or any device or equipment intended to restrict or prevent movement as a means of discipline or for reasons unrelated to the child's care, safety, or planned activity;

(11) the use of prone or contraindicated restraints as prohibited in section 245A.211;

(12) the use of any substance given to a child to subdue or restrict movement or behavior;

(13) discipline and punishment must not be delegated to another child; and

(14) punishing or shaming a child for the actions of a parent, including but not limited to failure to pay fees, failure to provide appropriate clothing, failure to provide materials for an activity, or any conflict between the license holder or staff and the parent.

Subd. 5. **Additional provisions.** (a) When providing services to a child with a developmental disability or related condition, the license holder must follow section 142B.63.

(b) A program that cares for a child with a developmental disability or related condition must comply with the individual child care program plan requirements under section 142H.15.

Subd. 6. **Persistent unacceptable behavior.** (a) A program staff person who observes persistent unacceptable behavior must document the behavior of the child and staff response to the behavior, including:

(1) information on where the child was, what activity the child was doing, and the employees or volunteers present when the incident occurred; and

(2) staff actions, including the positive guidance techniques that were tried.

(b) When persistent unacceptable behavior as defined in subdivision 1, paragraph (c), occurs, a behavior plan must be developed to address the behavior documented in paragraph (a) in consultation with the child's parent, the program staff, and other professionals involved in the care and treatment of the child, as appropriate. The behavior plan must include but is not limited to the following:

(1) a description of the specific behavior;

(2) the planned behavior management method to be used in response to the behavior pursuant to subdivision 3 or any other previously approved methods; and

(3) an area to document the effectiveness of the plan and progress of the child.

(c) The plan must be signed and dated by the child's parent, the director, and other professionals involved in the care and treatment of the child, as applicable, and kept in the child's record.

(d) The plan and the child's progress must be reviewed at least twice each calendar year, or more frequently as needed, and changes must be made based on the child's needs and the input of the child's parent, program staff, or other individuals involved in the provision of care and treatment of the child. Documentation of the review must be kept in the child's record. If the child's parent and the program staff agree that the behavior plan is no longer needed, the license holder must document the date the behavior plan is no longer in effect.

(e) The license holder must ensure that all staff who work directly with the child are trained on the behavior plan prior to working with the child or when a new behavior plan is developed. Documentation of staff training must be maintained on file.

(f) The license holder must ensure that all staff who work directly with the child are trained on the behavior plan prior to working with the child or when a new behavior plan is developed. Documentation of staff training must be maintained on file.

Subd. 7. **Separation time from the group.** No child may be separated from the group unless the license holder has tried less intrusive methods of guiding the child's behavior that have been ineffective and the behavior of the child threatens the well-being of the child or other children in the center. Separation from the group must meet the following requirements:

(1) the separation time must be limited to the amount of time necessary for the child to gain self-control and rejoin the group;

(2) the duration of separation of the child must be documented, including the beginning and end time of the separation;

(3) infants and toddlers must not be separated from the group as a means of behavior guidance. Positive behavior guidance techniques such as redirection may be used with toddlers; and

(4) the child must be supervised as defined under section 142H.01, subdivision 38, while separated.

Sec. 14. **[142H.14] FURNISHINGS, EQUIPMENT, MATERIALS AND SUPPLIES.**

Subdivision 1. **General requirements.** (a) Each center must have on the premises the quantity and type of equipment and materials necessary to implement the child care program plan under section 142H.11 and the indoor and outdoor equipment requirements in subdivisions 2 and 3.

(b) Equipment and furniture must be durable, in good repair, structurally sound, stable, and free of sharp edges, dangerous protrusions, points where extremities of a child could be pinched or crushed, and openings or angles that could trap part of a child.

(c) License holders and program staff must ensure equipment and furnishings are not hazardous objects as specified in section 142H.34, subdivision 17.

(d) Equipment designed and marketed for use by children must be appropriate to the age and size of children and used in accordance with the manufacturer's instructions. Equipment and play materials not designed or marketed for use by children, including but not limited to repurposed, homemade, and open-ended items, must be appropriate to the age and size of children, in good repair, and used under the supervision of a program staff

person. Such equipment and play materials are not required to have manufacturer's instructions and are subject to the requirements of this subdivision.

Subd. 2. **Indoor play equipment.** The license holder must provide sufficient indoor play equipment and materials so that at any point in the day when children are indoors and using equipment every child can choose from at least three activities involving equipment or materials. The quantity of indoor equipment provided must be based on the maximum licensed capacity of the classroom and must be accessible to children as specified in subdivision 6.

Subd. 3. **Outdoor play equipment.** The license holder must provide sufficient outdoor play equipment and materials so that when all children are outdoors every child can choose from at least one activity involving equipment or materials. The quantity of outdoor equipment and materials provided must be based on the maximum licensed capacity and must be accessible to children as specified in subdivision 6.

Subd. 4. **Natural elements and materials.** (a) A license holder may provide children with access to natural elements and materials as equipment and play materials. Natural elements and materials and appropriate uses of natural elements and materials include, but are not limited to:

(1) natural loose parts, such as sticks, leaves, pinecones, acorns, seeds, pods, bark, and moss for construction, art, sensory exploration, and imaginative play;

(2) natural materials, such as dirt, mud, sand, water, ice, and snow for sensory play and exploration;

(3) plants, flowers, seeds, vegetables, and gardening materials for science exploration and learning;

(4) rocks, pebbles, stones, and minerals for counting, sorting, building, and art;

(5) natural areas such as gardens, prairie, forest, wetlands, and ponds for exploration and learning; and

(6) other natural elements as appropriate to age and development of children.

(b) A program staff person must supervise a child's use of natural elements and materials and provide guidance on safe and appropriate use. Natural elements and materials that are a choking hazard must not be accessible to children under the age of three without direct supervision of a program staff person.

(c) Natural elements and materials may qualify as equipment and materials from interest areas under subdivision 6.

Subd. 5. **Interest areas.** The license holder must have equipment and materials in each of the following developmental and interest areas to support a child's learning and growth:

(1) creative arts and crafts;

(2) construction and building;

(3) social interaction, dramatic play, or practical life activities;

(4) math and science;

(5) music;

(6) fine motor skills;

(7) physical and movement activities;

(8) sensory exploration activities; and

(9) language and literacy.

Subd. 6. **Equipment rotation and accessibility.** A child care program may rotate equipment throughout the day as specified in the child care program plan if the number of choices required in subdivisions 2 and 3 is available for each child in attendance. Equipment and materials from each interest area must be accessible to children at least once per day.

Subd. 7. **Furnishings.** The license holder must ensure that each child has access to furniture that is developmentally appropriate and the appropriate size, including at a minimum:

(1) one diaper changing table for every 12 infants or 14 toddlers. The same table may not be counted to fulfill the requirement under this clause for both infants and toddlers;

(2) one hands-free covered diaper container per diaper changing table;

(3) one crib and waterproof mattress per infant, including enough cribs with wheels to evacuate the number of infants the program is licensed to serve;

(4) one cot or mat per toddler or preschooler. This clause does not apply to programs operating for less than five hours per day if rest is not indicated as part of the center's child care program;

(5) for infants, one nonfolding seating option per child based on licensed capacity; and

(6) for toddlers, preschoolers, and school-age children, one nonfolding seating option per child based on licensed capacity, with a corresponding amount of table space to allow the child to do table work or eat a meal while seated.

Subd. 8. **Supplies.** (a) The license holder must maintain enough diapers, disposable paper for the diaper changing table, facial tissues, liquid hand soap, and single-service towels to maintain cleanliness and sanitation for children in care.

(b) The license holder must provide at least two sets of sheets for each crib.

Sec. 15. **[142H.15] CHILDREN WITH SPECIAL HEALTH CARE NEEDS OR DISABILITIES.**

Subdivision 1. **Child with special health care needs or disabilities.** For the purposes of this section, "child with special health care needs or disabilities" means a child who:

(1) has developmental disabilities or is otherwise eligible for case management pursuant to Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) has been identified by the local school district as a child with a disability as defined in section 125A.02, subdivision 1; or

(3) has been determined by a health care provider as defined in section 142H.01, subdivision 22; licensed psychiatrist; licensed psychologist; or licensed consulting psychologist as having a special health care need or disability relating to physical, social, or emotional development.

Subd. 2. **Report to parent.** The license holder must inform the parent when there is a developmental concern or potential special health care need of a child that was not previously identified.

Subd. 3. **Individual child care program plan.** (a) When a license holder admits a child with a disability or special health care need or a special need is identified, the license holder must ensure that an individual child care program plan (ICCPP) is developed in a form and manner prescribed by the commissioner to meet the child's individual needs.

(b) When developing or updating the ICCPP, the license holder must obtain relevant information from the child's parent and program staff who work directly with the child.

(c) For a child who meets the criteria in subdivision 1, clause (1), the ICCPP must be coordinated with the child's individual service plan (ISP).

(d) For a child who meets the criteria in subdivision 1, clause (2), the ICCPP must be coordinated with the child's individualized educational plan (IEP).

(e) For a child who meets the criteria in subdivision 1, clause (3), the ICCPP must be coordinated with the child's health care provider or other necessary medical professionals.

(f) The license holder must ensure that all program staff who work directly with the child are trained on the ICCPP prior to working with the child. Documentation of staff training must be maintained on file.

(g) Before the ICCPP is implemented, the parent and the director must sign and date the form. The ICCPP must be kept in the child's record.

(h) The ICCPP must be reviewed and updated at least once each calendar year and more frequently if needed. The ICCPP must be signed and dated by the parent and the director upon their yearly review.

(i) The most recent ICCPP must be available at all times to program staff when the child is in care.

Subd. 4. **Inclusion.** All activities must be designed to include all children unless a specific medical contraindication exists or an exclusion is otherwise specified in a child's ICCPP.

Subd. 5. **Allergy prevention and response.** (a) An applicant must develop a written policy on allergy prevention and response. A license holder must ensure the policy is carried out and provided to parents at the time of enrollment.

(b) Before admitting a child for care, the license holder must obtain documentation of any known allergy from the child's parent or the child's health care provider.

(c) If a child has a known allergy, the license holder must maintain current information about the allergy in the child's record and develop an ICCPP pursuant to subdivision 3, including:

(1) a description of the allergy;

(2) specific triggers and avoidance techniques;

(3) symptoms of an allergic reaction;

(4) procedures for responding to an allergic reaction, including medication to be administered in an emergency situation and dosages; and

(5) the child's health care provider contact information.

(d) If a child has an ICCPP related to a food allergy, the ICCPP must be readily available to the person in the area where food is prepared and served to the child. If food is prepared off site, the center must notify the person or entity preparing the food of any food allergies

of children in their care. Food allergy information for all children in care must be readily available to staff in the classroom and wherever food is served.

(e) The license holder must contact the parent of the child immediately after any instance of exposure or allergic reaction.

(f) The license holder must call 911 when epinephrine is administered to a child in care.

Subd. 6. **Temporary physical needs.** If a child has a temporary physical need as identified by their health care provider, including but not limited to a brace, cast, or helmet, the license holder must maintain current documentation about the temporary physical need from the child's health care provider and any necessary accommodations in the child's record. The license holder must ensure staff who work with the child are aware of the child's temporary physical need and follow the identified necessary accommodations. An ICCPP is not required for documenting a temporary physical need under this subdivision and the accommodation.

Sec. 16. **[142H.16] NIGHT CARE PROGRAM.**

Subdivision 1. **Applicability.** A license holder providing overnight care must comply with this section.

Subd. 2. **Furnishings.** Each child enrolled in a night care program must be provided with a crib or bed, described as follows:

(1) a crib that meets the requirements under section 142B.45 and two sets of sheets must be provided for each infant and meet the requirements under section 142H.14;

(2) an individual age-appropriate bed with two sets of sheets and a blanket or quilt must be provided for each toddler, preschooler, or school-age child;

(3) each bed or crib must have a waterproof mattress or mattress pad that can be cleaned and disinfected;

(4) bedding and sleeping equipment must be cleaned and disinfected as specified in section 142H.31, subdivision 4, clause (3); and

(5) separate bedding must be provided and stored separately for each child in care.

Subd. 3. **Clothing intended for sleeping.** The license holder must ensure that all children are put to bed in clothing for sleeping as designated by the parent of the child.

Subd. 4. **Personal care items.** The license holder must ensure that all children have personal items needed to clean up and prepare for sleep. The items must include an individual washcloth, towel, toothbrush, toothpaste, and liquid hand soap.

Subd. 5. **Meals and snacks.** (a) The license holder must ensure that a child who will be present in the center has had or will be provided with an evening meal. A bedtime snack must be available for all children in attendance. Eating times and schedules for the individual child must be consistent with patterns established in consultation with the parent of the child.

(b) Night care programs are exempt from the requirements of section 142H.32, subdivision 7.

Subd. 6. **Staffing.** At least two program staff persons, one of whom must qualify as a teacher under section 142H.06, must be present in the center at all times during the hours the night program is in operation. When more than 80 percent of the children present are asleep, the remaining program staff persons needed to meet the required staff-to-child ratio must have at least the qualifications of an aide. Program staff must be awake, dressed, and provide supervision as specified in sections 142H.01, subdivision 38, and 142H.12 to children who are sleeping.

Subd. 7. **Hygiene assistance.** The license holder must ensure that children have the opportunity to wash up and brush their teeth before bedtime. Program staff must assist children during washing and changing clothes according to the developmental needs of the child.

Subd. 8. **Showers and bathtubs.** The license holder must ensure bathtubs and showers are equipped to prevent slipping, if the center provides bathing.

Subd. 9. **Bathing procedures.** The center must have written permission from the parent prior to allowing the child to bathe and ensure bathtubs and showers are cleaned and disinfected after each use. The tub or showers do not have to be disinfected between uses if the children are siblings and the parent has provided written consent. All children must bathe separately unless the children are siblings and the parent has provided written consent that the children can be bathed together.

Subd. 10. **Privacy.** To ensure privacy, school-age boys and girls must be separated during bedtime washing and changing activities.

Subd. 11. **Sleeping arrangements.** The center must provide sleeping arrangements so that sleeping children are cared for separately from children who are awake and so that

sleeping children are not disturbed by arrivals and departures. Infants must have a sleep area separate from the center's play and activity areas.

Subd. 12. **Bedtime.** A child's bedtime must be scheduled in consultation with the child's parent.

Subd. 13. **Light.** The center must provide adequate lighting indoors in all areas, including bathrooms, hallways, and sleeping rooms to ensure that staff are able to see all children at all times.

Subd. 14. **Outdoor illumination.** The center must ensure that parking areas, outdoor walkways, and all building entrances are adequately lighted for safety and security.

Subd. 15. **Program emphasis.** A license holder operating a night care program must comply with the child care program standards in 142H.11.

Subd. 16. **Exceptions.** The outdoor activity area required by section 142H.34, subdivision 7; outdoor activities required by section 142H.11, subdivision 2; and outdoor equipment required by section 142H.14 need not be provided for children enrolled in a night care program.

Sec. 17. **[142H.17] DROP-IN CHILD CARE PROGRAMS.**

Subdivision 1. **Drop-in child care programs.** If a license holder chooses to operate as a drop-in child care program, the license holder must comply with the requirements in this section.

Subd. 2. **Exemptions.** (a) Drop-in child care programs that meet one of the requirements in paragraph (b) are exempt from:

(1) section 142H.10;

(2) section 142H.11, subdivision 1, clauses (6) and (7); and

(3) section 142H.12, subdivisions 3 and 5, except for infants and toddlers.

(b) A drop-in child care program is exempt from the requirements in paragraph (a) if the program operates:

(1) in a child care center that houses no child care program except the drop-in child care program;

(2) in the same child care center but not during the same hours as a regularly scheduled ongoing child care program with a stable enrollment; or

(3) in a child care center at the same time as a regularly scheduled ongoing child care program with a stable enrollment, but activities, except for bathroom use and outdoor play, are conducted separately from each other.

Subd. 3. **Staffing requirements.** (a) A drop-in child care program must have at least two program staff persons on site whenever the program is operating: the director or a designee and a program staff member who is qualified as a teacher.

(b) If the drop-in child care program has additional staff who are on call as a mandatory condition of their employment, the minimum child-to-staff ratio may be exceeded only for preschool and school-age children by a maximum of four children for no more than 20 minutes while additional staff are in transit. If the ratio is exceeded for more than 20 minutes, the license holder must review the mandatory on-call staff procedures and revise as necessary to ensure compliance with this section, including hiring additional on-call staff as needed.

(c) Whenever there is a total of 20 children or more at a drop-in child care center, children that are younger than 30 months must be cared for in a separate group. The group may contain children up to 60 months old. The group must be cared for in an area that is physically separated from older children.

(d) In drop-in care programs that serve both infants and older children, children up to 30 months old may be supervised by assistant teachers as long as other staff are present in appropriate ratios.

(e) A drop-in child care program may care for siblings who are all at least 16 months old together in any group. For purposes of this section, "sibling" is defined as sister or brother, half sister or half brother, or stepsister or stepbrother.

Subd. 4. **Staff-to-child ratio requirements in a drop-in program.** The minimum staff-to-child ratio that a license holder may maintain in a drop-in program is:

(1) for infants, one program staff person for every four infants;

(2) for toddlers, one program staff person for every seven children;

(3) for preschoolers, one program staff person for every ten children; and

(4) for school-age children, one program staff person for every 15 children.

Subd. 5. **Staff distribution.** (a) The minimum staff distribution pattern for a drop-in child care program is:

(1) the first staff member needed to meet the required staff-to-child ratio must be a teacher;

(2) the second and third staff members must have at least the qualifications of a child care aide; and

(3) the fourth staff member must have at least the qualifications of an assistant teacher.

(b) The pattern in paragraph (a) must be repeated until the number of staff needed to meet the staff-to-child ratio for each age category has been achieved.

Sec. 18. **[142H.18] EXCLUSION OF SICK CHILDREN .**

Subdivision 1. **Care of sick children.** If a child becomes sick while at the center, the child must be isolated from other children in care and the child's parent called immediately. When determining if a child is sick and exclusion is necessary, license holders must follow:

(1) the requirements on reportable diseases in Minnesota Rules, parts 4605.7040, 4605.7070, and 4605.7080; and

(2) guidelines from the commissioner of health on infectious diseases in child care settings.

Subd. 2. **Notification.** (a) A child care center's program policies must require a parent to inform the center within 24 hours, exclusive of weekends and holidays, when a child is diagnosed by a child's health care provider or dental care provider as having a reportable or infectious disease as specified in subdivision 1.

(b) The license holder must ensure that the commissioner of health is notified of any suspected case of reportable disease as specified in Minnesota Rules, parts 4605.7040, 4605.7050, or 4605.7080, within 24 hours of receiving the parent's or staff report. Documentation of the notification must be kept at the center.

(c) The license holder must notify the parents of exposed children within 24 hours of when a parent, employee, or volunteer notifies the center of a reportable disease under subdivision 1, lice, scabies, impetigo, ringworm, or chicken pox. The notice must be posted in a clearly visible, accessible place or provided individually to each parent of a child who was exposed.

Subd. 3. **Return to center.** Children with a reportable or infectious disease as specified in subdivision 1 must be excluded from the center for a length of time as specified in the commissioner of health guidelines on infectious diseases in child care settings and until the child can participate in routine activities without more staff supervision than usual. The center must exclude a child for a longer period if the child's health care provider determines that it is necessary.

Sec. 19. **[142H.19] SICK CARE PROGRAM.**

Subdivision 1. **Licensure of sick care programs.** If a license holder chooses to operate as a sick care program, the license holder must operate a sick care program that complies with the requirements in this section.

Subd. 2. **Review of admission and health policies and practices.** (a) A licensed physician, physician assistant, or advanced practice registered nurse with a specialization in pediatric care must review and approve a sick care program's admission policy at the time of initial license application, after the first six months of initial operation, and at least once each calendar year.

(b) The review must include consultation with the licensed registered nurse or physician responsible for admissions.

(c) A report of the findings must be sent to the commissioner with the initial application for licensure, and subsequent reports must be placed in the center's administrative record.

Subd. 3. **Evaluation of a sick child.** (a) A license holder that operates a sick care program must evaluate the condition of a sick child before admitting the child to the center.

(b) The evaluation must be based on the physical symptoms of the child each day of admission, the probable contagion and risk to the health of others present, the ability of the program to provide the care the child requires, and whether the child can be grouped together with other children in care with contagious or noncontagious illnesses. Documentation of the evaluation must be placed in the child's record.

(c) Before admitting a child to a sick care program:

(1) a parent must describe the child's symptoms over the phone;

(2) a health care provider affiliated with the center must tell the parent whether the parent may bring the child to the center for further evaluation; and

(3) the health care provider must conduct a physical assessment of the child and obtain a health history from the parent at the center.

Subd. 4. **Information to parents.** A summary of the sick care program's health care policies and practices and the center's procedures for notification of parents in the event of an emergency must be given to the parent the first time a child is admitted and every admission following a change to any of the information.

Subd. 5. **Parent conference exception.** Centers licensed to provide child care exclusively to sick children are not required to provide parent conferences under section 142H.20, subdivision 2.

Subd. 6. **Child care program emphasis exception.** A sick care program does not need to meet the child care program plan requirements under section 142H.11. However, the child care program plan for the care of sick children must emphasize quiet activities.

Subd. 7. **Group size and age category grouping exceptions.** The maximum group sizes specified under section 142H.10, subdivision 1, and the age category grouping restrictions under section 142H.10, subdivision 3, do not apply to sick care programs. There must be no more than 16 children in sick care in the same room at the same time.

Subd. 8. **Staff-to-child ratios and staff distribution requirements.** (a) A one-to-four staff-to-child ratio must be maintained at all times in a room used to care for sick children.

(b) At least two program staff persons must be present in a center operating a sick care program whenever sick children are in care.

(c) The first program staff person must be a registered nurse. The remaining program staff persons must at least meet the qualifications and follow the staff distribution pattern under section 142H.10.

Subd. 9. **Limitation on staff assignment.** Staff must not care for nonsick children or prepare food for nonsick children on the same day as sick children. Staff caring for sick children must not enter the kitchen used to prepare food for nonsick children.

Subd. 10. **Food preparation.** Food provided by the license holder and prepared at the center must be prepared in a room separate from rooms where sick care is provided and must be delivered to each sick care room in individual servings and in covered containers. Procedures for preparing, handling, and serving food and washing food, utensils, and equipment must comply with the requirements in the Minnesota Food Code, Minnesota Rules, chapter 4626.

Subd. 11. **Menus.** Menus for sick children must be modified to meet the individual needs of the child.

Subd. 12. **Additional facility requirements.** A license holder operating a sick care program must provide:

(1) a room or rooms that are exclusively used to care for sick children and that are not used at any time for any other child care purpose; and

(2) toilets and hand sinks that are within or immediately adjacent to the room or rooms used for sick care and are not used by well children in care.

Subd. 13. **Outdoor activity area, activities, and equipment exception.** Sick care programs under this section are exempt from the requirements for an outdoor activity area under section 142H.34, subdivision 7; outdoor activities under section 142H.11, subdivision 2; and outdoor equipment under section 142H.14.

Subd. 14. **Cleaning and disinfection.** Floors in rooms where sick care is provided and all linens, toileting equipment, sinks, furnishings, objects, and equipment used by sick children must be cleaned and disinfected at least daily and as needed pursuant to the requirements under section 142H.31.

Subd. 15. **Bedding and sleeping equipment.** (a) Each sick child must be provided appropriate bedding and sleeping equipment, depending on the age of the child, as follows:

(1) a crib and crib sheets pursuant to the requirements of section 142B.45, cot, mat, or bed, depending on the age of the child;

(2) a pillow, except if the child is an infant;

(3) a pillowcase, except if the child is an infant; and

(4) a blanket or quilt, except if the child is an infant.

(b) Bedding provided by the center must be laundered after each use. Sleeping equipment must be cleaned and disinfected after each use.

Sec. 20. **[142H.20] INFORMATION TO PARENTS.**

Subdivision 1. **Policies provided to parents.** At the time of a child's enrollment, the center must provide the parent with written notification of the:

(1) ages and numbers of children the center is licensed to serve;

(2) hours and days of operation;

(3) child care program options the center is licensed to operate, including a description of the program's educational methods; the program's religious, political, or philosophical basis, if any; and how parents may review the center's child care program plan;

(4) policy on parent conferences and notification to a parent of a child's intellectual, physical, social, and emotional development;

(5) policy requiring a health care summary and immunization record of a child;

(6) policies and procedures for the care of children who become sick at the center and parent notification practices for the onset of or exposure to a contagious illness or condition pursuant to section 142H.18 or when there is an emergency or injury requiring medical attention;

(7) policies and procedures for administering first aid and sources of care to be used in case of emergencies;

(8) policies on the administration of medicine;

(9) procedures for obtaining written parental permission for transportation of children and field trips as required in section 142H.33, subdivision 4, paragraph (d);

(10) procedures for obtaining written parental consent for research, cameras, and social media participation pursuant to section 142H.22;

(11) policies on transitioning a child to the next age group, pursuant to section 142H.10;

(12) policies on the provision of meals and snacks;

(13) behavior guidance policies and procedures;

(14) presence of pets;

(15) policy on visitation and parental access to children pursuant to section 142H.21;

(16) policy on the prohibition of smoking, use of tobacco products, vaping, electronic cigarettes, alcohol, and drugs on the premises of the program pursuant to section 142H.29, subdivision 11;

(17) policy on use of technology and screen time pursuant to section 142H.11, subdivision 1, clause (12);

(18) telephone number of the Department of Children, Youth, and Families, Division of Licensing;

(19) policy on naps and rest pursuant to section 142H.12; and

(20) procedures for notifying parents of an evacuation, including procedures for reunification with families.

Subd. 2. **Parent conferences.** The license holder must inform the parent of a child's progress and:

(1) complete individual assessments of each child's intellectual, physical, social, and emotional development at least twice a year. Individual assessments for school-age children must be completed at least once a year;

(2) plan and offer parent conferences by program staff at least twice a year to review and discuss the child's assessment. Parent conferences for school-age children must be planned and offered at least once a year; and

(3) maintain documentation of the child's assessment and that individual parent conferences were planned and offered in each child's record.

Subd. 3. **Daily reports for infants and toddlers.** Daily written individualized reports must be provided to the parent of an infant or toddler about the child's food intake, elimination, sleeping patterns, and general behavior.

Sec. 21. **[142H.21] PARENT VISITATION AND ACCESS TO PROGRAM.**

(a) The center must have a parent visitation and access policy that meets the requirements of this section at a minimum.

(b) An enrolled child's parent must be allowed access to their child at any time while the child is in care unless a legal restriction or court order restricts access.

(c) A copy of the order or other legal restriction in paragraph (b) must be kept in the child's record.

Sec. 22. **[142H.22] CONSENT FOR RESEARCH, CAMERAS, AND SOCIAL MEDIA PARTICIPATION.**

Subdivision 1. **Policy.** A center must have and follow a policy governing the center's use of social media and the use of photos and videos of children in care. The policy must include:

(1) procedures for obtaining written consent from parents for release of photos and videos of children for promotional or publicity purposes; and

(2) a statement prohibiting any employee or volunteer from posting content of children in care or enrolled families on a personal social media account or public digital platform, including photos, videos, or personal identifying information of the children.

Subd. 2. **Participation in research, fundraising, or public relations projects.** (a) The license holder must obtain written permission from a parent before a child is involved in research, fundraising, or public relations projects while at the center. A separate written permission form must be obtained before each occasion of a research, fundraising, or public relations activity.

(b) The permission form must be maintained in the child's record.

Sec. 23. **[142H.23] EMERGENCY AND ACCIDENT POLICIES AND RECORDS.**

Subdivision 1. **Emergency preparedness plan.** (a) An applicant must develop a written plan for emergencies that require evacuation, relocation, sheltering in place, or lockdown resulting from a fire, blizzard, tornado or other natural disaster, or other threatening situations that may pose a health or safety hazard to a child, such as an intruder or violence at the facility. A license holder must carry out the emergency plan during emergencies. The plan must be written on a form developed by the commissioner and include:

(1) procedures for an evacuation, including building evacuation routes and identification of primary and secondary exits;

(2) procedures for relocation, including a designated relocation site;

(3) procedures for sheltering in place and lockdown;

(4) procedures for notifying a child's parent of an evacuation, relocation, sheltering in place, or lockdown, including procedures for reunification with families;

(5) accommodations for a child with a disability or a chronic medical condition;

(6) accommodations for infants and toddlers;

(7) procedures for storing a child's medically necessary medicine that facilitates easy removal during an evacuation or relocation;

(8) procedures for continuing operations in the period during and after a crisis; and

(9) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities.

(b) A license holder must review and update the emergency plan at least once each calendar year and as needed when changes to the circumstances or facilities necessitate an updated plan. Documentation of the yearly review and when changes are made must be maintained in the program's administrative records.

(c) Program staff must be trained on the emergency plan at orientation as specified under section 142H.09 when changes are made to the plan and at least once each calendar year. Training must be documented and maintained on site.

(d) A center must have an operable on-site flashlight for use in an emergency situation. A cell phone may not be used to meet this requirement.

(e) A license holder must conduct fire drills every month and hold tornado drills monthly from April 1 through September 30. Fire and tornado drills must be documented and include

the date of the drill, the start and end time of the drill, and the name of the program staff person completing the documentation. Documentation must be maintained in the program's administrative records.

(f) Primary and secondary exits and evacuation routes must remain unblocked.

Subd. 2. **Emergencies, accidents, incidents, and injuries.** (a) The policies and procedures for emergencies, accidents, incidents, and injuries must include:

(1) procedures for administering first aid;

(2) procedures for the daily inspection of potential hazards;

(3) procedures for fire prevention and procedures to follow in the event of a fire, persons responsible for the evacuation of children and areas for which they are responsible, instruction on how to use a fire extinguisher, and instructions on how to close off the fire area;

(4) procedures to follow when a child is missing, including when a school-age child does not arrive at the center when expected after school;

(5) procedures to follow if a person who is unknown, unauthorized, incapacitated, or suspected of abuse attempts to pick up a child or if no one comes to pick up a child. The procedure must include a practice for verifying a person's identity;

(6) procedures for obtaining emergency medical care; and

(7) procedures for recording emergencies, accidents, incidents, and injuries involving a child enrolled in the center. The written record must include:

(i) the name and age of the child involved;

(ii) the name of employees or volunteers present;

(iii) the date, time, and place of the emergency, accident, incident, or injury;

(iv) the type of injury;

(v) actions taken by staff; and

(vi) to whom the emergency, accident, incident, or injury was reported.

(b) At a minimum, the emergency, accident, incident, or injury must be reported in writing to the parent and as otherwise required in section 142H.28.

(c) Each calendar year, the license holder must conduct an analysis of the emergencies, accidents, incidents, and injuries that have been documented pursuant to paragraph (a),

clause (7). Documentation of the yearly analysis and any modification of the center's policies based on the analysis must be maintained in the program's administrative records.

(d) The license holder must post a facility floor plan in a visible location in each classroom and other areas in the facility where child care is provided. The posted floor plan in each area must include:

(1) identification of primary and secondary exits;

(2) building evacuation routes;

(3) identification of tornado shelter and other shelter-in-place locations;

(4) identification of staff positions responsible for the evacuation or sheltering of children;

(5) the name and address of the designated relocation site; and

(6) phone numbers and sources of emergency medical services, the poison control center, the fire department, and the department's licensing division.

(e) The license holder must ensure program staff are trained on the emergency, accident, incident, and injury policies and procedures at orientation as required in section 142H.09 when changes are made to the policies and procedures and at least once each calendar year. Training must be documented and maintained on site.

Sec. 24. **[142H.24] SUPERVISION AND RISK REDUCTION.**

Subdivision 1. **Supervision; sight and hearing exceptions.** (a) A child is still supervised as defined in section 142H.01, subdivision 38, when:

(1) an infant is placed in a crib to sleep and a program staff person is within sight or hearing of the infant pursuant to section 142H.12, subdivision 4;

(2) a single school-age child uses a restroom that is not available to the public when the child care center is operating and serving children and a program staff person has knowledge of the child's activity and location and checks on the child at least every five minutes. When services are provided away from the child care facility, including but not limited to field trips, a school-age child who uses a restroom that is available to the public must be accompanied by a program staff person;

(3) a school-age child leaves the classroom but remains within the licensed child care center space to deliver or retrieve items from the child's personal storage space and a program staff person has knowledge of the child's activity and location and checks on the child at least every five minutes; or

(4) a single preschool child uses an individual, private restroom within the classroom with the door closed and a program staff person has knowledge of the child's activity and location, can hear the child, and checks on the child at least every five minutes. A shared restroom between two separate rooms that has a door into each room is not considered an individual, private restroom for the purposes of this clause.

(b) A program must account for each exception in paragraph (a) in the risk reduction plan under subdivision 2.

Subd. 2. **Risk reduction plan.** (a) The license holder must develop a risk reduction plan that identifies the general risks to children served by the child care center in a form and manner prescribed by the commissioner.

(b) The license holder must establish procedures to minimize identified risks, train staff on the procedures, and review the procedures each calendar year.

(c) The risk reduction plan must include an assessment of risk to children the center serves or intends to serve and identify specific risks based on the outcome of the assessment. The assessment of risk must be composed of:

(1) an assessment of the risks presented by the facility where the licensed services are provided, including an evaluation of:

(i) the condition and design of the facility and its outdoor space, bathrooms, and storage areas;

(ii) the accessibility of medications and cleaning products that are harmful to children; and

(iii) the existence of areas that are difficult to supervise; and

(2) an assessment of the risks presented by the environment for each facility and for each site, including an evaluation of the type of grounds and terrain surrounding the building and the proximity to hazards, busy roads, and publicly accessed businesses.

(d) The risk reduction plan must include a statement of measures that will be taken to minimize the risk of harm presented to children for each risk identified in the assessment under paragraph (c) related to the facility and environment.

(e) In addition to any program-specific risks identified in paragraph (c), the plan must include specific policies and procedures that minimize the risk of harm or injury to children, including from:

(1) closing children's fingers in doors, including cabinet doors;

(2) leaving children in the community without supervision;

(3) children leaving the facility without supervision;

(4) dislocation of children's elbows by program staff pulling or lifting children by the hands or wrists or swinging by the arms;

(5) burns, including from hot food or beverages, whether served to children or being consumed by program staff, and devices used to warm food and beverages;

(6) injuries from equipment, such as scissors and glue guns;

(7) sunburn;

(8) feeding children foods to which they are allergic;

(9) children falling from changing tables;

(10) children accessing dangerous items or chemicals or coming into contact with residue from harmful cleaning products;

(11) traffic and pedestrian accidents, including when walking with children on neighborhood walks, to an off-site outdoor play area, or in areas with heavy traffic or difficult terrain such as railroad tracks; and

(12) children choking or suffocating.

(f) The plan must ensure hazardous objects as defined in section 142H.34, subdivision 17, are inaccessible to children.

(g) The plan must include specific policies and procedures to ensure adequate supervision of children at all times as defined in subdivision 1 and section 142H.01, subdivision 38, and pursuant to the staffing requirements of section 142H.10, subdivision 1, with particular emphasis on:

(1) times when children are transitioned from one area within the facility to another, including the use of a name-to-face check during transition time;

(2) nap-time supervision, including infant sleep supervision;

(3) child arrival and departure times, including when children arrive or depart from the center by bus;

(4) supervision during outdoor play, outdoor learning activities, and community activities, including but not limited to field trips and neighborhood walks;

(5) supervision of children in hallways;

(6) supervision of preschool children when using an individual private restroom within the classroom; and

(7) supervision of school-age children when using the restroom and visiting the child's personal storage space.

Subd. 3. **Yearly review of risk reduction plan.** (a) The license holder must review the risk reduction plan each calendar year and document the review.

(b) When conducting the review, the license holder must consider incidents that have occurred in the center since the last review, including:

(1) incidents covered by the assessment factors in subdivision 2;

(2) the internal reviews conducted under section 142H.36, if any;

(3) substantiated maltreatment findings, if any; and

(4) any other incidents that caused injury or harm to a child.

(c) Within ten days following any change to the risk reduction plan, the license holder must train program staff on the change and document that the staff were trained on the change.

Sec. 25. **[142H.25] CENTER ADMINISTRATIVE RECORDS.**

(a) In addition to the personnel records requirements under section 142B.03, subdivision 1, paragraph (a), a center must maintain the following records:

(1) a record of the information given to parents specified in section 142H.20;

(2) the personnel records specified in section 142H.26;

(3) the children's records specified in section 142H.27;

(4) health consultant reviews of the center's health policies and practices as specified in section 142H.29, subdivision 2;

(5) the child care program plan specified in section 142H.11;

(6) the emergencies, accidents, incidents, and injuries records specified in section 142H.23, subdivision 2;

(7) the child separation reports mandated in section 142H.13;

(8) daily center and classroom attendance records specified in section 142H.30; and

(9) staffing schedules.

(b) The requirements in section 142B.03, subdivisions 1 and 2, apply to records retained pursuant to this section.

Sec. 26. **[142H.26] PERSONNEL RECORDS.**

A license holder must maintain a current personnel record for each program staff person in a manner prescribed by the commissioner and consistent with section 142B.03. The personnel record for each program staff person must contain:

(1) the program staff person's name, home address, telephone number, date of birth, and emergency contact information;

(2) the program staff person's first date of direct contact and first date of unsupervised direct contact with a child;

(3) documentation indicating that the program staff person meets the requirements of the staff person's job in sections 142H.05 to 142H.08; and

(4) the program staff person's hire date and last day of employment, as applicable.

Sec. 27. **[142H.27] CHILDREN'S RECORDS.**

Subdivision 1. **Requirements.** Prior to or on the day of enrollment in the center, the license holder must maintain a record on site for each child served by the program. The record must contain:

(1) the child's full name, date of birth, and current home address;

(2) the child's date of enrollment in the program;

(3) the name, address, and telephone number of the child's parent;

(4) the name and telephone number of at least one emergency contact person who can be contacted if a parent cannot be reached in an emergency or when there is an injury requiring medical attention;

(5) the names and telephone numbers of any additional persons authorized by the parent to pick up the child from the center;

(6) the child's health and immunization information required by section 142H.29, subdivisions 3 and 4;

(7) written authorization for the license holder to act in an emergency or when a parent or designee cannot be reached or is delayed;

(8) the hours and days of the week the child will attend the center;

(9) for infants and toddlers, a description of the child's eating, sleeping, toileting, and communication habits and effective methods for comforting the child;

(10) documentation of any dietary or medical needs of the child;

(11) documentation of a child's individual child care program plan as required by section 142H.15; and

(12) the date of parent conferences and a summary of the information provided to the parent at the conferences.

Subd. 2. **Disclosure.** The license holder must not disclose a child's record to any person other than the child, the child's parent, the child's legal representative, employees of the license holder, or the commissioner unless the child's parent has given written consent. This subdivision does not apply to information needed by a first responder in the case of an emergency.

Sec. 28. **[142H.28] REPORTING REQUIREMENTS.**

Subdivision 1. **Maltreatment, abuse, and neglect reporting.** The license holder must comply with the reporting requirements for abuse and neglect specified in chapter 260E.

Subd. 2. **Other reporting.** Within 24 hours, the license holder must notify the commissioner of the following in a manner prescribed by the commissioner:

(1) of the death or notification of the death of a child enrolled in the center as required under section 142B.10, subdivision 24;

(2) of the occurrence or notification of any injury to a child in care in the program that required treatment by a dentist or health care provider as defined in section 142H.01, subdivision 22. Treatment does not include application of or recommendation to use nonprescription medication or diagnostic testing;

(3) of the occurrence of structural damage to the building or a fire that requires the service of a fire department; and

(4) of the provision of any emergency medical service to a child while in care.

Sec. 29. **[142H.29] HEALTH.**

Subdivision 1. **Health policies.** An applicant must develop written health policies approved by the commissioner.

Subd. 2. **Health consultation.** (a) The center must have a health consultant as defined in section 142H.01, subdivision 23, review the center's health policies and practices in person and certify that the policies and practices are adequate to protect the health of children in care.

(b) The health consultant's review, including an on-site visit, must be done before initial licensure and must be repeated each calendar year.

(c) For programs serving infants, an in-person review must be done before initial licensure and at least quarterly thereafter. At least every other quarter, a health consultant may conduct the health review visit virtually.

(d) A health consultant must review the center's health policies and practices before implementing a change in the center's health policies or practices and after an outbreak of a contagious reportable illness as specified in Minnesota Rules, parts 4605.7040, 4605.7050, and 4605.7080.

(e) The consultant must review and approve:

(1) the emergencies, accidents, incidents, and injuries policies and procedures required by section 142H.23, subdivision 2;

(2) the diapering procedures and practices specified in subdivision 6;

(3) the programs' cleaning and disinfecting products and procedures; and

(4) the sanitation procedures and practices for food catered in or provided by the child's parent as specified in section 142H.32, subdivision 6, and for infants as specified in section 142H.32, subdivision 11.

Subd. 3. **Health information at admission.** Before a child is admitted to a center or within 30 days of admission, the license holder must obtain a report on a current physical examination of the child signed by the child's health care provider.

Subd. 4. **Immunizations.** (a) Before a child is admitted to a center, the license holder must obtain documentation of current immunization records according to section 121A.15 and Minnesota Rules, chapter 4604; a signed notarized statement of parental objection to the immunization; or a medical exemption. The license holder must maintain record of current immunizations, a signed notarized statement of parental objection to the immunization, or a medical exemption throughout the child's enrollment at the center.

(b) License holders must file an immunization report each calendar year with the Department of Health, as required under the Minnesota School and Child Care Immunization Law, section 121A.15, subdivision 8, and Minnesota Rules, part 4604.0410.

Subd. 5. **Administration of medication.** (a) A license holder that administers medication must:

(1) get written permission from the child's parent before administering medication;

(2) get written permission from the child's parent before administering items that may be applied externally, including but not limited to diapering products, sunscreen lotions, hand sanitizer, lip balm, body lotion, and insect repellents. Items under this clause must be administered according to the manufacturer's instructions unless a dentist or health care provider gives alternative written instructions;

(3) get and follow written instructions from a dentist or a health care provider before administering each prescription. Medication with the child's name and current prescription information on the label constitutes instructions;

(4) follow written dosage instructions from a child's parent or health care provider for over-the-counter medication that is intended to be ingested and does not include dosage information within the manufacturer's instructions;

(5) keep all medication in its original container and have a legible label stating the child's first and last name. The medication must be given only to the child whose name is on the label, unless as described in paragraph (b);

(6) not give medication after an expiration date on the label, return any unused portion to the child's parent if possible, and destroy any unused portion that cannot be returned;

(7) document the administration of any ingested nonprescription medication and all prescription medication. The documentation must include the first and last name of the child, name of the medication or prescription number, date, time, dosage, and printed name and signature or initials of the person who administered the medication. This documentation must be available to the parent and maintained in the child's record;

(8) store all medications, insect repellents, sunscreen lotions, and diaper rash control products according to directions on the original container and in a place inaccessible to children; and

(9) not use herbal remedies and essential oils, unless prescribed or recommended by a dentist or a health care provider. If these are administered, they must be administered in compliance with the requirements of this subdivision.

(b) Sunscreen lotions and insect repellents supplied by the license holder may be used on more than one child and must be labeled for use for all children. A product to control or prevent diaper rash, including premoistened commercial wipes that cannot be dispensed in a manner that prevents cross contamination of the product and container as determined by the health consultant, must be labeled with the child's first and last name and used only for the individual child whose name is written on the label.

Subd. 6. **Diapers, changing areas, and disposal.** Sanitary diaper procedures must be used to reduce the spread of communicable disease. A license holder must:

(1) make an adequate supply of clean diapers available for each child and store the diapers in a clean place;

(2) change diapers following the diaper changing procedure reviewed and approved by the center's health consultant pursuant to subdivision 2, paragraph (e), clause (2);

(3) post diaper changing procedures reviewed and certified by the center's health consultant in the diaper changing area;

(4) keep children in diapers clean and dry. Diapers and clothing must be changed immediately or as soon as practicable when wet or soiled. Soiled clothing must be placed in a plastic bag and sent home with the parent daily;

(5) use single-service wipes for cleaning a wet or soiled child;

(6) clean and disinfect changing tables and changing pads between children;

(7) use smooth, nonabsorbent surfaces for the diaper changing area and flooring;

(8) require the program staff person to maintain a hand on the child at all times during diapering. Children must not be left unattended on the changing table;

(9) clean and disinfect diaper changing areas, including but not limited to counters, sinks, and floors, daily or immediately when soiled;

(10) keep a covered diaper disposal receptacle lined with a disposable plastic bag in the diaper changing area. Diapers cannot be disposed of in a kitchen disposal area;

(11) empty, clean, and disinfect diaper receptacles daily or more often as needed; and

(12) only change a diaper in the diaper changing area. The diaper changing area must be separate from areas used for food storage, food preparation, and eating.

Subd. 7. **Hand washing; child.** (a) A child's hands must be washed with soap and water after a diaper change, after use of a toilet or toilet training chair, and immediately before eating a meal or snack.

(b) Program staff must monitor hand washing and assist a child who needs help.

(c) The use of a common basin or a hand sink filled with standing water is prohibited.

(d) Hands must be dried on a single-use towel or warm air hand dryer. The use of a common or shared cloth or towel is prohibited.

(e) In sinks accessible to children, the water temperature must not exceed 120 degrees Fahrenheit to prevent children from scalding themselves while washing.

(f) A hand sanitizer with at least 60 percent alcohol may be used to clean a child's hands when soap and water are unavailable.

Subd. 8. **Hand washing; program staff.** Program staff must wash their hands with soap and water after changing a child's diaper, after assisting a child on the toilet, after washing the diapering surface, after using toilet facilities, and before handling food or eating. Hands must be dried on a single-use towel or warm air hand dryer. The use of a common or shared cloth or towel is prohibited. Program staff may use a hand sanitizer with at least 60 percent alcohol when soap and water are unavailable.

Subd. 9. **First aid kit.** The license holder must have a first aid kit that is accessible in the center at all times and whenever children are off site that includes:

(1) adhesive bandages in assorted sizes and tape;

(2) sterile compresses;

(3) elastic bandage wrap;

(4) scissors;

(5) ice bag or cold pack;

(6) digital thermometer;

(7) mild liquid soap or hand sanitizer that is at least 60 percent alcohol;

(8) bottled water;

(9) disposable powder-free, latex-free gloves;

(10) face shield or protective barrier for giving CPR; and

(11) first aid instructions.

Subd. 10. **Handling and disposal of bodily fluids.** A license holder must comply with the following procedures for safely handling and disposing of bodily fluids:

(1) surfaces that come in contact with urine, feces, vomit, and blood must be cleaned and disinfected;

(2) blood-contaminated material must be disposed of in a plastic bag with a secure tie;

(3) sharp items used for a child with special care needs must be disposed of in a sharps container. The sharps container must be inaccessible to a child when stored;

(4) the license holder must have bodily fluid disposal supplies in the center, including disposable gloves, disposal bags, and eye protection; and

(5) each employee and volunteer must follow universal precautions to reduce the risk of spreading infectious disease.

Subd. 11. **Tobacco products, vaping, drugs, and alcohol use prohibitions.** (a) A license holder must comply with the drug and alcohol policy requirements in section 142B.10, subdivision 1, paragraph (c), including ensuring that no employee, subcontractor, or volunteer is under the influence of a chemical that impairs the individual's ability to provide services or care.

(b) The possession or use of marijuana, products containing THC, alcohol, and illegal drugs is prohibited on the premises of the program during operating hours, including all indoor and outdoor licensed program environments and in any vehicles used by the program.

(c) The use of tobacco products, vaping devices, and electronic cigarettes is prohibited indoors, in vehicles used by the program, and in outdoor areas where children are present.

(d) The license holder must post in a prominent location at the main entrance of the center a notice stating that use of tobacco products is prohibited inside the building and in outdoor areas where children are present.

Sec. 30. **[142H.30] ATTENDANCE RECORDS.**

Subdivision 1. **Attendance records.** A child care center must maintain documentation of actual attendance for each child receiving care. The records must be accessible to the commissioner during the program's hours of operation, be completed on the actual day of attendance, and include:

(1) the first and last name of the child;

(2) the time of day that the child was dropped off; and

(3) the time of day that the child was picked up.

Subd. 2. **Daily classroom tracking.** (a) A license holder must ensure that program staff track children in their classroom on a daily basis to ensure the center has an active roster of children present in their classroom.

(b) Children must be tracked as they arrive in and depart from the classroom.

(c) Tracking must include the first and last name of each child.

(d) The classroom tracking documentation must remain with each group at all times throughout the day including outdoor play, emergency evacuations, field trips, and when groups are combined.

Sec. 31. **[142H.31] CLEANING, SANITIZING, AND DISINFECTING.**

Subdivision 1. **Products and procedures.** Cleaning and disinfecting must be done in accordance with policies, procedures, and products approved by the program's health consultant as specified in section 142H.29, subdivision 2.

Subd. 2. **Indoor and outdoor equipment.** (a) The indoor and outdoor space and equipment of the program must be clean.

(b) Natural elements and materials used as equipment and play materials under section 142H.14, subdivision 4; natural features used for outdoor play under section 142H.34, subdivision 7, paragraph (h); and play materials used in outdoor settings are exempt from being clean, as defined under section 142H.01, subdivision 12. A program staff person must inspect natural elements and materials, natural features, and play materials used for outdoor play for hazardous objects and other safety hazards, including animal feces, and remove or mitigate the hazard before a child's use.

Subd. 3. **Pacifiers.** Pacifiers must be labeled with each child's name or other individual identifier and stored separately.

Subd. 4. **Cleaning frequency.** The license holder must develop and follow a cleaning schedule that requires:

(1) cleaning and sanitizing food preparation areas, tables, high chairs, and food service counters before and after each meal and snack. Sanitizing must be done by using an Environmental Protection Agency-registered sanitizer or a bleach solution or by heating to temperatures sufficient to destroy most germs, pursuant to guidelines from the commissioner of health on infectious diseases in child care settings;

(2) cleaning and sanitizing items that have been inside a child's mouth or come into contact with bodily fluids prior to being used by another child;

(3) cleaning sleeping equipment and bedding, including:

(i) washing bedding used by a child before being used by another child;

(ii) washing bedding used by the same child weekly or when soiled;

(iii) cleaning and disinfecting sleeping equipment used by a child before being used by another child; and

(iv) cleaning and disinfecting sleeping equipment used by the same child weekly or when soiled;

(4) cleaning toileting areas daily, including:

(i) emptying and disinfecting toilet training chairs after each use; and

(ii) disinfecting toilets and seats when soiled or at least daily; and

(5) emptying garbage cans and diaper receptacles on a daily basis and cleaning and disinfecting the cans and receptacles as needed.

Sec. 32. **[142H.32] FOOD, DRINKING WATER, AND NUTRITION.**

Subdivision 1. **On-site food preparation.** A license holder that prepares, handles, or serves food or washes food, utensils, or equipment on site must comply with applicable requirements for food and beverage service establishments in chapter 157 and Minnesota Rules, chapter 4626, and local health department requirements.

Subd. 2. **Off-site food preparation.** (a) Meals or snacks may be provided by an off-site, licensed food and beverage service establishment.

(b) The center must maintain on file a copy of the off-site food and beverage service establishment's current license and the contract to provide food for the center.

Subd. 3. **Providing food.** A license holder must provide meals and snacks to the children in attendance. The license holder must supplement food provided by the parent if it does not meet United States Department of Agriculture Child and Adult Care Food Program (CACFP) nutritional requirements.

Subd. 4. **Drinking water.** (a) The center must have a safe supply of drinking water pursuant to section 142H.35.

(b) Drinking water must be available to children throughout the hours of operation and offered at frequent intervals. Drinking water for children must be provided in single-service drinking cups, in reusable water bottles, in reusable cups, or from drinking fountains accessible to children.

(c) A license holder may provide drinking water to a child in a reusable water bottle or reusable cup if the center develops and ensures implementation of a written policy that at a minimum includes the following procedures:

(1) each day the water bottle or cup is used, the license holder must clean the water bottle or cup or allow the child's parent to bring the water bottle or cup home to clean it;

(2) a water bottle or cup must be assigned to a specific child and labeled with the child's first and last name;

(3) water bottles and cups must be stored in a manner that reduces the risk of a child using the wrong water bottle or cup; and

(4) a water bottle or cup must be used only for water.

Subd. 5. **Menus.** The license holder must ensure:

(1) meals and snacks prepared or provided by the license holder or catered by a licensed food and beverage caterer comply with the meal pattern and nutritional requirements contained in the most current edition of the CACFP standards in Code of Federal Regulations, title 7, section 226.20;

(2) menus comply with the meal pattern and nutritional requirements contained in the most current edition of the CACFP standards in Code of Federal Regulations, title 7, section 226.20;

(3) the current menu is posted or made readily available to parents; and

(4) any food substitutions are noted on the menu at the time of the change.

Subd. 6. **Sanitation.** (a) Procedures for preparing, handling, storing, and serving food and washing food, utensils, and equipment must comply with the requirements for food and beverage establishments in Minnesota Rules, chapter 4626.

(b) If the food is prepared off site by another facility or if food service is provided according to a contract with a food service provider, the facility or license holder must ensure that food is prepared in compliance with Minnesota Rules, chapter 4626.

(c) The license holder must provide refrigeration for dairy products and other perishable foods, whether supplied by the license holder or supplied by the parent. The refrigeration must have a temperature of 41 degrees Fahrenheit or less.

Subd. 7. **Meals and snacks.** Except for infants under subdivision 11, the license holder must serve meals and snacks to children as follows:

(1) one snack for a child in attendance for two to five hours;

(2) one meal and two snacks or two meals and one snack for a child in attendance for five to ten hours;

(3) a minimum of two meals and two snacks for a child in attendance for more than ten hours; and

(4) a minimum of three meals and two snacks for a child in attendance for more than 14 hours.

Subd. 8. **Prescribed diet requirements.** (a) If a child is unable to follow the CACFP meal pattern requirements due to a diet-related medical condition, a prescribed diet accommodation is required.

(b) The license holder must obtain documentation from the child's health care provider about the child's special dietary needs and keep that information current. The license holder must use this information to accommodate the child's dietary needs.

(c) When a license holder enrolls a child who requires a prescribed diet, the license holder must ensure that an individual child care program plan is developed and maintained in the child's record, pursuant to sections 142H.15, subdivision 3, and 142H.27.

(d) The license holder must provide for a child's prescribed dietary needs or require the parent to provide the prescribed diet items that are not part of the center's menu plan.

Subd. 9. **Cultural or religious diet accommodations.** (a) When special diets are requested for cultural or religious reasons, the center must obtain written, dated, and signed instructions from the child's parent on how to accommodate the diet.

(b) The license holder must provide for a child's special diet for cultural or religious reasons or require the parent to provide the food items that are not part of the center's menu plan.

Subd. 10. **Food allergy information.** Information about food allergies of the children in the center must follow the requirements in section 142H.15, subdivision 5.

Subd. 11. **Infant food and feeding schedule.** The diet and feeding schedule of an infant must be determined by the infant's parent. The license holder of a center serving infants must:

(1) obtain written dietary instructions from the parent of the child that are used to develop the infant's feeding schedule and are updated as needed as the child's feeding needs change;

(2) have each individual infant's feeding schedule available in the food preparation area;

(3) offer the child formula or milk and nutritionally adequate solid foods in quantities at specified time intervals as determined by the parent;

(4) ensure infants are held or fed sitting up for bottled feedings. A bottle must not be propped at any time for an infant or fed to an infant in a crib, infant seat, or playpen;

(5) use sanitary procedures and practices to prepare, handle, and store formula, milk, breast milk, solid foods, and supplements, including having procedures to ensure bottles are matched to the correct infant. Procedures must be reviewed and certified by a health consultant;

(6) not warm or heat bottles in a microwave;

(7) not allow children access to bottle-warming devices; and

(8) label all bottles, breast milk, or prepared parent-provided food with the child's first and last name and date of preparation. All formula must be refrigerated immediately after preparation or upon arrival if the formula is prepared by the parent.

Subd. 12. **Additional requirements.** (a) The center must serve food that is not a choking hazard and that is developmentally appropriate in size, amount, and texture.

(b) Program staff must be seated with the children during meal and snack times.

Sec. 33. **[142H.33] TRANSPORTATION AND FIELD TRIP REQUIREMENTS.**

Subdivision 1. **Requirements.** A license holder that provides transportation for children or that takes children off site must comply with the requirements in this section.

Subd. 2. **Driver requirements.** (a) A driver who transports children for a license holder must:

(1) be at least 18 years old;

(2) hold a current and valid driver's license appropriate to the vehicle used to transport children;

(3) have a copy of the driver's current driver's license on file at the center;

(4) be free from the influence of any substance that could impair driving abilities; and

(5) follow seat belt and child passenger restraint system requirements under sections 169.685 and 169.686.

(b) Parents who are not employed by the center who use personal vehicles for transportation to occasional field trips do not have to meet the requirements of paragraph (a), clause (3). For the purposes of this subdivision, "occasional" means three or fewer times per calendar year.

Subd. 3. **Requirements during transportation.** (a) One program staff is required per vehicle when transporting school-age children. Two program staff are required per vehicle when transporting infants, toddlers, and preschoolers. An additional program staff person is required in the vehicle if there are 12 or more infants and toddlers. The driver of the vehicle is considered a program staff person, unless the driver is employed by a contractor or third party.

(b) A two-way communication system and first aid kit must be present in the vehicle during transportation.

(c) Once children have exited, the vehicle must be checked to ensure that no child has been left in the vehicle.

(d) When the license holder provides transportation to and from the center, children must not be transported more than one hour per one-way trip.

(e) When children board or exit the vehicle, the license holder must ensure that each child safely boards and exits the vehicle from the curb side of the street whenever physically possible and out of the path of moving vehicles.

(f) Drop off or pick up must be conducted in a safe manner with supervision by the program staff responsible for the child.

Subd. 4. **Field trip requirements.** (a) For the purposes of this section, a field trip is defined as any time the center takes children off the property, including routine outings such as walking around the neighborhood. A center providing transportation for children to and from the center is not considered a field trip.

(b) Staff-to-child ratios must be maintained on all field trips.

(c) Written permission must be obtained from each child's parent before taking a child on a field trip. The written permission form must be obtained before each field trip or on a

form that yearly summarizes all field trips that will be taken. The permission forms must be kept on file at the center.

(d) The parent's written permission form must include:

(1) the date and destination of the field trip;

(2) the times of departure from and return to the facility;

(3) the method of transportation; and

(4) if the method of transportation is walking, an estimated total distance of the walk.

(e) Unscheduled neighborhood walks may be taken, provided the program has obtained advance written parental permission for the general plan for neighborhood walks.

(f) A child care program that includes daily or regular off-site outdoor activities in its child care program plan may use an annual permission form for these activities. Parents must be informed of specific destinations and any substantial changes to the general plan outlined in the annual permission form through the child care program's regular communication methods. The annual permission form must include the following information:

(1) the general geographic area or areas where the off-site outdoor activities will occur;

(2) the general hours during which off-site activities may occur;

(3) the typical method of transportation; and

(4) the typical maximum distance of walks, if the method of transportation is walking.

(g) When centers take children on a walk or field trip, program staff must bring:

(1) a first aid kit as required under section 142H.29, subdivision 9;

(2) a child's allergy information as required under section 142H.15, including the individual child care program plan;

(3) the name and telephone number of each child's parent and at least one emergency contact person;

(4) medication and supplies needed for a child who has a health condition that could need medication, special procedures, or precautions during the course of the trip; and

(5) a working cell phone or other means of immediate communication.

Sec. 34. **[142H.34] FACILITY.**

Subdivision 1. **Occupancy designation.** (a) At initial licensure, an applicant must demonstrate compliance with the standards specified by the State Building Code and any applicable local building ordinances.

(b) Prior to the child care facility being remodeled, substantially improved, renovated, or reconstructed, the license holder must verify whether approval from the applicable state or local building officials is needed. If needed, the license holder must obtain written verification of compliance with the State Building Code and any applicable local building ordinances.

Subd. 2. **Fire inspection.** (a) The center must be inspected by a fire marshal within 12 months prior to initial licensure. The commissioner must not grant an initial license until receiving written approval of compliance with the State Fire Code from the fire marshal with jurisdiction.

(b) The center must have a fire inspection at least once every five calendar years from the date of the last fire inspection report. The fire inspection must include written approval of compliance with the State Fire Code from the fire marshal with jurisdiction.

(c) Prior to the use of any areas of the structure not previously inspected and approved for child care use, the center must:

(1) receive written confirmation from the state fire marshal that approval from the state fire marshal is not needed; or

(2) conduct a fire inspection, which must include written approval of compliance with the State Fire Code from the fire marshal with jurisdiction.

(d) For centers holding a valid license as of July 1, 2027:

(1) centers initially licensed before January 1, 1998, must meet the requirement under paragraph (b) no later than July 1, 2029;

(2) centers initially licensed on or after January 1, 1998, but before January 1, 2013, must meet the requirement under paragraph (b) no later than July 1, 2030;

(3) centers initially licensed on or after January 1, 2013, but before January 1, 2021, must meet the requirement under paragraph (b) no later than July 1, 2031; and

(4) centers initially licensed on or after January 1, 2021, must meet the requirement under paragraph (b) no later than July 1, 2032.

(e) Centers that have already completed a fire inspection within five years of July 1, 2027, are exempt from paragraph (d).

Subd. 3. **Reinspection for cause.** If the commissioner has reasonable cause to believe that a potential hazard exists or the license holder is operating out of compliance with applicable codes, the commissioner may request another inspection and written report by a fire marshal, building official, or health authority.

Subd. 4. **Facility floor plan and designated areas.** (a) Indoor and outdoor space to be used for child care must be designated on a facility floor plan.

(b) Space designated on a facility floor plan must be exclusively used for child care by the center during the hours of operation.

(c) The initial application for licensure and the center's administrative record must contain a floor plan of the center. Precise scale drawings are not required. The plan must indicate:

(1) the dimensions and location of all areas of the center designated for the provision of child care including planned use of each area; and

(2) the size and location of areas used for outdoor activity.

Subd. 5. **Child's personal storage space.** A center must have storage space for each child's clothing and personal belongings. The space must be at a height appropriate for the age of the child.

Subd. 6. **Space for children who become sick.** (a) Space must be provided in the center for a child who becomes sick at a center not licensed to operate a sick care program under section 142H.19.

(b) The space must be separate from activity areas used by other children but may still be within the classroom.

(c) A cot, mat, or crib and blanket must be provided as appropriate to the developmental level of the child.

(d) The space must be supervised by a program staff person when occupied by a sick child.

Subd. 7. **Outdoor learning environment and play space.** (a) A center must provide or have available an outdoor activity area that complies with this subdivision unless licensed to exclusively provide night care as specified under section 142H.16, licensed to provide drop-in care as specified under section 142H.17, licensed to provide sick care as specified under section 142H.19, or operating for fewer than three hours a day.

(b) A center must have an outdoor activity area of at least 1,500 square feet, and there must be at least 75 square feet of space per child within the outdoor play area at any given time during use.

(c) The outdoor activity area must be enclosed if it is located adjacent to a hazard, including but not limited to traffic, rail, water, or machinery, unless the area is a public park or playground.

(d) An outdoor activity area used daily by children under school age must be within 2,000 feet of the center or transportation must be provided by the license holder. The outdoor activity area must not be farther than one-half mile from the center.

(e) The area must contain the outdoor equipment required under section 142H.14.

(f) The play area must be free of potential hazards, including but not limited to broken glass, toxic materials, machinery, unlocked vehicles, feces, and sewage contaminants.

(g) An energy-absorbing surface is required under installed climbing equipment, swings, and slides. An energy-absorbing surface can be loose sand, pea gravel, or mulch in a depth of at least nine inches; any material that meets ASTM F1292 specifications; or shredded rubber and poured energy-absorbing surfacing installed to manufacturer's specifications based on the height of the equipment. A fall zone is required around the equipment.

(h) Natural features used for outdoor play that are not installed as equipment are not subject to the requirements of paragraph (g). When a child uses natural features for outdoor play, a program staff person must remove hazardous objects as specified in subdivision 17 and mitigate hazards whenever possible from the surrounding area where children might fall. Natural features used for outdoor play must be appropriate to the age and size of children, in safe condition, and used under the supervision of a program staff person.

Subd. 8. **Indoor space.** A center must have a minimum of 35 square feet of indoor space available per child in attendance. Hallways, stairways, closets, utility rooms, restrooms, kitchens, and space occupied by cribs are not indoor space for the purposes of this subdivision. Twenty-five percent of the space occupied by furniture or equipment used by staff or children may be counted as indoor space.

Subd. 9. **Shielding of hot surfaces.** Heating appliances must be installed and maintained in accordance with the manufacturer's instruction and the State Building Code. Radiators, fireplaces, hot pipes, and other hot surfaces in areas used by children must be shielded or insulated to prevent burns.

Subd. 10. **Electrical outlets.** Except in a center that serves only school-age children, electrical outlets must be tamper proof or shielded when not in use.

Subd. 11. **Water hazards.** Bodies of water within or adjacent to the center must be inaccessible to children. When using a pool or beach, children must be supervised at all times.

Subd. 12. **Room temperature.** An indoor temperature of 68 degrees Fahrenheit to 82 degrees Fahrenheit must be maintained in all rooms used by children.

Subd. 13. **Hazardous areas.** Kitchens, stairs, and other hazardous areas must be inaccessible to children except during periods of supervised use.

Subd. 14. **Fire extinguisher inspection.** Fire extinguishers must be serviced by a qualified inspector at least once every 365 days. The name of the inspector and date of the inspection must be written on a tag attached to the extinguisher.

Subd. 15. **Toilet articles.** As needed, a license holder must provide and make available toilet paper, liquid hand soap, facial tissues, and single-use paper towels or warm air hand dryers.

Subd. 16. **Toilets and hand sinks.** (a) The center must have at least one hand sink for every 15 children in the center's licensed capacity.

(b) The center must have at least one toilet for every 15 children, excluding infants, in the center's licensed capacity. Toilet training chairs may be used for toddlers in lieu of a toilet.

(c) The center must provide handwashing sinks within three feet of the diaper changing surface. The sink must have hot and cold running water. In newly constructed centers or those undergoing major remodeling to the plumbing system, foot- or wrist-operated sinks must be provided in the diaper changing area.

(d) Any hand sink required for children other than infants must be in the toilet area. The temperature of hot water in the hand sinks used by children must not exceed 120 degrees Fahrenheit. Hand sinks for children must not be used for custodial work or food preparation, including preparing infant bottles. Single-service towels or air dryers must be available to dry hands and designed for easy use by children.

(e) Toilets, sinks, faucets, and hand-drying devices in the toilet area used by children under school age other than infants must be placed at a height appropriate to the ages of the children. A sturdy nonslip platform on which children may stand may be used to meet the height requirement in this paragraph for toddlers and preschoolers.

(f) Plungers and toilet-cleaning devices must be inaccessible to children.

Subd. 17. **Hazardous objects.** (a) The license holder must prevent children from accessing hazardous objects, including any item that could reasonably cause injury, choking, poisoning, burning, cutting, or other harm to a child, or any item designated by the manufacturer to be stored out of reach of children.

(b) Activities that are part of the program plan may include the use of hazardous objects when supervised by program staff.

(c) Supplies and materials used by children must be labeled "nontoxic" by the manufacturer.

Subd. 18. **Telephone.** (a) A working telephone that is capable of making outgoing calls and receiving incoming calls must be located within the licensed child care center at all times. The telephone must be accessible to staff as needed and be sufficiently charged for use at all times.

(b) Program staff must have access to a working telephone while providing care and supervision to children in care outside of the child care facility.

Subd. 19. **Animals.** A license holder must:

(1) keep each animal housed in the program up to date on vaccines required for that species under state law or local ordinance and maintain documentation of vaccinations, if any;

(2) notify parents prior to their child's enrollment of the presence of animals in the program, before new animals are housed, and prior to any animals visiting the program;

(3) not let children handle animals without adult supervision; and

(4) notify the parent of a child whose skin is broken by an animal bite or scratch or who is otherwise injured by an animal in writing of the injury.

Subd. 20. **Pest control.** (a) Effective measures must be taken to protect the center against rodents and insects. If rodents, insects, or other pests are found, the license holder must take steps to remove or exterminate them. Chemicals, baits, and traps for insect and rodent control must not be used in areas accessible to children when children are present and must be used according to the manufacturer's instructions.

(b) Chemicals to control weeds, rodents, insects, and other pests must be used only after other means have been used for control, such as eliminating harborages, removing access to food, and sealing points of entry. These compounds must be used according to labeled

instructions. If chemicals are used, the license holder must notify the parents of enrolled children what pesticide will be applied and where it will be applied no less than 48 hours before application, unless in cases of emergency. Only approved, United States Environmental Protection Agency-registered insecticides, rodenticides, and herbicides may be used. Application must strictly follow all label instructions and must be authorized by the director.

Subd. 21. **Posting license.** A license holder must post the license in a clearly visible place within the child care center that is accessible to parents and guardians.

Sec. 35. **[142H.35] ENVIRONMENTAL HEALTH.**

Subdivision 1. **Water supply.** A child care center must have a safe water supply. Child care centers that obtain water from privately owned wells or sources must test any water used for cooking or drinking by a Department of Health-certified laboratory to verify safety. License holders must follow the lead testing requirements in section 145.9273.

Subd. 2. **Radon testing.** (a) The license holder must notify parents whether radon testing has been conducted in the program upon enrollment and within 30 days of any subsequent testing done after enrollment.

(b) When notifying parents, the license holder must use a form prescribed by the commissioner. The notice must include information from the Department of Health about what radon is and the potential risks associated with radon exposure. If testing has been completed, the notice must include:

(1) the date of the most recent test;

(2) the rooms or areas tested; and

(3) the detected radon level or levels, stated in picocuries per liter.

(c) A license holder must keep a copy of the most recent notice to parents and the radon test results on site and make the notice and results available to parents and the commissioner upon request. The provider may meet this requirement by posting the radon testing results in a conspicuous place.

Sec. 36. **[142H.36] MALTREATMENT OF MINORS INTERNAL REVIEW.**

If a license holder has reason to know that an internal or external report of alleged or suspected maltreatment has been made, the license holder must:

(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. The review must include an evaluation of whether:

(i) related policies and procedures were followed;

(ii) the policies and procedures were adequate;

(iii) there is a need for additional staff training;

(iv) the reported event is similar to past events with the children or the services involved; and

(v) there is a need for corrective action by the license holder to protect the health and safety of children in care;

(2) develop, document, and implement a corrective action plan designed to correct any current lapses and prevent future lapses in performance by individuals or the license holder, based on the results of the review;

(3) identify the primary and secondary person or position who will ensure that, when required, internal reviews are completed. The secondary person must be involved when there is reason to believe that the primary person was involved in the alleged or suspected maltreatment; and

(4) 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.

Sec. 37. Minnesota Statutes 2024, section 245A.211, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to all programs licensed or certified under this chapter, chapters 142C, 142H, 142I, 245D, 245F, 245G, and sections 245I.20 and 245I.23. The requirements in this section are in addition to any applicable requirements for the use of holds or restraints for each license or certification type.

Sec. 38. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber Minnesota Statutes, section 142B.68, as Minnesota Statutes, section 142H.37.

(b) The revisor of statutes must make any necessary changes to statutory cross-references to reflect the changes in this article.

(c) The revisor of statutes must replicate the statutory history for all sections and subdivisions repealed and reenacted in this article.

Sec. 39. **REPEALER.**

(a) Minnesota Rules, parts 9503.0005; 9503.0010; 9503.0015; 9503.0030; 9503.0031; 9503.0032; 9503.0033; 9503.0034; 9503.0040; 9503.0045; 9503.0050; 9503.0055; 9503.0060; 9503.0065; 9503.0070; 9503.0075; 9503.0080; 9503.0085; 9503.0090; 9503.0095; 9503.0100; 9503.0105; 9503.0110; 9503.0115; 9503.0120; 9503.0125; 9503.0130; 9503.0140; 9503.0145; 9503.0150; 9503.0155; and 9503.0170, are repealed.

(b) Minnesota Statutes 2024, sections 142B.01, subdivisions 11, 12, 25, 26, and 27; 142B.41, subdivisions 6, 7, 10, 11, 12, and 13; 142B.54, subdivisions 1, 2, and 3; 142B.65, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; and 142B.66, subdivisions 1, 2, 4, and 5, are repealed.

(c) Minnesota Statutes 2025 Supplement, sections 142B.65, subdivisions 8 and 9; and 142B.66, subdivision 3, are repealed.

Sec. 40. **EFFECTIVE DATE.**

This article is effective July 1, 2027.

ARTICLE 7
FAMILY CHILD CARE LICENSING MODERNIZATION

Section 1. **[142I.01] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the terms in this section have the meanings given.

Subd. 2. **Accessible to children.** "Accessible to children" means capable of being reached or used by a child without the aid of an adult.

Subd. 3. **Accredited.** "Accredited" means a postsecondary institution or technical college recognized and listed in the database of accredited postsecondary institutions and programs maintained by the federal Department of Education.

Subd. 4. **Adult.** "Adult" means a person at least 18 years of age.

Subd. 5. **Age categories.** (a) "Newborn" means a child from birth up to six weeks old.

(b) "Infant" means a child who is at least six weeks old but less than 12 months old.

(c) "Toddler" means a child who is at least 12 months old but less than 24 months old.

(d) "Preschooler" means a child who is at least 24 months old but less than five years of age.

(e) "School age" means a child who is at least five years of age but is less than 11 years of age.

Subd. 6. **Agency.** "Agency" means a county or multicounty social or human services agency governed by a county board or a multicounty human services board.

Subd. 7. **Annual or annually.** "Annual" or "annually" means at least once each calendar year.

Subd. 8. **Applicant.** "Applicant" has the same meaning as section 142B.01, subdivision 4.

Subd. 9. **Behavior guidance.** "Behavior guidance" means an ongoing process whereby caregivers offer constructive, positive, and developmentally appropriate guidance to children to help them manage their own behavior in a socially acceptable manner.

Subd. 10. **Bodily fluid.** "Bodily fluid" means urine, feces, vomit, blood, and other bodily fluids with blood present.

Subd. 11. **Building official.** "Building official" means the person appointed pursuant to section 326B.133 to administer the State Building Code or the building official's authorized representative.

Subd. 12. **Caregiver.** "Caregiver" means the license holder, primary provider of care, second adult caregiver, intermittent caregiver, helper, or substitute.

Subd. 13. **Child.** "Child" means a person receiving child care services who falls within the age categories in subdivision 5.

Subd. 14. **Child care.** "Child care" means the care of a child in a family child care program. This includes the children of the license holder and any other caregivers in the family child care program who receive child care during child care hours.

Subd. 15. **Child with special health care needs or disabilities.** "Child with special health care needs or disabilities" means a child who:

(1) has developmental disabilities or is otherwise eligible for case management as specified in Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) has been identified by the local school district as a child with a disability as specified in section 125A.02, subdivision 1; or

(3) has been determined to be a child with a disability by a health care provider as defined in subdivision 25.

Subd. 16. **Clean.** "Clean" means free from dirt or other contaminants that can be detected by sight, smell, or touch.

Subd. 17. **Commissioner.** "Commissioner" means the commissioner of children, youth, and families or the commissioner's designated representative, including county agencies and private agencies.

Subd. 18. **Community-based family child care program.** "Community-based family child care program" means a family child care program that operates at a location other than the primary residence of the license holder.

Subd. 19. **Department.** "Department" means the Department of Children, Youth, and Families.

Subd. 20. **Disinfect.** "Disinfect" means the chemical process to kill most germs and viruses on surfaces and objects after the surfaces and objects have been cleaned.

Subd. 21. **Emergency replacement.** "Emergency replacement" means an adult who supervises children in a family child care program due to an emergency and who has not completed the training requirements under this chapter or the background study requirements under chapter 245C.

Subd. 22. **Family child care program.** "Family child care program" means a child care program licensed under this chapter and chapter 142B operating from the license holder's residence or other approved space that serves up to 18 children and is provided for less than 24 hours a day.

Subd. 23. **Fire marshal.** "Fire marshal" means the person designated by section 299F.011 to administer and enforce the State Fire Code or a local fire code inspector approved by the fire marshal.

Subd. 24. **Hazardous materials.** "Hazardous materials" means any item that could reasonably cause injury, choking, poisoning, burning, cutting, or other harm to a child, or any item designated by the manufacturer to be stored out of reach of children.

Subd. 25. **Health care provider.** "Health care provider" means a physician or physician's assistant licensed to practice medicine under chapter 147; an advanced practice registered nurse licensed under section 148.171; or a licensed psychiatrist, licensed psychologist, or licensed consulting psychologist.

Subd. 26. **Helper.** "Helper" means a minor, 14 through 17 years of age, who assists an adult caregiver with the care of children.

Subd. 27. **Inaccessible to children.** "Inaccessible to children" means not capable of being reached or utilized by a child without the aid of an adult.

Subd. 28. **Intermittent caregiver.** "Intermittent caregiver" means an adult who cares for children in a family child care program alongside another adult caregiver for a cumulative total of no more than 500 hours annually.

Subd. 29. **License.** "License" has the meaning given in section 142B.01, subdivision 16.

Subd. 30. **License holder.** "License holder" has the meaning given in section 142B.01, subdivision 17, for a family child care program.

Subd. 31. **Licensed capacity.** "Licensed capacity" means the total number of children ten years of age or younger permitted at any one time on the premises of a family child care program. All children ten years of age or younger on the premises count toward the capacity of the family child care program.

Subd. 32. **Medication.** "Medication" means any substance or preparation that is used to prevent or treat a wound, injury, infection, or disease; maintain health; heal; or relieve pain, including substances purchased over the counter or prescribed by a health care provider or dentist. Medication includes substances taken internally or applied externally.

Subd. 33. **Owner or renter.** "Owner" or "renter" means the individual, individuals, organization, or government entity listed in the property title, deed, lease, or equivalent legal document.

Subd. 34. **Parent.** "Parent" means a person who has the legal responsibility for a child, such as the child's mother, father, or legally appointed guardian.

Subd. 35. **Pests.** "Pests" means any animals, insects, or other living creatures that are not housed within the family child care program and are considered harmful or detrimental to the health, safety, and well-being of individuals within a family child care program. This includes but is not limited to ants, rodents, cockroaches, bedbugs, or bats.

Subd. 36. **Pets.** "Pets" means all animals housed at the family child care program or that have contact with children.

Subd. 37. **Premises.** "Premises" means the indoor and outdoor space in which a family child care program is located.

Subd. 38. **Primary provider of care.** "Primary provider of care" means the person responsible for providing care to children during the hours of operation and operating a family child care program in compliance with all applicable laws and regulations under this chapter and chapters 142B and 245C. All individual license holders are primary providers of care, as are individuals designated under section 142I.22, paragraph (f).

Subd. 39. **Radon testing.** "Radon testing" means the measurement of radon gas levels in the indoor air of the building.

Subd. 40. **Related.** "Related" means any of the following relationships by marriage, blood, or adoption: a spouse, a parent, an adoptive parent, a birth or adopted child or stepchild, a stepparent, a stepbrother, a stepsister, a niece, a nephew, a grandparent, a grandchild, a sibling, an aunt, an uncle, or a legal guardian.

Subd. 41. **Second adult caregiver.** "Second adult caregiver" means an adult who cares for children in the family child care program for a cumulative total of more than 500 hours annually along with the primary provider of care or substitute caregiver.

Subd. 42. **Separation.** "Separation" is a form of behavior guidance that involves interruption of unacceptable behavior by the removal of a child from a situation with the intention of allowing the child an opportunity to pause and gain self-control. During a separation a child is not allowed to participate in activities with other children.

Subd. 43. **State Building Code.** "State Building Code" means the codes and regulations adopted by the commissioner of administration pursuant to section 326B.107 and contained in Minnesota Rules, chapter 1300.

Subd. 44. **State Fire Code.** "State Fire Code" means the codes and regulations adopted by the state fire marshal pursuant to section 299F.011 and contained in Minnesota Rules, chapter 7511.

Subd. 45. **Substitute.** "Substitute" means an adult who is responsible for the duties of a primary provider of care when the primary provider of care is not present at the family child care program. A substitute may not provide care for more than 500 hours per calendar year.

Subd. 46. **Supervision.** "Supervision" means:

(1) caregivers must be within sight or hearing of newborns, infants, toddlers, and preschoolers at all times and must intervene in an effort to protect the health and safety of the child. Electronic monitoring devices can only be used to monitor infants, toddlers, and preschoolers when they are asleep;

(2) for a school-age child, a caregiver is available for assistance and care without the aid of a mechanical or electronic device so that the child's health and safety is protected; and

(3) the caregiver has an awareness of and responsibility for the activity of each child and is near enough to respond and reach children immediately, including responding to the child's basic needs and intervening to protect them from harm.

Subd. 47. **Variance.** "Variance" means written permission from the county licensing unit pursuant to the requirements in section 142B.10, subdivision 16, paragraph (c) for a license holder or applicant to depart from a specific requirement in this chapter or chapter 142B.

Sec. 2. **[142I.02] LICENSING OF PROGRAMS.**

Subdivision 1. **Purpose.** The purpose of this chapter is to establish procedures and standards for licensing family child care and community-based family child care programs to ensure that minimum standards of care and service are given and the protection, care, health, safety, and development of the children are assured.

Subd. 2. **Applicability.** A family child care program must be licensed under this chapter and chapter 142B to operate in Minnesota.

Sec. 3. **[142I.03] LICENSING PROCESS.**

Subdivision 1. **License application.** (a) An applicant for a family child care license must follow the requirements of this section and section 142B.10.

(b) Applicants must use the application issued by the department. The application must be made in the county where the family child care program will operate.

(c) Applicants must be the proposed license holders of the family child care program.

(d) An application for licensure is complete and ready for the agency's review after the applicant completes, signs, and submits all department forms and documentation needed for licensure to the agency and the agency receives all inspection, zoning, evaluation, and investigative reports, documentation, and information required to verify compliance with this chapter and applicable statutes, including a completed background study for individuals subject to a study, as required under chapter 245C.

Subd. 2. **Licensing study.** (a) The applicant must give the agency access to the family child care program for a licensing study to determine compliance with all applicable rules and statutes.

(b) If the commissioner determines a potentially hazardous condition exists due to noncompliance with this chapter or local ordinances, the applicant must obtain an inspection from a fire marshal, building official, or authorized community health board agent under section 145A.04 to verify the absence of hazard or identify needed corrections. Any condition cited as hazardous and creating an immediate danger of fire or threat to life or safety must be corrected.

(c) An applicant must undergo an initial inspection of the family child care program by a fire marshal to determine compliance with the State Fire Code and compliance with orders issued if the program:

(1) has freestanding solid-fuel-heating appliances;

(2) will operate in a manufactured or mobile home;

(3) will use a basement for child care;

(4) is located in mixed- or multiple-occupancy buildings. For the purposes of this clause, "mixed-occupancy building" means a structure that contains nonresidential occupancies, such as an attached garage, and "multiple-occupancy building" means a structure with two or more residential dwelling units, such as a duplex, apartment building, or townhome; or

(5) is located in a commercial space.

Subd. 3. **Ineligibility factors.** (a) An applicant, caregiver, or any person who resides where the family child care program operates and who is present when children are in care or works with the children in care is prohibited from:

(1) abusing prescribed or nonprescribed drugs or use alcohol or controlled substances specified in chapter 152 to the extent that the use or abuse has or may have a negative effect on the ability of the primary provider of care to give care or is apparent during the hours of operation;

(2) having had a child placed in foster care within the prior 12 months for reasons that the agency determines reflect on the ability of the license holder or the primary provider of care to safely provide family child care. This clause does not apply if the primary reason for the placement was due to a physical illness of the parent due to a disability of the child, including developmental disability of the child; or for the temporary care of a newborn or infant being relinquished for adoption;

(3) having had a child placed in a residential facility within the prior 12 months for reasons that the agency determines reflect on the ability of the license holder or the primary provider of care to safely provide family child care; or

(4) exhibiting behavior that could pose a risk to children being served in the family child care program. Additional assessments or documentation may be requested to determine the impact on the provider's ability to provide care.

(b) Caregivers who have abused prescribed or nonprescribed drugs or have been dependent on alcohol or controlled substances specified in chapter 152, such that the use, abuse, or dependency has negatively affected the ability to give care, was apparent during the hours of operation, or required treatment or therapy, must have 12 months of verified abstinence before licensure.

Subd. 4. **Variances.** The county licensing unit may grant variances to this chapter.

Subd. 5. **Posting license.** The license holder must post the license in the family child care program in a location where parents, visitors, and authorized representatives of the commissioner can easily access and view the license.

Subd. 6. **Change in license terms.** A license holder must submit a new application form in accordance with section 142B.10 before:

(1) relocating the family child care program;

(2) changing the type of license from class A, C1, or C2 to C3, C4, or C5;

(3) changing the type of license from class C4 or C5 to A, C1, C2, or C3;

(4) changing from family child care to community-based family child care; or

(5) changing from community-based family child care to family child care.

Subd. 7. **Number of licenses.** Each individual applicant is limited to one family child care license.

Subd. 8. **Access to program.** As required in section 142B.10, subdivision 12, caregivers must give authorized representatives of the commissioner access to the family child care program premises during the hours of operation.

Subd. 9. **Disposal of license.** When a family child care program is closed, or if a license is revoked, suspended, or not renewed, the license holder must remove the license from being posted in the home within 14 days of ceasing operation or upon the final order of revocation, denial, or suspension of license; stop all advertising; and refrain from providing care to children as required in section 142B.05, subdivision 1.

Subd. 10. **Local government authority.** The authority of local units of government to establish requirements for family child care programs is limited by section 299F.011, subdivision 4a, paragraph (a), clauses (1) and (2).

Subd. 11. **Background studies.** All individuals subject to a background study must comply with the requirements of chapter 245C.

Subd. 12. **Child care license holder insurance.** (a) The license holder must complete and provide to parents a form prescribed by the commissioner that includes information about the license holder's liability insurance status. The license holder must update the form and obtain each parent's signature whenever insurance coverage changes, a policy lapses, or a new policy takes effect. If the license holder has a continuous insurance policy that renews each year, the license holder may indicate the policy's renewal date in the initial written notice to parents, and no further notices are required until the insurance coverage changes or the policy lapses.

(b) The form under this subdivision must include the date of the policy's expiration or renewal or indicate if the license holder does not carry liability insurance.

(c) A copy of the current certificate of liability insurance must be made available upon request to parents, the commissioner, and agency licensing staff.

Sec. 4. **[142I.04] AGENCY RECORDS.**

Subdivision 1. **Agency records.** An agency must maintain the following records for each license holder:

(1) a copy of the completed licensing application form signed by the applicant and the agency;

(2) a physical health report on any adult caregiver that was submitted prior to giving care in the family child care program. The physical health report must verify that the adult caregiver is physically able to care for children;

(3) any written reports from a fire marshal, building official, or agent of a community health board authorized under chapter 145A;

(4) if the applicant has been licensed through another jurisdiction, a reference from the licensing authority in that jurisdiction;

(5) the initial and annual inspection by the agency of the license holder. Any comments of the license holder about the inspections by the agency must also be noted in the agency record;

(6) a copy of the notification given to parents, prior to a child's admission, indicating that pets are present in the residence and documentation as required in section 142I.19, subdivision 4;

(7) documentation of any variance requests and the approval or denial of the request in accordance with section 142I.03; and

(8) the results of each background study required under chapter 245C.

Subd. 2. **Data privacy.** The agency, commissioner, and authorized agent as defined in section 142B.01, subdivision 5, must have access to license holder records on children in care to determine compliance with this chapter. All caregivers must maintain the privacy of records on children by refraining from discussing or disclosing any records, including electronic records, or information on children in care to any persons other than the parent of the child, the agency, the commissioner, and medical or public safety persons if the information is necessary to protect the health and safety of the child.

Sec. 5. **[142I.05] REPORTING TO AGENCY.**

Subdivision 1. **Maltreatment, abuse, and neglect reporting.** All caregivers who suspect, know, or have reason to believe a child is being or has been maltreated under section 260E.03, subdivision 12, must immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, county sheriff, Tribal social services agency, or Tribal police as required by chapter 260E.

Subd. 2. **Other reporting.** Primary providers of care must notify the agency:

(1) prior to anyone moving into the residence where family child care services are provided. A background study must be completed in accordance with section 245C.13, subdivision 2;

(2) within ten calendar days after a household member has moved out of the residence where family child care services are provided;

(3) before a new caregiver provides direct contact services for the first time, unless an individual is acting as an emergency replacement according to section 142I.09, subdivision 2;

(4) of any damage to the premises that may affect compliance with this chapter or any incident at the premises that results in the loss of utility services, within 24 hours after the occurrence;

(5) within 24 hours after the occurrence of any serious injury, head injury, hospitalization, or death of a child in care. For the purposes of this clause, "serious injury" means an injury that reasonably requires the care of a health care provider or dentist; and

(6) within 24 hours after the occurrence of an animal bite in accordance with section 142I.19, subdivision 4.

Sec. 6. **[142I.06] ADMISSIONS; RECORDS; REPORTING.**

Subdivision 1. **Admission and ongoing information.** (a) Prior to admission of a child and annually while the child is enrolled, the parents and primary provider of care must discuss family child care program policies and licensing requirements.

(b) The license holder must not disclose a child's record to any person other than the child, the child's parent or guardian, the child's legal representative, employees of the license holder, and the agency unless the child's parent or guardian has given written consent or as otherwise required by law.

Subd. 2. **Statutory summary for parents.** A descriptive summary of this chapter must be distributed to the parent by the license holder at the time a child is admitted to care. The summary must be provided by the department to the agencies for distribution to license holders and must:

(1) state that this chapter and chapter 142B govern the licensing of family child care programs;

(2) specify the section headings contained in this chapter; and

(3) state that a complete copy of this chapter is available at the family child care program, agency, department, or State Law Library or through the revisor of statutes website.

Subd. 3. **Parental access.** A parent who has enrolled a child must be allowed access to the child and the licensed space at any time while the child is in care unless a court order or other legal documentation restricts access. A copy of the order or other legal documentation must be kept in the child's record at the family child care program.

Subd. 4. **Attendance records.** A license holder must maintain documentation of attendance for each child receiving care for a minimum of five years. The records must be accessible to the commissioner during the family child care program's hours of operation, must be completed on the day of attendance, and must include:

(1) the first and last name of the child;

(2) the time of day that the child was dropped off; and

(3) the time of day that the child was picked up.

Subd. 5. **License holder policies.** (a) The license holder must follow and monitor implementation of the policies and procedures by all caregivers as required in section 142B.10, subdivision 21.

(b) When applicable for the program, the license holder must have written policies available for discussion with parents and the commissioner and provide an electronic or hard copy to the parent at the time of admission or upon request. The policies must include, at a minimum:

(1) program operation policies, including:

(i) the ages and numbers of children the family child care program is licensed to serve;

(ii) the hours and days of operation, including plans for holiday closings, personal time, and policies for inclement weather closings;

(iii) fees, including payment schedule, overtime charges, and registration fees as applicable;

(iv) parental access to the family child care program that states a parent who enrolls a child must be allowed access to the child and the licensed space at any time while the child is in care;

(v) nondiscrimination practices to comply with section 142I.21;

(vi) the termination of child care and expulsion notice procedures; and

(vii) the use of a helper, a substitute for personal leave or holidays, and an emergency substitute according to the licensing requirements in section 142I.09;

(2) health and safety policies, including on:

(i) allergy prevention and response;

(ii) the administration and storage of medication and topical products;

(iii) the care of ill children, isolation precautions, symptoms for discharge and return, immunizations, medicine permission policies, and whether the license holder will care for an ill child;

(iv) disease notification procedures, including notifying the parents of exposed children within 24 hours of a parent or caregiver notifying the license holder of a reportable disease under section 142I.19, subdivision 9. The notice must be posted in a clearly visible, accessible place or provided individually to each parent of a child who was exposed;

(v) meals, snacks, infant formula, breast milk, and supplemental foods to be provided, including labeling requirements for food brought from the child's home;

(vi) sleeping and resting arrangements;

(vii) emergency procedures, fire and storm plans, and transportation in an emergency, including whether parent permission is required;

(viii) how the license holder prevents abuse of prescription medication or being in any manner under the influence of a chemical that impairs the caregiver's ability to provide services or care as required under section 142B.10, subdivision 1, paragraph (c); and

(ix) firearms at the residence in accordance with section 142I.19, subdivision 7; and

(3) program environment policies, including:

(i) behavior guidance and discipline;

(ii) field trips, including by foot, and whether parent permission is required;

(iii) the presence of pets in the family child care program, including notification prior to the introduction of a new pet to the program;

(iv) the use of screen time; and

(v) the use of social media, images, and video in accordance with subdivision 7.

Subd. 6. **Records for each child.** (a) The license holder must obtain the records in this subdivision from parents prior to the admission of a child. The license holder must keep this information up to date and on file for each child. The license holder must have a parent annually review the information in a child's record, update the information as necessary, and keep the information on file.

(b) For each enrolled child, the license holder must maintain a signed and completed admission and arrangement form, as prescribed by the commissioner, and a completed enrollment form, as developed and approved by the commissioner.

(c) Immunization records must be kept in accordance with section 121A.15 and Minnesota Rules, chapter 4604. Prior to enrollment, a license holder must request a child's immunization record. The record must be kept on file and updated as follows:

(1) for an infant, every six months;

(2) for a toddler, annually;

(3) for a preschooler, every 18 months; and

(4) for a school-age child, every three years.

(d) For each enrolled child, the license holder must obtain signed written consent from a parent allowing the license holder to obtain emergency medical care or treatment for the child.

(e) A license holder must release a child from care only to a parent or other person authorized in writing by the parent. The information must be reviewed at least annually by the parent and updated when information changes.

Subd. 7. **Social media, images, and video sharing.** (a) Caregivers are prohibited from sharing photos, videos, or other personal identifying information of enrolled children, except to provide updates to parents who have provided written consent. If a license holder wishes to use photos or videos of the family child care program and the enrolled children for promotional or publicity purposes, including on social media accounts or public digital platforms, the license holder must obtain written consent from parents prior to use.

(b) Notwithstanding paragraph (a), the license holder must share photos, videos, and other personal identifying information of enrolled children with the commissioner upon request.

Subd. 8. **Nondiscrimination.** A caregiver is prohibited from discriminating in relation to enrollment in their program based on race, color, creed, religion, national origin, sex, gender identity, marital status, disability, sexual orientation, or familial status.

Sec. 7. **[142I.07] CAPACITY AND RATIOS.**

Subdivision 1. **Capacity limits.** License holders must be licensed for the total number of children ten years of age or younger who are present on the premises of the family child care program at any one time during child care hours, including the caregiver's own children and foster children.

Subd. 2. **Capacity, ratios, and age distribution restrictions.** (a) The commissioner must issue licenses based on the capacity and ratios in this subdivision.

(b) License holders with a class A license must meet the following requirements:

Class	Capacity	Minimum Adult Caregivers	Maximum Children Under School Age	Maximum Total Infants and Toddlers	Maximum Infants
A	10	1	6	3	2

(c) License holders with a class C license must meet the following requirements:

Class	Capacity	Minimum Adult Caregivers	Maximum Children Under School Age	Maximum Total Infants and Toddlers	Maximum Infants
C1	5	1	5	3	3
C2	10	1	8	4	2
C3	12	1	10	3	2
C4	14	2	12	6	4
C5	18	2	12	5	2

Subd. 3. **Newborn care.** When a newborn is in care and only one adult caregiver is present, the newborn must be the only child under 12 months of age present, and the license holder must not care for more than two other children at the same time unless the newborn is the license holder's child. When a second adult caregiver is also present or the newborn is the child of the license holder, then the newborn is considered an infant for the purposes of child-to-adult ratios and age distribution restrictions.

Subd. 4. **Supervision, primary provider of care, and use of substitutes.** (a) Children in care must be supervised by an adult caregiver. The adult caregiver must have knowledge of each child's needs, including but not limited to developmental and behavioral needs and parental preferences, and be accountable for each child's care at all times. A caregiver must be within sight or hearing of newborns, infants, toddlers, and preschoolers at all times without the use of monitoring devices, except as provided in section 142I.18.

(b) The primary provider of care must be the primary caregiver in the family child care program unless a substitute is being used in accordance with section 142I.09. A helper may be used in place of a second adult caregiver when there is no more than one newborn, infant, or toddler present.

(c) The use of a substitute caregiver must be in accordance with section 142I.09.

Subd. 5. **Overnight care.** When a family child care program has a child in care after 11 p.m. and before 5 a.m.:

(1) at least one adult caregiver must remain awake and available to respond to children's needs at all times. The program must maintain required caregiver-to-child ratios. Additional caregivers may sleep when ratios are maintained and must be available to resume supervision when needed;

(2) all awake children must be given the opportunity to engage in age-appropriate activities in a separate room away from sleeping children; and

(3) the child care emergency plan must include a plan tailored to sleeping children.

Subd. 6. **Class C5 licenses.** (a) Class C5 licenses must always operate at the level of exit discharge.

(b) A family child care program with a class C license may operate as a lower C-class level family child care program on days when the adult-to-child ratios allow it to operate at a lower capacity.

Subd. 7. **Care of the license holder's own child or children.** (a) With the license holder's consent, an individual may be present in the licensed space and care for the license holder's own child both inside and outside of the licensed space and is exempt from the training and supervision requirements of section 142I.10 if the individual:

(1) is related to the license holder or to the license holder's child, as defined in section 142I.01, subdivision 40, or is a household member who the license holder has reported to the county agency;

(2) is not a caregiver for the family child care program at the time that they are supervising the license holder's own child;

(3) only cares for the license holder's own child; and

(4) does not have direct, unsupervised contact with any nonrelative children in care.

(b) If the individual in paragraph (a) is not a household member, the individual is also exempt from background study requirements under chapter 245C.

(c) Where a caregiver is also a parent providing care to their own child in the family child care program, sections 142I.13; 142I.17; 142I.20, subdivisions 1 to 3; and 142I.21 do not apply to caregivers with regards to the care of their own children.

(d) Notwithstanding paragraph (c), family child care programs with license holders or caregivers providing care to their own child are not exempt from the capacity, ratio, and age distribution requirements under this section. License holders and caregivers remain subject to chapters 260E and 609 and other applicable statutes and rules.

(e) Notwithstanding paragraph (c), the agency may enforce the standards in sections 142I.13; 142I.17; 142I.20, subdivisions 1 to 3; and 142I.21 when the caregiver's actions with regards to the care of their own children affect the other children in the caregiver's care.

Sec. 8. **[142I.08] QUALIFICATIONS.**

Subdivision 1. **Age.** An applicant for a family child care license must be an adult at the time of application.

Subd. 2. **Physical and behavioral health.** (a) An adult caregiver must be physically and mentally able to care for children. An applicant or primary provider of care must provide documentation to the agency along with the license application verifying that the applicant has had a physical examination by a licensed physician, advanced practice registered nurse, or physician assistant within 12 months prior to the application for initial licensure and that the applicant or primary provider of care is physically able to care for children. Prior to assisting in the care of children, the applicant must also provide documentation verifying that any adult caregiver has had a physical examination by a licensed physician, advanced practice registered nurse, or physician assistant within the past 12 months and is physically able to care for children.

(b) The commissioner may require a caregiver to provide reports on the caregiver's physical or mental health from a health care provider when there is reason to believe that a caregiver exhibits physical or mental health symptoms that could impair the caregiver's ability to ensure the health and safety of children. The reports must not be used for any other purpose than to determine whether the caregiver's physical or mental health impacts the health and safety of children.

Subd. 3. **Additional class C5 license requirements.** (a) An applicant or primary provider of care receiving a class C5 license must have at least one of:

(1) a minimum of one year of substantial compliance with this chapter as a Minnesota-licensed family child care license holder, primary provider of care, or second adult caregiver and a minimum of 1500 hours of direct care in a family child care program serving children;

(2) a minimum of six months of substantial compliance with this chapter as a family child care license holder, primary provider of care, or second adult caregiver in Minnesota and:

(i) a minimum of 520 hours of experience as an assistant teacher, student teacher, or intern in an elementary school, after-school program, or Minnesota-licensed child care center or as an adult caregiver in a Minnesota-licensed family child care program and 30 hours of child care, health, and nutrition training as specified in section 142I.10; or

(ii) a minimum of 520 hours of experience as a licensed practical or registered nurse, and 30 hours of child development or early childhood education training, as specified in section 142I.10;

(3) certification or licensure indicating completion of one of the following:

(i) a two-year child development or early childhood education associate or certificate program at an accredited college or university;

(ii) a child development associate certification;

(iii) a certification from a recognized Montessori organization;

(iv) a bachelor's degree or higher in early childhood education from an accredited college or university; or

(v) an elementary education degree from an accredited college or university that includes a minimum of 30 hours of child development training; or

(4) six months' experience working an average of 30 hours a week or more as a teacher, as defined in section 142H.06, at a Minnesota-licensed child care center.

(b) An applicant or primary provider of care must complete an additional large group training created by the commissioner as a condition of receiving a class C5 license.

Sec. 9. **[142I.09] SUBSTITUTE CAREGIVERS AND REPLACEMENTS.**

Subdivision 1. **Total hours allowed.** The use of a substitute caregiver in a family child care program is limited to a cumulative total of not more than 500 hours annually. When a substitute is used, prior to the end of each business day the license holder must document the name, date, and number of hours of each substitute who provided care.

Subd. 2. **Emergency replacement supervision.** (a) In an emergency, a license holder may allow an adult who has not completed the training requirements under this chapter or the background study requirements under chapter 245C to supervise children in a family child care program. For purposes of this subdivision, "emergency" means a situation in which the license holder has begun operating the family child care program for the day and for reasons beyond the control of the license holder, including but not limited to a serious illness or injury, accident, or situation requiring the immediate attention of the license holder, the license holder needs to leave the licensed space and close the program for the day.

(b) To the extent practicable, the license holder must attempt to arrange for emergency care by a substitute caregiver before using an emergency replacement.

(c) When an emergency occurs:

(1) the license holder or emergency replacement must contact the parents of the children attending the family child care program and inform the parents that the program is closing for the day and that the children need to be picked up as soon as practicable;

(2) the license holder must not knowingly use a person as an emergency replacement who has committed an action or has been convicted of a crime that would cause the person to be disqualified from providing care to children if a background study was conducted under chapter 245C;

(3) the license holder must make reasonable efforts to minimize the amount of time the emergency replacement has unsupervised contact with the children in care not to exceed 12 hours per emergency incident;

(4) the family child care program must be closed for the day once the last unrelated child has left the program; and

(5) the license holder must notify the county licensing agency within seven days that an emergency replacement was used and specify the circumstances that led to the use of the emergency replacement.

(d) The county licensing agency must notify the commissioner within three business days after receiving the license holder's notice that an emergency replacement was used and specify to the commissioner the circumstances that led to the use of the emergency replacement.

(e) A license holder is not required to provide the names of persons who may be used as replacements in emergencies to parents or the county licensing agency. However, once an emergency replacement has been used, the license holder must provide the name of the individual used to the county licensing agency.

Sec. 10. **[142I.10] APPLICANT, PRIMARY PROVIDER OF CARE, AND SECOND ADULT CAREGIVER TRAINING REQUIREMENTS.**

Subdivision 1. **Initial training; applicant, primary provider of care, and second adult caregiver.** (a) Before providing care, an applicant, a primary provider of care, and each second adult caregiver must have completed all required initial training within the prior 24 months.

(b) Initial training does not need to be completed before providing care in the following circumstances:

(1) a primary provider of care who voluntarily closes a license and reopens within 12 months has one year from the new license's effective date to complete annual and ongoing training and is exempt from repeating initial training;

(2) a primary provider of care who relocates within the state has until the end of the calendar year to complete annual and ongoing training and is not required to repeat initial training previously completed; and

(3) a primary provider of care who relocates to a new county must not be required by the new county to complete orientation or other training required for new applicants.

(c) Each applicant, primary provider of care, and second adult caregiver must complete and document the following before providing care:

(1) at least four hours of child development, learning, or behavior guidance training. An individual is exempt if the individual provides documentation verifying that the individual:

(i) has completed a three-credit early childhood development course within the past five years;

(ii) holds a baccalaureate or master's degree in early childhood education or school-age child care;

(iii) holds a Minnesota teaching license in early childhood education, kindergarten through grade 6, or special education; or

(iv) holds a Montessori certificate;

(2) the six-hour supervising for safety for family child care course developed by the commissioner;

(3) pediatric first aid training provided by an instructor certified to teach pediatric first aid. Current training documentation must be maintained at the family child care program and made available upon request. Online training reviewed and approved by the county licensing agency satisfies this requirement;

(4) pediatric cardiopulmonary resuscitation (CPR) training that:

(i) is instructor led or blended with a hands-on skills component. Online-only CPR courses without a hands-on component do not meet this requirement;

(ii)(A) is developed by the American Heart Association or the American Red Cross; or

(B) uses nationally recognized, evidence-based guidelines for CPR training; and

(iii) is provided by an instructor approved by the commissioner to teach CPR;

(5) for programs licensed for children younger than school age, training on reducing the risk of sudden unexpected infant death and abusive head trauma, which may be combined in a single commissioner-approved course. This training must, at a minimum, address the

risk factors related to sudden unexpected infant death and abusive head trauma and the means of reducing the risk of each;

(6) training on proper use and installation of child passenger restraint systems under section 169.685 of at least one hour in length that is provided by an instructor certified and approved by the Department of Public Safety. 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 caregiver to transport the child or children. This requirement does not apply to family child care programs that transport only school-age children as defined in section 142I.01, subdivision 5, paragraph (e), in child care buses as defined in section 169.448, subdivision 1, paragraph (e);

(7) training on the child care emergency plan required under section 142I.19, subdivision 2;

(8) training on allergy prevention and response required under section 142I.06, subdivision 5, paragraph (b);

(9) training on the community-based family child care program plan required under section 142I.22, if applicable;

(10) training on the family child care program policies and procedures required under section 142I.06;

(11) training on reporting suspected maltreatment of children as required under chapter 260E; and

(12) swimming pool training under section 142I.14, subdivision 6, if a pool at the family child care program is used by children in care.

(d) County licensing staff must accept approved training on the primary provider of care or second adult caregiver's learning record in the Develop data system for early education and school-age care.

Subd. 2. **Annual training; primary provider of care and second adult caregiver.** (a) A primary provider of care and each second adult caregiver must annually complete and document the following training:

(1) at least two hours of child development, learning, or behavior guidance training. A three-credit early childhood development course completed within the calendar year meets this requirement;

(2) a two-hour active supervision course developed or approved by the commissioner;

(3) training on reducing the risk of sudden unexpected infant death if caring for infants and training on reducing the risk of abusive head trauma if caring for children under school age, which must:

(i) be completed in person or online at least once every two years; and

(ii) in alternating years, be completed through a commissioner-approved video not exceeding one hour in length; and

(4) at least four hours of ongoing training each calendar year that must include topics identified in the Minnesota knowledge and competency framework. Repeat of topical training requirements in subdivision 1 counts toward the annual ten-hour requirement.

(b) A caregiver who is approved as a trainer through the Develop data system may count up to two hours of training instruction toward the annual ten-hour training requirement in paragraph (a), clause (4), if:

(1) the training is the first instance in which the caregiver delivers a particular content-specific training during each training year;

(2) the caregiver is a Develop-approved active trainer; and

(3) the hours counted as training instruction are approved through the Develop data system with attendance verified on the trainer's individual learning record and are in the knowledge and competency framework content areas VII A, establishing healthy practices, or B, ensuring safety.

(c) Unless specifically authorized in this section, one training does not fulfill two different training requirements. Courses within the identified knowledge and competency areas that are specific to child care centers or legal nonlicensed programs do not fulfill the requirements of this section.

(d) County licensing staff must accept training designated by the commissioner as satisfying training requirements if the training is within the knowledge and competency framework for child development and learning, behavior guidance, and active supervision as indicated on the department's website.

Subd. 3. **Ongoing training; primary provider of care and second adult caregiver.** (a) A primary provider of care and each second adult caregiver must complete and document the following training:

(1) pediatric cardiopulmonary resuscitation training that meets the requirements of subdivision 1, paragraph (c), clause (4), and is repeated every two years within 90 days of

the second anniversary of the previous training. Documentation must be maintained at the family child care program or electronically and made available upon request;

(2) pediatric first aid training by a certified instructor repeated every two years within 90 days of the second anniversary of the previous training. Documentation of the training must be maintained at the family child care program or electronically and made available upon request;

(3) commissioner-developed Health and Safety I and Health and Safety II training at least once every five years. Completion of either course in a given year meets the annual active supervision training requirement in subdivision 2, paragraph (a), clause (2);

(4) proper use and installation of child passenger restraint systems under section 169.685 that meets the requirements of subdivision 1, paragraph (c), clause (6), and is repeated at least once every five years. This requirement does not apply to family child care programs that transport only school-age children as defined in section 142I.01, subdivision 5, paragraph (e), in child care buses as defined in section 169.448, subdivision 1, paragraph (e); and

(5) fire safety training developed by the State Fire Marshal's Office that must be completed once every five years.

(b) If a license holder changes any of the policies and procedures under section 142I.06, subdivision 5, the primary provider of care and each second adult caregiver must review the revised policies and procedures within ten days of the change.

(c) The license holder must maintain documentation of each review of the revised policies and procedures at the family child care program. The documentation requirements under this paragraph may be met by a date noted on the revised policies or procedures.

Subd. 4. **Commissioner designated training.** Training designated by the commissioner satisfies the training requirements under this section if the training is within the knowledge and competency framework for child development and learning, behavior guidance, and active supervision, as indicated on the department's website.

Sec. 11. **[142I.11] SUBSTITUTE AND INTERMITTENT CAREGIVER TRAINING REQUIREMENTS.**

Subdivision 1. **Initial training; substitute and intermittent caregiver.** (a) Before providing care, each substitute and intermittent caregiver must complete the following training requirements within the previous 12 months:

(1) the four-hour basics of family child care for substitutes course developed by the commissioner;

(2) pediatric first aid training provided by an instructor certified to teach pediatric first aid. Current training documentation must be maintained at the family child care program and made available upon request. Online training reviewed and approved by the county licensing agency satisfies this requirement;

(3) pediatric cardiopulmonary resuscitation training that meets the requirements of section 142I.10, subdivision 1, paragraph (c), clause (4);

(4) for programs licensed for children younger than school age, training on reducing the risk of sudden unexpected infant death and abusive head trauma, which may be combined in a single commissioner-approved course. This training must, at a minimum, address the risk factors related to sudden unexpected infant death and abusive head trauma and the means of reducing the risk of each;

(5) training on proper use and installation of child passenger restraint systems under section 169.685 of at least one hour in length, provided by an instructor certified and approved by the Department of Public Safety. This requirement does not apply to family child care programs that transport only school-age children as defined in section 142I.01, subdivision 5, paragraph (e), in child care buses as defined in section 169.448, subdivision 1, paragraph (e). 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 caregiver to transport the child or children;

(6) training on the child care emergency plan required under section 142I.19, subdivision 2;

(7) training on allergy prevention and response required under section 142I.06, subdivision 5, paragraph (b);

(8) training on the community-based family child care program plan required under section 142I.22, if applicable;

(9) training on the family child care program policies and procedures required under section 142I.06;

(10) training on reporting suspected maltreatment of children as required under chapter 260E; and

(11) swimming pool training under section 142I.14, subdivision 6, if a pool at the family child care program is used by children in care.

(b) County licensing staff must accept approved training on the substitute or intermittent caregiver's learning record in the Develop data system for early education and school-age care.

Subd. 2. **Annual training; substitute and intermittent caregiver.** (a) Substitutes and intermittent caregivers must complete a minimum of one hour of training each calendar year, and the training must include the requirements in this section.

(b) Each calendar year, a substitute or intermittent caregiver must receive training on reducing the risk of abusive head trauma from shaking infants and young children if caring for children under school age and reducing the risk of sudden unexpected infant death if caring for infants. A substitute must complete each applicable course at least once every two years either in person or online. In a year a substitute or intermittent caregiver is not completing an applicable course under this paragraph in person or online, the individual must watch a video on the respective topic of no more than one hour in length. The video must be developed or approved by the commissioner. A license holder must maintain documentation of compliance with this paragraph for each substitute and intermittent caregiver employed.

Subd. 3. **Ongoing training; substitute and intermittent caregiver.** (a) At least once every three years, a substitute or intermittent caregiver must complete the four-hour basics of family child care for substitutes course.

(b) A substitute or intermittent caregiver must complete the following training:

(1) pediatric cardiopulmonary resuscitation training that meets the requirements of section 142I.10, subdivision 1, paragraph (c), clause (4), and is repeated every two years within 90 days of the second anniversary of the previous training. Documentation must be maintained at the family child care program or electronically and made available upon request;

(2) pediatric first aid that is given by an instructor certified to provide pediatric first aid and is repeated every two years within 90 days of the second anniversary of the previous training. Documentation of the training must be maintained at the family child care program or electronically and made available upon request; and

(3) proper use and installation of child passenger restraint systems under section 169.685 that meets the requirements of section 142I.10, subdivision 1, paragraph (c), clause (6), and is repeated at least once every five years. This requirement does not apply to family child care programs that transport only school-age children as defined in section 142I.01,

subdivision 5, paragraph (e), in child care buses as defined in section 169.448, subdivision 1, paragraph (e).

Sec. 12. **[142I.12] HELPER TRAINING REQUIREMENTS.**

Subdivision 1. **Initial training; helper.** (a) Before assisting in care, a helper who assists with care must complete a minimum of four hours of training within the previous 12 months. The four hours must include courses on:

(1) reducing the risk of sudden unexpected infant death if the program is licensed to care for infants;

(2) abusive head trauma if the program is licensed to care for children younger than school age; and

(3) reporting suspected maltreatment of children as required under chapter 260E.

(b) The trainings required under paragraph (a) may be combined in a single commissioner-approved course.

(c) A license holder must maintain written or electronic documentation showing that each helper has complied with this subdivision.

Subd. 2. **Annual training; helper.** (a) Each calendar year, a helper who assists in the care of children must receive training on reducing the risk of sudden unexpected infant death if the program is licensed to care for infants, and abusive head trauma if the program is licensed to care for children younger than school age. The trainings under this paragraph may be combined in a single commissioner-approved course and must, at a minimum, address risk factors, methods of risk reduction in child care, and communication with parents regarding risk reduction.

(b) A license holder must maintain documentation showing each helper has complied with this subdivision.

(c) County licensing staff must accept approved training on the helper's learning record in the Develop data system.

Sec. 13. **[142I.13] BEHAVIOR GUIDANCE.**

Subdivision 1. **Methods of promoting positive behavior.** A license holder must:

(1) positively role model acceptable behavior to each child;

(2) tailor methods of promoting positive behavior to the developmental level of the children the family child care program is licensed to serve;

(3) ensure redirection is used as appropriate in addressing a child's behavior, to guide a child away from potential challenges toward constructive activity. For the purposes of this clause, "redirection" means when a caregiver intervenes and guides a child toward constructive activity through positive techniques;

(4) teach children how to use acceptable alternatives to reduce conflict; and

(5) protect the safety and well-being of children and caregivers.

Subd. 2. **Prohibited actions.** A license holder must prohibit every caregiver from:

(1) subjecting a child to corporal or physical punishment. This includes but is not limited to rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, spitting, hitting, and spanking;

(2) subjecting a child to name calling, ostracism, shaming, making derogatory remarks about the child or the child's family, cultural or racial slurs, and yelling or using profane language that threatens, humiliates, or frightens the child;

(3) forcing a child to maintain an uncomfortable position or to continuously repeat physical movements;

(4) separating a child from the group except as provided in subdivision 3;

(5) punishing a child for:

(i) not resting, napping, or sleeping;

(ii) toileting accidents;

(iii) failing to eat all or part of meals or snacks; or

(iv) failing to complete an activity;

(6) denying a child food or drink or forcing food or drink upon a child;

(7) denying light, warmth, clothing, or medical care as a punishment for unacceptable behavior;

(8) the use of physical restraint other than to physically hold a child when containment is necessary to protect a child or others from harm;

(9) the use of prone restraints, as prohibited by section 245A.211;

(10) the use of mechanical restraints, such as tying, or any device or equipment intended to restrict or prevent movement as a means of discipline or for reasons unrelated to the child's care, safety, or planned activity;

(11) giving a child any nonprescribed substance to subdue or restrict movement or behavior;

(12) delegating the discipline or punishment of a child to another child; and

(13) punishing or shaming a child for the actions of a parent. This includes but is not limited to failure to pay fees, failure to provide appropriate clothing, failure to provide materials for an activity, or any conflict between the license holder or caregiver and the parent.

Subd. 3. **Separation time from the group.** A caregiver must not separate a child from the child's group as a means of behavior guidance unless the caregiver has tried less intrusive methods of guiding the child's behavior that have been ineffective and the child's behavior threatens the well-being of the child or other children in the family child care program. Separation from the group must meet the following requirements:

(1) children younger than three years old must not be separated from the group as a means of behavior guidance;

(2) the separation time must be limited to the amount of time necessary for the child to gain self-control and rejoin the group while being supported by the caregiver;

(3) the child must be supervised;

(4) the child must not be placed in a locked room to separate the child from the group; and

(5) the caregiver must provide the separation time in an age-appropriate, nonhumiliating manner for the child.

Sec. 14. **[142I.14] PHYSICAL SPACE REQUIREMENTS.**

Subdivision 1. **Indoor space.** (a) The licensed capacity of the family child care program must be limited by the amount of usable indoor space available to children. A minimum of 35 square feet of usable indoor space is required per child.

(b) Bathrooms, closets, space occupied by major appliances, and other space not used by children may not be counted as usable space. Space occupied by adult furniture, if it is used by children, may be counted as usable indoor space.

(c) Usable indoor space may include a basement if it has been inspected and approved by a fire marshal, is free of hazards, and meets the requirements of subdivision 4.

(d) All exits leading from indoor to outdoor space must be fully clear of obstruction.

Subd. 2. **Escape routes.** (a) The main means of escape must be a stairway or door leading to the floor with an exit to the outside.

(b) Any room that has sleeping children must have an escape route separate from the main exit referenced in paragraph (a). This escape route must be a door or an egress window leading directly outside.

(c) When the basement is used for care, the basement must have at least one escape route separate from the main exit under paragraph (a). This escape route must be a door or an egress window leading directly outside.

(d) Required escape routes must not be obstructed and must be accessible and openable without special knowledge.

Subd. 3. **Outdoor learning environment and play space.** (a) A family child care program must have an outdoor play space of at least 50 square feet per child the program is licensed to serve for regular use or a park, playground, or play space within 1,500 feet of the family child care program.

(b) During outdoor play:

(1) the adult caregiver must remain outdoors with infants, toddlers, and preschoolers at all times;

(2) school-age children may be permitted in the approved outdoor play space at the family child care program without a caregiver if:

(i) the children are engaged in age-appropriate activities using age-appropriate equipment; and

(ii) a caregiver remains accessible to provide supervision when needed in accordance with section 142I.01, subdivision 46; and

(3) when the outdoor play space is not at the family child care program, a caregiver must accompany and supervise all children in transit and at the outdoor play space.

(c) Caregivers must prevent children from accessing hazardous materials.

(d) Outdoor play areas must be protected from traffic and nearby hazards. If traffic or other hazards are present, the family child care program must have:

(1) a continuous fence in good condition with functioning gates or a continuous natural barrier or a combination of fence and naturally occurring or landscaping barrier. The fence or natural barrier must ensure that children are not able to leave the outdoor play area unsupervised; or

(2) a supervision and safety plan if a fence is not used that includes alternative methods to ensure the health, safety, and protection of children in care.

(e) Electrical fences must be inaccessible to children in care.

(f) Caregivers must take measures to protect children from the dangers of sun exposure, extreme heat or cold, and air quality.

(g) Outdoor equipment, whether stationary or portable, must be safe, be in good repair, be assembled according to the manufacturer's guidelines, and meet the developmental needs of the age groups of children using the space.

(h) Equipment including but not limited to climbing gyms, swings, and slides must:

(1) not have openings between 3-1/2 inches and nine inches in size to prevent entrapment of the head or other body parts;

(2) have guardrails or protective barriers on platforms that are 30 inches or higher. A protective barrier is a continuous structure surrounding the platform that is designed to prevent a person from falling or passing through, whether intentionally or accidentally; and

(3) be assembled, installed, and utilized according to the manufacturer's guidelines.

Subd. 4. **Conditions of the program.** The licensed space must be maintained in a manner that protects the health and safety of children in care. The license holder must ensure that:

(1) the family child care program space is free from conditions that endanger the health or safety of children, including unsanitary conditions or excessive accumulation of materials that can start a fire or create other safety hazards;

(2) the furnishings, equipment, and materials are arranged and stored so that hallways, stairways, doors, and exit routes remain unobstructed and usable for safe exit; and

(3) the amount and placement of stored items do not create an increased risk of fire or injury or impede the safe supervision of children.

Subd. 5. **Portable wading pools.** (a) A child must not use a portable wading pool as defined in section 144.1222, subdivision 2a, at a family child care program unless the parent of the child has provided written consent. The written consent must include a statement that the parent has received and read material provided by the Department of Health on wading

pool safety for parents related to the risk of disease transmission as well as other health risks associated with the use of portable wading pools.

(b) The license holder must empty wading pools daily.

(c) A caregiver must supervise children at all times while a wading pool is in use and must be able to clearly see all parts of the wading area. When not in use under the supervision of a caregiver, wading pools must be inaccessible to children.

Subd. 6. **Swimming pools.** (a) For the purposes of this subdivision, "swimming pool" has the meaning in section 144.1222, subdivision 2b, and does not include a portable wading pool as defined in section 144.1222, subdivision 2a, or a spa pool as defined in Minnesota Rules, part 4717.0250.

(b) A license holder must comply with the following requirements in order for children in the program to use a swimming pool located at the program:

(1) not have had a licensing sanction under section 142B.18 or a correction order or conditional license under section 142B.16 relating to the supervision or health and safety of children during the prior 24 months;

(2) notify the county agency before initial use of the swimming pool each calendar year;

(3) obtain written consent from a child's parent allowing the child to use the swimming pool and renew the parent's written consent at least annually. The written consent must include a statement that the parent has received and read materials provided by the Department of Health related to the risk of disease transmission as well as other health risks associated with swimming pools. The written consent must also include a statement that neither the Department of Health nor the county agency will monitor or inspect the license holder's swimming pool;

(4) attend and successfully complete a swimming pool supervision training course annually;

(5) attend and successfully complete one of the following swimming pool operator training courses once every five years:

(i) both of the National Spa and Pool Institute Tech I and Tech II courses; or

(ii) the National Recreation and Park Association aquatic facility operator course;

(6) ensure all toilet-trained children use the bathroom before the children enter the swimming pool;

(7) require all children who are not toilet trained to wear swim diapers while in the swimming pool;

(8) if fecal material enters the swimming pool water, add three times the normal shock treatment to the pool water to raise the chlorine level to at least 20 parts per million and close the pool to swimming for the 24 hours following the entrance of fecal material into the water or until the water pH and disinfectant concentration levels have returned to the standards specified in clause (10), whichever is later;

(9) prevent any person from entering the swimming pool who has an open wound or has or is suspected of having a communicable disease;

(10) maintain the swimming pool water at a pH of not less than 7.2 and not more than 8.0, maintain the disinfectant concentration between two and five parts per million for chlorine or between 2.3 and 4.5 parts per million for bromine, and maintain a daily record of the swimming pool's operation with pH and disinfectant concentration readings on days when children cared for at the family child care program are present;

(11) have a disinfectant feeder or feeders;

(12) have a recirculation system that will clarify and disinfect the swimming pool volume of water in ten hours or less;

(13) maintain the swimming pool's water clarity so that an object on the pool floor at the pool's deepest point is easily visible;

(14) comply with the provisions in section 144.1222, subdivisions 1c and 1d;

(15) have in place and enforce written safety rules and swimming pool policies;

(16) have in place at all times a safety rope that divides the shallow and deep portions of the swimming pool;

(17) maintain compliance with any existing local ordinances regarding swimming pool installation, decks, and fencing;

(18) maintain a water temperature of not more than 104 degrees Fahrenheit and not less than 70 degrees Fahrenheit;

(19) cover the swimming pool when not in use;

(20) follow the requirements of subdivision 7; and

(21) for lifesaving equipment, have a United States Coast Guard-approved life ring attached to a rope, an exit ladder, and a shepherd's hook available at all times to the caregiver supervising the swimming pool.

Subd. 7. **Water hazards.** (a) Swimming and wading pools, beaches, wells, or other bodies of water on or adjacent to the site of the family child care program must be inaccessible to children except during periods of supervised use.

(b) All water hazards, such as inground or aboveground swimming pools, hot tubs, stationary wading pools, fish ponds, and water retention or detention basins on the site of the family child care program must be enclosed with a permanent fence, wall, building wall, other physical barrier, or combination thereof that is at least four feet in height. A house exterior wall can constitute one side of a fence if the wall has no openings capable of providing direct access to the hazard, including but not limited to doors or windows.

(c) The family child care program may not allow a child in care to use a swimming pool or beach without an adult caregiver trained in first aid and CPR present.

(d) Bodies of water must be separated from the play area by a fence or other physical barrier that prevents children from accessing the water. The house door alone is not a sufficient barrier.

Subd. 8. **Water play.** (a) Parental permission is not required for children to use splash pads, sprinklers, or other water toys that spray or jet water on the users and do not have standing water. Splash pads, sprinklers, or other water toys that retain water are considered wading pools and are required to meet the requirements of subdivision 5.

(b) Water tables designed for children to play with their hands must be emptied daily. The caregiver must supervise children at all times while a water table is in use and must be able to clearly see all parts of the water table. When not in use under the supervision of a caregiver, water tables must be inaccessible to children.

Subd. 9. **Separation between attached garage and family child care program.** The separation wall between the residence and garage must meet the requirements of Minnesota Rules, part 1309.0302.

Subd. 10. **Ventilation, heating, and cooling systems.** (a) Heating, ventilation, and air conditioning systems must be operated according to the manufacturer's instructions and in good repair. Gas, coal, wood, kerosene, or oil heaters must be vented to the outside in accordance with the State Building Code.

(b) Items that can be ignited and support combustion, including but not limited to plastic, fabric, and wood products, must not be located within:

(1) 18 inches of a gas or fuel-oil heater or furnace; or

(2) 36 inches of a solid-fuel-burning appliance.

(c) If a license holder produces manufacturer instructions listing a distance closer than the requirements under paragraph (b), the manufacturer instructions control the required distance of combustible items from gas, fuel-oil, or solid-fuel-burning heaters or furnaces.

(d) When in use, fireplaces, wood-burning stoves, solid-fuel-burning appliances, space heaters, steam radiators, outdoor fire pits, and other potentially hot surfaces, such as steam pipes, must be protected by guards or protective covering to keep hands and bodies away, prevent burns, and prevent fires. All fireplaces, wood-burning stoves, space heaters, steam radiators, and furnaces must be installed according to the State Building Code. The furnace, hot water heater, and utility rooms must be inaccessible to children.

(e) Ventilation of usable space must meet the requirements of the State Building Code. Outside doors and windows used for ventilation in summer months must be screened when biting insects are prevalent. The screens must be in good repair. Sources of harmful and unpleasant odors including urine and pet waste must be removed to the extent possible by removing the source of the odor or by removing odors through cleaning and ventilation.

Subd. 11. **Temperature.** A minimum temperature of 62 degrees Fahrenheit must be maintained in indoor areas used by children.

Subd. 12. **Sewage disposal.** Family child care programs must have working toilets and a sewage disposal system that conform to the State Building Code or local septic system ordinances. Toilet training equipment must be emptied and cleaned after each use. Outdoor toilets, including compostable toilets, are permissible in accordance with local septic system ordinances.

Subd. 13. **Construction or remodeling.** During construction or remodeling, children must not have access to construction or remodeling areas within or around the premises.

Subd. 14. **Interior walls and ceilings.** The walls and ceilings within a family child care program, including those in corridors, stairways, and lobbies, must have a flame spread rating of 200 or less.

Subd. 15. **Electrical services.** (a) All electric outlets in a family child care program accessible to children must be tamper-proof or shielded when not in use. All major electrical

appliances must be properly installed and grounded in accordance with the State Electrical Code and in good working order.

(b) Electrical wiring must be sized to provide for the load and be in good repair. Extension cords must not be used as a substitute for permanent wiring.

Subd. 16. **Fire extinguisher.** A portable, operational, multipurpose, and dry chemical fire extinguisher with a minimum 2-A 10-BC rating must be located near the required exit door of the program at all times. The fire extinguisher must be serviced annually by a qualified inspector and evidence of annual service must be documented. All caregivers must know how to properly use the fire extinguisher.

Subd. 17. **Carbon monoxide and smoke alarms.** (a) A family child care program must have an approved and operational carbon monoxide alarm installed within ten feet of each area used for sleeping children in care.

(b) A family child care program must properly install and maintain smoke alarms models that have been approved by the Underwriter Laboratory on all levels, including basements, and in hallways outside rooms used for sleeping children in care. Smoke alarms are not required in crawl spaces and uninhabitable attics. For family child care programs in buildings that began construction on or after March 31, 2020, smoke alarms must be installed and maintained in each room used for children in care to sleep.

Subd. 18. **Stairways.** All family child care programs with stairways must:

(1) have handrails on at least one side of stairways of four or more steps;

(2) enclose any open area between the handrail and stair tread with a protective guardrail as specified in the State Building Code. The back of the stair risers must also be enclosed;

(3) use gates at the top and bottom of stairways when children who are six to 18 months old are in care; and

(4) keep stairways well lit, in good repair, and free of clutter and obstructions.

Subd. 19. **Lofted spaces.** Decks, balconies, or lofts that are used by children and are more than 30 inches above the ground or floor must be surrounded by a protective guardrail and be constructed in compliance with the State Building Code. The State Building Code allows appropriate openings for access to the spaces under this subdivision, such as a doorway or a gate. Wooden decks must be free of splinters and in good repair.

Subd. 20. **Locks and latches.** (a) A door latch on a closet or other confining space must be able to be unlatched so that the door can be opened from inside the closet or other confining space.

(b) Every interior door lock must permit opening of the locked door from the outside and the opening device must be readily accessible to all caregivers.

(c) Exit doors must not have double cylinder locks where a key is required on both sides.

(d) Locks may not be used in place of supervision.

Subd. 21. **Tobacco products, cannabis, vaping, drugs, and alcohol use prohibitions.** (a) Smoking of tobacco, cannabis, or any other product, including through electronic delivery devices, is prohibited in both indoor and outdoor family child care program environments and in any vehicles used by the family child care program during hours of operation.

(b) The use of alcohol or illegal or recreational drugs is prohibited on the premises of a family child care program during hours of operation.

(c) If the license holder allows smoking of tobacco, cannabis, or any other product, including through electronic delivery devices, on the premises outside of child care hours, the license holder must verbally provide notice to parents and must post written notice in an obvious location disclosing this information.

(d) While caring for children, a caregiver must not be under the influence of any substance that impairs the individual's ability to supervise children or perform the individual's duties.

Sec. 15. **[142I.15] CLEANING AND DISINFECTING.**

Subdivision 1. **General requirements.** (a) The family child care program must be free from accumulations of dirt, peeling paint, visible or known debris, soiled items, hazardous clutter, and pet waste.

(b) Disinfectants must:

(1) not be used prior to or in place of cleaning compounds;

(2) be mixed and used according to the manufacturer's instructions; and

(3) be used on surfaces that are contaminated with bodily fluids.

Subd. 2. **Toys.** A caregiver must clean and disinfect a toy that has been in a child's mouth prior to use by another child. Toys that come into contact with bodily fluids must be cleaned

and disinfected prior to next use. Toys must be cleaned and disinfected as needed if there are visible or known contaminants or debris on them.

Subd. 3. **Food and eating areas.** Surfaces and tools that are used for preparing or serving food must be cleaned.

Subd. 4. **Indoor and outdoor equipment.** (a) The indoor and outdoor space and equipment of the family child care program must be clean.

(b) Natural features, elements, and materials used as equipment and play materials for outdoor play under section 142I.14, subdivision 3, are exempt from being clean, as defined under section 142I.01, subdivision 16. A caregiver must inspect natural features, elements, and materials used for outdoor play for hazardous objects and other safety hazards, including animal feces, and remove or mitigate the hazard before a child's use.

Subd. 5. **Sleeping.** Bedding, as defined in section 142I.17, subdivision 10, must be cleaned and disinfected at least weekly or when visibly dirty.

Subd. 6. **Toilet training equipment.** Toilet training chairs and seats must be cleaned and disinfected after each use.

Subd. 7. **Hand washing.** (a) A child's hands must be washed with soap and running water when soiled, after the use of a toilet or toilet training chair, and before eating a meal or snack. The caregiver must monitor and assist a child who needs help. Children's hands must be dried on a separate or single-use towel.

(b) In sinks and tubs accessible to children, the water temperature must not be able to exceed 120 degrees Fahrenheit.

(c) Caregivers must wash their hands with soap and water after each diaper change, after assisting a child on the toilet, after washing the diapering surface, and before food preparation. The caregiver's hands must be dried on a separate or single-use towel.

Subd. 8. **Diapers, changing areas, and disposal.** (a) An adequate supply of clean diapers must be available for each child who uses diapers. Diapers may be disposable or made of cloth. Diapers must be stored in a clean space that is inaccessible to children.

(b) If a family child care program uses cloth diapers, then:

(1) the cloth diapers must have an absorbent inner layer that is completely covered with an outer waterproof layer that has a waist closure;

(2) the cloth diaper and waterproof layer must be changed at the same time; and

(3) the cloth diapers supplied by parents, except those supplied by a commercial diaper service, must be labeled with the child's name and must be placed in a plastic bag after removal with any soiled clothing and sent home with the parent daily.

(c) Single-service disposable wipes or clean washcloths must be used for washing a soiled child before rediapering.

(d) The diaper changing area must be covered with a smooth, nonabsorbent surface. Changing tables, changing pads, and other diaper changing areas must be cleaned and disinfected between children, even if using a nonabsorbent covering that is discarded after each use. Diapering must not take place in a food preparation area.

(e) Disposable diapers must be disposed of in a covered container located in the diaper changing area and lined with a disposable plastic bag or directly outdoors in a garbage can.

Sec. 16. **[142I.16] ENVIRONMENTAL HEALTH.**

Subdivision 1. **Water supply.** (a) All family child care programs must have a safe water supply.

(b) Family child care programs that draw water from privately owned wells must test the water annually by a Department of Health-certified laboratory for coliform bacteria and nitrate nitrogen and receive confirmation that the water is safe. The family child care program must submit a copy of the test results with the agency. Retesting and corrective measures may be required by the agency if results do not meet state drinking water standards or where the supply may be subject to off-site contamination. A copy of the most recent water testing results must be kept on the licensed premises. If the water test results are at or above Department of Health-recommended levels or if the license holder declines to test the water supply in the program, the license holder must:

(1) supply bottled or packaged water;

(2) use water filtration devices that have been certified by the National Science Foundation or American National Standards Institute to remove the contaminant. The water filtration device must be attached directly to water faucets, inserted into the refrigerator water dispenser, or inserted into water pitchers or bottles. The water filtration device must be maintained according to manufacturer guidelines; or

(3) close the family child care program to prevent children from using or consuming unsafe water.

Subd. 2. **Radon testing.** (a) The license holder must notify parents whether radon testing has been conducted in the family child care program upon enrollment and within 30 days of any subsequent testing done after enrollment.

(b) When notifying parents, the license holder must use a form prescribed by the commissioner. The notice must include information from the Department of Health about what radon is and the potential risks associated with radon exposure. If testing has been completed, the notice must include:

(1) the date of the most recent test;

(2) the rooms or areas tested; and

(3) the detected radon level or levels, stated in picocuries per liter (pCi/L).

(c) A copy of the most recent notice to parents and the radon test results must be kept on site and made available to parents and the commissioner upon request.

(d) The notification requirements under this subdivision may be met by posting the form in a prominent place.

Sec. 17. **[142I.17] ACTIVITIES AND EQUIPMENT.**

Subdivision 1. **General activities.** Child care activities must provide for the physical, intellectual, emotional, and social development of the children in care at a family child care program. Activities must include infants, toddlers, preschoolers, and school-age children and:

(1) be scheduled indoors and outdoors daily, weather permitting. When determining if the weather permits outdoor play, a license holder must defer to weather advisory notifications, including air quality emergencies, provided by local weather experts, local or state authority on air quality, or public health;

(2) be appropriate to the age and developmental stage of the child;

(3) include active and quiet activity; and

(4) include both caregiver- and child-directed activities.

Subd. 2. **Equipment.** (a) A license holder must provide children in a family child care program with:

(1) sufficient play equipment to allow each child a choice of at least three activities involving equipment when all children are using equipment;

(2) early learning materials, play equipment, and space that are age and developmentally appropriate and support understanding of the culturally diverse world; and

(3) play equipment that is safe, in good repair, and used in accordance with the manufacturer's instructions, if applicable. Equipment and play materials not designed or marketed for use by children, including but not limited to repurposed, homemade, and open-ended items, must be appropriate to the age and size of children, in good repair, and used under the supervision of a caregiver. Such equipment and play materials are not required to have manufacturer's instructions and are subject to the requirements of this subdivision.

(b) Equipment provided to children under this section may be new, used, commercially made, or homemade. The equipment must be appropriate for the ages of the children and for the activities for which it will be used. As appropriate, nature material may be used in place of any equipment.

Subd. 3. **Newborn or infant activities.** A caregiver must:

(1) hold a newborn or infant during feedings until the child can hold the bottle. A bottle cannot be propped up for a newborn or infant;

(2) respond to a newborn's or infant's attempts to communicate;

(3) develop infant language and communication by responding to a newborn's or infant's attempts to communicate by mirroring similar sounds, sharing the child's focus of attention, talking to the newborn or infant, naming objects, and describing actions;

(4) provide a newborn or infant with freedom of movement to sit safely and comfortably, crawl, toddle, walk, and play both indoors and outdoors throughout the day;

(5) provide a newborn or infant an opportunity to stimulate the senses by providing a variety of activities and objects to see, touch, feel, smell, hear, and taste;

(6) provide activities for a newborn or infant that develop the child's manipulative and fine motor skills;

(7) provide activities for self-awareness;

(8) provide activities to support a newborn or infant to develop social-emotional skills;

(9) provide activities to support a newborn or infant to develop gross motor skills; and

(10) allow a newborn or infant actively supervised tummy time. For the purposes of this clause, "tummy time" means placing a newborn or infant in a nonrestrictive prone position, lying on their stomach. Tummy time should occur throughout the day when a newborn or

infant is awake. A newborn or infant must not be wearing anything to restrict movement during tummy time.

Subd. 4. **Newborn and infant equipment.** When caring for newborns or infants, a license holder must provide:

(1) an infant seat or high chair, as appropriate, for each newborn and infant in attendance;

(2) a crib or portable crib with a mattress or pad for each newborn and infant in attendance that is in compliance with current Consumer Product Safety Commission safety standards and chapter 142B.45. The license holder must maintain documentation on site that the equipment used meets these requirements and provide it to the commissioner and parents as requested;

(3) books and literacy materials;

(4) gross motor activity equipment; and

(5) fine motor activity materials.

Subd. 5. **Toddler activities.** When caring for toddlers, a license holder must:

(1) provide the toddler with freedom of movement and freedom to explore outside the crib or portable crib and allow the toddler to comfortably sit, crawl, toddle, walk, and play according to the toddler's stage of development;

(2) talk to, listen to, and interact with the toddler to encourage language development;

(3) provide the toddler with activities that develop the toddler's fine and gross motor skills;

(4) give the toddler opportunities to stimulate the senses by providing a variety of age-appropriate activities and objects to see, touch, feel, smell, hear, and taste; and

(5) provide activities to support the toddler to develop social-emotional skills.

Subd. 6. **Toddler equipment.** When caring for toddlers, a license holder must provide:

(1) separate sleeping equipment for each toddler such as a mat, crib, cot, bed, sofa, or sleeping bag that is cleaned and maintained as required in subdivision 11 and section 142I.15, subdivision 5;

(2) gross motor play equipment;

(3) books and literacy materials;

(4) fine motor, math, and science materials; and

(5) music, movement, and art activity materials.

Subd. 7. **Preschooler activities.** When caring for preschoolers, a license holder must:

(1) encourage conversation between the preschooler and other children and adults;

(2) provide opportunity to play near and with other children, provide time and space for individual and group play, allow for quiet times to talk or rest, and allow for unplanned time and individual play time;

(3) foster understanding of personal and peer feelings and actions and allow for the constructive release of a range of feelings through discussion or play;

(4) give assistance in toileting and provide time to carry out self-help skills and provide opportunities to be responsible for activities;

(5) provide opportunities for each preschooler to make decisions about daily activities and to learn from the decision-making experiences;

(6) provide time and areas for age-appropriate gross motor play;

(7) provide learning, fine-motor, manipulative, creative, or sensory activities; and

(8) read stories, look at books, and talk about new words and ideas with the preschooler.

Subd. 8. **Preschooler equipment.** When caring for preschoolers, a license holder must provide:

(1) separate sleeping equipment for each preschooler such as a mat, bed, cot, sofa, or sleeping bag for each preschooler that is cleaned and maintained as required under subdivision 11 and section 142I.15, subdivision 5;

(2) dramatic play equipment;

(3) books and literacy materials;

(4) fine motor materials;

(5) gross motor play equipment;

(6) math materials;

(7) science materials;

(8) music and movement materials; and

(9) art materials.

Subd. 9. **School-age activities and equipment.** When caring for school-age children, a license holder must:

(1) provide opportunities for individual discussion about the day and planning for activities;

(2) provide space, opportunities, and materials or equipment for games, activities, or sports using the whole body;

(3) have available space, bedding materials, and opportunities for individual rest and quiet time required under subdivision 11;

(4) allow increased freedom as the school-age child demonstrates increased responsibility;

(5) provide opportunities for group experiences with other children;

(6) provide opportunities to develop or expand self-help skills or real-life experiences; and

(7) provide opportunities and materials for creative and dramatic activity, arts, and crafts.

Subd. 10. **Natural elements and materials.** (a) A license holder may provide children with access to natural elements and materials as equipment and play materials. Natural elements and materials and appropriate uses of natural elements and materials include, but are not limited to:

(1) natural loose parts, such as sticks, leaves, pinecones, acorns, seeds, pods, bark, and moss for construction, art, sensory exploration, and imaginative play;

(2) natural materials, such as dirt, mud, sand, water, ice, and snow for sensory play and exploration;

(3) plants, flowers, seeds, vegetables, and gardening materials for science exploration and learning;

(4) rocks, pebbles, stones, and minerals for counting, sorting, building, and art;

(5) natural areas such as gardens, prairie, forest, wetlands, and ponds for exploration and learning; and

(6) other natural elements as appropriate to age and development of children.

(b) A caregiver must supervise a child's use of natural elements and materials and provide guidance on safe and appropriate use. Natural elements and materials that are a choking hazard must not be accessible to children under the age of three without direct supervision of a caregiver.

(c) Natural elements and materials may qualify as equipment and materials under subdivisions 4, 6, 8, and 9.

Subd. 11. **Bedding.** Clean, separate, and individual bedding such as sheets, towels, blankets, or sleeping bags must be available for each child in care. For children not using cribs or portable cribs, the license holder must provide developmentally appropriate mats, cots, or other sleep equipment that can be cleaned and disinfected according to section 142I.15. Mats, cots, and other sleep equipment used in the family child care program must be in good condition and have no tears or holes and be covered in individual bedding.

Subd. 12. **Separation of personal articles.** Separate towels, wash cloths, water bottles, and drinking cups must be used for each child and labeled appropriately.

Sec. 18. **[142I.18] INFANT SLEEP AND CRIB REQUIREMENTS.**

Subdivision 1. **Safety.** All caregivers must follow the crib safety requirements in section 142B.45 and the requirements to reduce the risk of sudden unexpected infant deaths in section 142B.46. During routine licensing inspections and when investigating complaints regarding alleged violations of this section, the commissioner must review the license holder's documentation required under section 142B.45.

Subd. 2. **Monitoring sleeping newborns and infants.** (a) Caregivers must directly supervise newborns once they are placed in a crib or portable crib.

(b) License holders of programs that serve infants are encouraged to monitor sleeping infants by conducting in-person checks on each infant in the license holder's care every 30 minutes.

(c) Upon enrollment of an infant, the license holder is encouraged to conduct in-person checks on the sleeping infant every 15 minutes during the first four months of care.

(d) 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.

(e) Monitors may be used to supervise infants when the infants are sleeping. However, the use of monitors does not replace the in-person checks encouraged under paragraphs (b) to (d). When in use, monitors must meet the following conditions:

(1) the sound monitoring equipment must be able to pick up the sounds of all infants in the separate room;

(2) the receiver of the sound monitoring equipment must be actively monitored by the adult caregiver at all times; and

(3) sound monitoring equipment must be checked daily prior to use to ensure it is working correctly. If the sound equipment is not functioning, infants must sleep in the same room as the adult caregiver.

(f) If music or other sounds are played in the infant sleep area, the music or other sound equipment must not be played at a volume that would prevent infants from being heard by the adult caregiver. This paragraph applies to fans used to create sound.

Sec. 19. **[142I.19] HEALTH POLICIES AND SAFETY REQUIREMENTS.**

Subdivision 1. **Handling and disposal of bodily fluids.** (a) Surfaces that come in contact with bodily fluids must be cleaned and disinfected as described in section 142I.15.

(b) Blood-contaminated material must be disposed of in a plastic bag and securely tied.

(c) If a program cares for a child with a health care need that requires injectable medication, the program must have a sharps container available.

(d) A license holder must keep disposable gloves, disposal bags, and eye protection available. Prescription eyewear does not meet the requirements of this paragraph.

Subd. 2. **Emergencies.** (a) A license holder must have a written child care emergency plan for emergencies that require evacuation, sheltering, or other protection of children, including for fires, natural disasters, intruders, or other threatening situations that may pose a health or safety hazard to children. The plan must be written on a form prescribed by the commissioner and updated at least annually. The plan must include:

(1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

(2) a designated relocation site and evacuation route;

(3) procedures for notifying a child's parent of an evacuation, shelter-in-place, or lockdown, including procedures for reunification with families;

(4) accommodations for a child with a disability or a medical condition;

(5) procedures for storing a child's medically necessary medicine that facilitate easy removal during an evacuation or relocation;

(6) procedures for continuing operations in the period during and after a crisis;

(7) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities; and

(8) accommodations for infants and toddlers.

(b) The license holder must train each caregiver on the child care emergency plan before the caregiver provides care and document this training. The information must be reviewed at least annually and updated when information changes.

(c) The child care emergency plan must be available for review by the agency during inspections.

(d) In addition to the emergency plan required under paragraph (a), the license holder must maintain preparedness for emergencies. An operable telephone must be located in the family child care program. A cellular telephone may be used if it is sufficiently charged for use at all times. Emergency phone numbers for parents must be readily available within the program and taken on all emergency drills and evacuations.

(e) For severe storms and tornadoes, the license holder must have a designated area that children can go to for shelter, a battery-operated flashlight, and a portable radio or TV available. An application on a smartphone may be used to meet the requirements of this paragraph. The license holder must follow guidance and instructions from the Emergency Alert System or local alerting systems.

(f) The license holder must have a written fire escape plan that includes:

(1) the address of the family child care program;

(2) emergency phone numbers;

(3) a designated place to meet and confirm that all children in attendance are present;

(4) fire extinguisher locations;

(5) plans for monthly fire and storm drills; and

(6) escape routes to the outside from all levels used by children. In buildings with three or more dwelling units, enclosed exit stairs must be indicated.

(g) The license holder must complete a monthly fire and storm drill and have documentation of completed fire drills available for review by the agency during inspections. The log must include the date of the drill, the time of day the drill occurred, the name of the caregiver who conducted the drill, and the length of time taken to evacuate all children safely.

Subd. 3. **Transporting children.** Children must only be transported in an enclosed passenger vehicle capable of using car seats or a bus operated by a common carrier. When

transporting children in an enclosed passenger vehicle other than a bus operated by a common carrier, a license holder must:

(1) ensure compliance with all seat belt and child passenger restraint system requirements under sections 169.685 and 169.686;

(2) ensure that the child is fastened in a safety seat, seat belt, or harness appropriate to the age and weight of the child and the restraint is installed and used in accordance with the manufacturer's instructions;

(3) only use a vehicle licensed in accordance with the laws of the state and driven by a caregiver with a current, valid driver's license. A copy of the current driver's license for each caregiver who transports a child in care must be kept at the family child care program;

(4) receive written permission to transport children from parents prior to transport; and

(5) not allow a child to remain unattended in any vehicle.

Subd. 4. **Pets and animals.** When keeping pets or animals on the site of a family child care program or allowing children to have contact with pets or animals, the primary provider of care must:

(1) maintain the pets or animals in good health and proper housing. Pets or animals must be appropriately immunized, and rabies vaccinations must be documented with a current certificate from a veterinarian when appropriate;

(2) follow all local and state ordinances regarding the keeping, licensing, number, and health status of animals;

(3) restrict any animals that pose a risk of injury or illness to children from indoor and outdoor areas used by children;

(4) inform parents in writing of the presence of pets and animals on the premises. If pets or animals are allowed to roam in areas occupied by children, the license holder must obtain written acknowledgment from parents. Parents must be notified in writing prior to the introduction of a new pet;

(5) keep any reptiles, amphibians, ferrets, poisonous animals, psittacine birds, exotic animals, and wild animals inaccessible to children. Licensed animal exhibitions, such as mobile petting zoos, reptile shows, and educational presentations are exempt from this clause with written parental notice and consent;

(6) not allow any contact between children and pets or animals that is not directly supervised by an adult caregiver who is in close physical proximity and able to immediately

intervene if the child or animal shows distress or aggression or if the child is treating the animal inappropriately;

(7) immediately intervene to protect a child when necessary;

(8) prevent pets and animals from accessing food preparation, storage, and serving areas when food is being prepared or served, unless confined in a cage or kennel. Litter boxes are prohibited in any food preparation, storage, or serving areas;

(9) keep indoor and outdoor areas accessible to children free of animal waste, including litter boxes and their contents. Pet cages, enclosures, and aquariums accessible to children must be located and cleaned away from food areas;

(10) immediately notify a parent of a child who receives an animal bite or scratch;

(11) notify the local animal authority whenever an individual is bitten by an animal on the day of injury. The notification must be made before any steps are taken to euthanize the animal, and the license holder must take reasonable steps to confine the animal; and

(12) notify the licensing agency within 24 hours of any animal bite from an animal housed at the family child care program.

Subd. 5. **Pest control.** (a) A license holder must take effective measures to protect the family child care program against pests. The license holder must take steps to prevent attracting pests and, if pests are present inside the family child care program, to remove or exterminate the pests.

(b) Chemicals for pest control must not be applied in areas accessible to children when children are present. The license holder must use chemicals according to manufacturer instructions. Only approved, Environmental Protection Agency-registered insecticides, rodenticides, and herbicides may be used. Application must strictly follow all label instructions.

Subd. 6. **Garbage.** Garbage must be inaccessible to infants and toddlers. Garbage is considered inaccessible when the garbage container has a lid on.

Subd. 7. **Firearms.** (a) All caregivers, parents, household members, and visitors to a family child care program must comply with the requirements of this subdivision during program hours.

(b) Ammunition and firearms must be stored in locked areas separated from areas accessible to children. Firearms must be unloaded while stored.

(c) License holders must notify parents upon admission of the presence of firearms. If a firearm is added to the property, a license holder must notify parents by the end of the following business day.

(d) Loaded and unloaded firearms may be carried by a law enforcement official who is a household member or a parent of a child in care and can document that their jurisdiction requires ready and immediate access to the firearm.

Subd. 8. **First aid kit.** A license holder must have a first aid kit that is accessible to caregivers in the family child care program at all times and taken on field trips. A caregiver must have access to first aid instructions. The first aid kit must contain:

(1) adhesive bandages in assorted sizes and tape;

(2) sterile compresses;

(3) scissors;

(4) an ice bag or cold pack;

(5) a thermometer;

(6) mild liquid soap, hand sanitizer, or alcohol wipes; and

(7) disposable powder-free, latex-free gloves.

Subd. 9. **Care of sick children.** (a) If the child becomes sick while at the family child care program, the child must be separated from other children in care to the extent possible while still maintaining appropriate supervision, and the child's parent must be called immediately. When determining if a child is sick and exclusion is necessary, a license holder must follow:

(1) the requirements on reportable diseases in Minnesota Rules, parts 4605.7040, 4605.7070, and 4605.7080; and

(2) the guidelines from the commissioner of health on infectious diseases in child care settings.

(b) When notified a child in care is sick with a reportable disease under Minnesota Rules, part 4605.7040, 4605.7050, or 4605.7080, the license holder must:

(1) follow the family child care program policies on reportable or infectious diseases; and

(2) notify the commissioner of health within 24 hours of receiving the parent or staff report. Documentation of the notification must be kept at the family child care program.

(c) Children with a reportable disease in paragraph (b) must be excluded from the family child care program for the length of time specified in the commissioner of health guidelines on infectious diseases in child care settings, until the child can participate in routine activities without more caregiver supervision than usual or until the child's health care provider determines that exclusion is no longer necessary, whichever is longer.

Subd. 10. **Medication administration requirements.** (a) A license holder must obtain written permission from the parent of a child prior to administering nonprescription medicine, diapering products, sunscreen lotions, and insect repellents. These items must be administered according to the manufacturer instructions unless written instructions for their use are provided by a health care provider.

(b) A license holder must obtain and follow written instructions from a health care provider or dentist prior to administering each prescribed medication. For the purposes of this paragraph, "instructions" means the label on a medicine container with the child's name and current prescription information.

Sec. 20. **[142I.20] FOOD AND NUTRITION.**

Subdivision 1. **Feeding.** (a) Bottles of frozen breast milk or formula must be thawed under warm running water, in a container of warm water, with a warming device, or in a refrigerator. Thawed milk must be used, sent home, or disposed of the same day it is thawed.

(b) Caregivers must not warm plastic bottles, sippy cups, or other plastic food containers in a microwave.

(c) Once bottle feeding is complete, any unused portion must be disposed of or stored inaccessible to children in care. Bottles provided by or stored at the family child care program must be washed prior to the next use.

(d) Caregivers must not serve food to infants or toddlers using polystyrene foam (Styrofoam) cups, bowls, or plates.

Subd. 2. **Milk.** Cow's milk served to children in care must be pasteurized. Milk alternatives that are nutritionally equivalent to cow's milk can be served in place of milk for children who require it.

Subd. 3. **Drinking water.** Drinking water from a safe source according to section 142I.16 must be readily available and offered to the children throughout the day in indoor and outdoor areas.

Subd. 4. **Meals and snacks.** (a) Well-balanced meals and snacks must be supplied by the license holder or parents daily. Every meal and snack served to children in care must meet the following requirements:

(1) breakfast must contain at least three of the following:

(i) pasteurized milk or milk alternatives;

(ii) vegetables;

(iii) fruit; or

(iv) grains;

(2) lunch and dinner must contain at least four of the following:

(i) pasteurized milk or milk alternatives;

(ii) meat or meat alternatives;

(iii) vegetables;

(iv) fruit; or

(v) grains; and

(3) snacks must contain at least two of the following:

(i) pasteurized milk or milk alternatives;

(ii) meat or meat alternatives;

(iii) vegetables;

(iv) fruit; or

(v) grains.

(b) Food, liquids, and bottles brought from home must be labeled with the first and last name of each child.

(c) Flexible feeding schedules must be provided for infants.

(d) When special diets are required for cultural, religious, or medical reasons, the provider must obtain written, dated, and signed instructions from the child's parent.

Subd. 5. **Food and liquid safety.** (a) Food and liquids must be handled and stored properly to prevent contamination and spoilage. Foods and liquids requiring refrigeration must be refrigerated and maintained at no more than 40 degrees Fahrenheit. Food requiring heating must be maintained at no less than 140 degrees Fahrenheit until ready to serve.

Frozen foods must be kept frozen until use and cooked according to the manufacturer's instructions.

(b) Appliances used in food and liquid storage and preparation must be safe and clean.

(c) All canned food provided by the license holder must be commercially processed. Locally grown fresh and frozen fruits and vegetables may be served at the family child care program. Food canned or preserved at home and home-butchered meats, poultry, and fish may not be served to children in care.

Sec. 21. **[142I.21] CHILDREN WITH SPECIAL HEALTH CARE NEEDS OR DISABILITIES.**

(a) For children with disabilities who require therapy, additional behavior guidance, programming, or alternative accommodations, a parent or health care provider must provide written instructions for the license holder to follow.

(b) All activities must be designed to include all children unless a specific medical contraindication exists.

(c) All caregivers responsible for the care of a child with a disability or special health care need must explain to a parent and the agency how the child's specific needs are being met.

(d) Before enrolling a child for care, the license holder must obtain documentation of any known allergies on a form prescribed by the commissioner. The form must be readily available to all caregivers and reviewed by the license holder and each caregiver annually and when any updates or changes are made.

(e) If a child has a known allergy, the primary provider of care must maintain current information about the allergy in the child's record, ensure that required medication is on hand, and follow the allergy plan signed by a treating medical professional. The child's plan must include:

(1) a description of the allergy;

(2) specific triggers and avoidance techniques;

(3) symptoms of an allergic reaction; and

(4) procedures for responding to an allergic reaction, including any medication and dosage to be administered in an emergency situation.

(f) A caregiver must call emergency medical services when epinephrine is administered to a child in the license holder's care.

(g) The caregiver must contact the child's parent immediately after any instance of exposure to an allergen or allergic reaction.

Sec. 22. **[142I.22] COMMUNITY-BASED FAMILY CHILD CARE.**

(a) A family child care program located on a site other than the license holder's primary residence must be licensed under this section if:

(1) the family child care program is conducted in a dwelling on a residential lot or in a commercial space other than the license holder's primary residence;

(2) the license holder is an organization, employer, church, or religious entity; or

(3) the license holder is a community collaborative child care provider. For purposes of this clause, a "community collaborative child care provider" is a provider participating in a cooperative agreement with a community action agency as defined in section 142F.301.

(b) Programs licensed under paragraph (a) must comply with local zoning regulations, the applicable State Fire Code, and the State Building Code. Any age and capacity limitations established by the fire code must be printed on the license.

(c) A license holder under this section must designate at least one primary provider of care as follows:

(1) one individual for programs operating eight or fewer hours per day;

(2) up to two individuals for programs operating more than eight but no more than 16 hours per day; and

(3) up to three individuals for programs operating more than 16 hours per day.

(d) The license issued under this section must include the statement: "This community-based family child care license holder is not licensed as a child care center."

(e) The commissioner may approve up to four licenses at the same location or under one contiguous roof if each license holder independently meets all applicable requirements. Each family child care program must operate as a distinct family child care program within its licensed capacity, age, and ratio limits as determined by the state fire marshal. Only one license may be issued per single-family residential home.

(f) The license holder must notify the commissioner in writing before any change in the persons designated as primary providers of care. A primary provider of care is authorized to communicate with the commissioner on licensing matters.

(g) Each license holder must complete the commissioner-developed community-based family child care program plan at the time of initial application, review the plan each calendar year, and update the plan before any change in program information occurs.

Sec. 23. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must make any necessary changes to statutory cross-references to reflect the changes in this article.

(b) The revisor of statutes must replicate the statutory history for all sections and subdivisions repealed and reenacted in this article.

Sec. 24. **REPEALER.**

(a) Minnesota Statutes 2024, sections 142B.01, subdivision 13; 142B.41, subdivisions 4 and 8; 142B.62; 142B.70, subdivisions 1, 2, 3, 4, 5, 6, 9, 10, 11, and 12; 142B.71; 142B.72; 142B.74; 142B.75; 142B.76; and 142B.77, are repealed.

(b) Minnesota Statutes 2025 Supplement, sections 142B.41, subdivision 9; and 142B.70, subdivisions 7 and 8, are repealed.

(c) Minnesota Rules, parts 9502.0300; 9502.0315; 9502.0325; 9502.0335; 9502.0341; 9502.0345; 9502.0355; 9502.0365; 9502.0367; 9502.0375; 9502.0395; 9502.0405; 9502.0415; 9502.0425; 9502.0435; and 9502.0445, are repealed.

Sec. 25. **EFFECTIVE DATE.**

This article is effective July 1, 2027.

ARTICLE 8

MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT CHANGES

Section 1. Minnesota Statutes 2024, section 260.63, subdivision 10, is amended to read:

Subd. 10. **Disproportionately represented child.** "Disproportionately represented child" means a person who is under the age of 18 and who is a member of a community whose race, ~~culture,~~ ethnicity, disability status, or low-income socioeconomic status is disproportionately encountered, engaged, or identified in the child welfare system as

compared to the representation in the state's total child population, as determined ~~on an annual basis~~ by the commissioner under section 260.631. A child's race~~, culture,~~ or ethnicity ~~is~~ may also be determined ~~based upon~~ by a child's self-identification or identification of a child's race~~, culture,~~ or ethnicity as reported by the child's parent or guardian.

Sec. 2. **[260.631] DETERMINATIONS.**

Subdivision 1. **Determination of disproportionate representation.** (a) The commissioner must determine the communities that are disproportionately represented in Minnesota's child protection system pursuant to this section for the purposes of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. In making this determination, the commissioner must consider the recommendations provided under paragraph (d). The commissioner's determination under this paragraph is in effect until the effective date of the next determination issued by the commissioner.

(b) The commissioner must make the initial determination under paragraph (a) by September 1, 2026, and then by September 1 on every even-numbered year thereafter.

(c) A responsible social services agency must use the commissioner's determination under paragraph (a) to determine whether a child meets the definition of a disproportionately represented child under section 260.63, subdivision 10.

(d) The African American Child and Family Well-Being Advisory Council must submit recommendations to the commissioner on the disproportionate representation of African American children in Minnesota's child protection system using state and federal census data. The council must provide its initial recommendations to the commissioner by August 1, 2026, and then provide recommendations by August 1 on every even-numbered year thereafter.

(e) If the commissioner makes a determination under paragraph (a) that differs from the recommendations provided by the African American Child and Family Well-Being Advisory Council under paragraph (d) regarding the disproportionate representation of African American children in Minnesota's child protection system, the commissioner must provide the reasons for diverging from the council's recommendations and identify the data the commissioner relied upon in making the determination of disproportionate representation. The commissioner must provide the information required under this paragraph to:

(1) the chairs and ranking minority members of the legislative committees with jurisdiction over the Minnesota African American Family Preservation and Child Welfare Disproportionality Act;

(2) the African American Child and Family Well-Being Advisory Council;

(3) the Children's Justice Initiative; and

(4) responsible social services agencies statewide.

(f) By September 15, 2026, and every even-numbered year thereafter, the commissioner must notify responsible social services agencies, the African American Child and Family Well-Being Advisory Council, and the Children's Justice Initiative of the commissioner's determination under paragraph (a). The notification must include but is not limited to:

(1) a list of the communities the commissioner determined are disproportionately represented in Minnesota's child protection system and whether there are any changes from the previous notification;

(2) how a responsible social services agency must implement the commissioner's determination;

(3) the effective date of the commissioner's determination; and

(4) the method or methods the commissioner used, or the data the commissioner relied upon, to make the determination.

Subd. 2. **Definition of disability; low-income socioeconomic status.** (a) The commissioner must define what constitutes disability and low-income socioeconomic status for purposes of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. The commissioner's definitions under this paragraph are in effect until the effective date of the next definitions issued by the commissioner.

(b) The commissioner must develop the initial definitions under paragraph (a) by September 1, 2026, and then by September 1 on every even-numbered year thereafter.

(c) A responsible social services agency must use the commissioner's definitions under paragraph (a) to determine whether a child meets the definition of a disproportionately represented child under section 260.63, subdivision 10.

(d) By September 15, 2026, and by September 15 on every even-numbered year thereafter, the commissioner must notify responsible social services agencies, the African American Child and Family Well-Being Council, and the Children's Justice Initiative of the definitions developed by the commissioner under paragraph (a). The notification must include but is not limited to:

(1) the definitions of disability and low-income socioeconomic status and whether there are any changes from the previous definitions;

(2) how a responsible social services agency must implement the commissioner's definitions;

(3) the effective date of the commissioner's definitions; and

(4) the method or methods the commissioner used, or the data the commissioner relied upon, to develop the definitions.

Subd. 3. **Determination of child's status.** The responsible social services agency must document the efforts the agency takes when determining whether a child meets or does not meet the definition of a disproportionately represented child under section 260.63, subdivision 10, and must provide that information to the commissioner upon the commissioner's request.

Subd. 4. **Exempt from rulemaking.** Chapter 14 does not apply to determinations under this section.

Sec. 3. Minnesota Statutes 2024, section 260.64, subdivision 2, is amended to read:

Subd. 2. **Safety plan.** (a) Prior to petitioning the court to remove an African American or a disproportionately represented child from the child's home under section 260.66, a responsible social services agency must work with the child's family to allow the child to remain in the child's home while implementing a safety plan based on the family's needs. The responsible social services agency must:

(1) make active efforts to engage the child's parent or custodian and the child, when appropriate;

(2) assess the family's cultural and economic needs and, if applicable, needs and services related to the child's disability;

(3) hold a family group consultation meeting and connect the family with supports to establish a safety network for the family; and

(4) provide support, guidance, and input to assist the family and the family's safety network with developing the safety plan.

(b) The safety plan must:

(1) address the specific allegations impacting the child's safety in the home. If neglect, as defined in section 260E.03, subdivision 15, is alleged, the safety plan must incorporate economic services and supports for the child and the child's family, if eligible, to address the family's specific needs and prevent neglect;

(2) incorporate family and community support to ensure the child's safety while keeping the family intact; and

(3) be adjusted as needed to address the child's and family's ongoing needs and support.

(c) The responsible social services agency is not required to establish a safety plan:

(1) in a case with allegations of sexual abuse or egregious harm;

(2) when the parent is not willing to follow a safety plan;

(3) when the parent has abandoned the child or is unavailable to follow a safety plan; or

(4) when the parent has chronic substance use disorder issues and is unable to parent the child.

Sec. 4. Minnesota Statutes 2024, section 260.67, subdivision 2, is amended to read:

Subd. 2. **Termination of parental rights restrictions.** (a) A court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child based solely on the parent's failure to complete case plan requirements.

(b) Except as provided in ~~paragraph (c)~~ subdivision 3, a court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child in a child placement proceeding unless the allegations against the parent involve sexual abuse; egregious harm as defined in section 260C.007, subdivision 14; murder in the first, second, or third degree under section 609.185, 609.19, or 609.195; murder of an unborn child in the first, second, or third degree under section 609.2661, 609.2662, or 609.2663; manslaughter of an unborn child in the first or second degree under section 609.2664 or 609.2665; domestic assault by strangulation under section 609.2247; felony domestic assault under section 609.2242 or 609.2243; kidnapping under section 609.25; solicitation, inducement, and promotion of prostitution under section 609.322, subdivision 1, and subdivision 1a if one or more aggravating factors are present; criminal sexual conduct under sections 609.342 to 609.3451; engaging in, hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1; solicitation of children to engage in sexual conduct under section 609.352; possession of pornographic work involving minors under section 617.247; malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378; use of a minor in sexual performance under section 617.246; or failing to protect a child from an overt act or condition that constitutes egregious harm.

Sec. 5. Minnesota Statutes 2024, section 260.68, subdivision 2, is amended to read:

Subd. 2. **Case review.** (a) ~~Each responsible social services agency~~ The commissioner shall conduct a review of ~~all child welfare~~ ten percent of each responsible social services agency's child protection cases for African American and other disproportionately represented children handled by ~~the agency. Each responsible social services agency shall create a summary report of trends identified under paragraphs (b) and (c), a remediation plan as provided in paragraph (d), and an update on implementation of any previous remediation plans. The first report shall be provided to the African American Child Well-Being Advisory Council, the commissioner, and the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare by October 1, 2029, and annually thereafter. For purposes of determining outcomes in this subdivision, responsible social services agencies shall use guidance from the commissioner. The commissioner shall provide guidance starting on November 1, 2028, and annually thereafter~~ responsible social services agencies. Responsible social services agencies must provide the commissioner with any information requested for the purposes of this subdivision in a form and within a time frame prescribed by the commissioner.

(b) The case review must include:

(1) the number of African American and disproportionately represented children represented in the county child ~~welfare~~ protection system;

(2) the number and sources of maltreatment reports received and reports screened in for investigation or referred for family assessment and the race of the children and parents or custodians involved in each report;

(3) the number and race of children and parents or custodians who receive in-home preventive case management services;

(4) the number and race of children whose parents or custodians are referred to community-based, culturally appropriate, strength-based, or trauma-informed services;

(5) the number and race of children removed from their homes;

(6) the number and race of children reunified with their parents or custodians;

(7) the number and race of children whose parents or custodians are offered family group decision-making services;

(8) the number and race of children whose parents or custodians are offered the parent support outreach program;

(9) the number and race of children in foster care or out-of-home placement at the time that the data is gathered;

(10) the number and race of children who achieve permanency through a transfer of permanent legal and physical custody to a relative or an adoption; and

(11) the number and race of children who are under the guardianship of the commissioner or awaiting a permanency disposition.

(c) The required case review must also:

(1) identify barriers to reunifying children with their families;

(2) identify the family conditions that led to the out-of-home placement;

(3) identify any barriers to accessing culturally informed mental health or substance use disorder treatment services for the parents or children;

(4) document efforts to identify fathers and maternal and paternal relatives and to provide services to custodial and noncustodial fathers, if appropriate; and

(5) document and summarize court reviews of active efforts.

(d) For any responsible social services agency ~~that has~~ the commissioner identifies in a case review as showing ~~disproportionality and~~ disparities in child welfare outcomes for African American and other disproportionately represented children and the children's families~~,~~ compared to the agency's overall outcomes, the commissioner must ~~include in their case review summary report~~ develop a remediation plan with the agency with measurable outcomes to identify, address, and reduce the factors that led to the ~~disproportionality and~~ disparities in the agency's child welfare outcomes. The remediation plan shall also include information about how the responsible social services agency will achieve and document trauma-informed, positive child well-being outcomes through remediation efforts.

(e) The commissioner shall create a summary report of trends identified under paragraphs (b) and (c), a summary of remediation plans developed as provided in paragraph (d), and an update on implementation of any previous remediation plans. The commissioner shall provide the first report to the African American Child Well-Being Advisory Council, the responsible social services agencies, and the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families by October 1, 2029, and annually thereafter.

Sec. 6. Minnesota Statutes 2024, section 260.69, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner of children, youth, and families must collaborate with the Children's Justice Initiative to ensure that cultural competency training is given or made available to individuals working in the child welfare system, including child welfare workers and supervisors. Training ~~must~~ developed by the Child Welfare Training Academy may also be made available to attorneys, juvenile court judges, guardians ad litem, and family law judges. The commissioner must give priority to child welfare workers and supervisors for in-person trainings or other trainings with limited attendance or availability.

(b) This subdivision does not require the commissioner or the Child Welfare Training Academy to develop or provide training specifically for attorneys, juvenile court judges, guardians ad litem, family law judges, or any other individuals beyond the primary training audiences required to be served under Laws 2019, First Special Session chapter 9, article 1, section 37, subdivision 2, paragraph (e).

Sec. 7. Minnesota Statutes 2025 Supplement, section 260.691, subdivision 1, is amended to read:

Subdivision 1. **Establishment and duties.** (a) The African American Child and Family Well-Being Advisory Council is established for the Department of Children, Youth, and Families.

(b) The council shall consist of 31 members appointed by the commissioner and must include representatives with lived personal or professional experience within African American communities. Members may include but are not limited to youth who have exited the child welfare system; parents; legal custodians; relative and kinship caregivers or foster care providers; community service providers, advocates, and members; county and private social services agency case managers; representatives from faith-based institutions; academic professionals; a representative from the Council for Minnesotans of African Heritage; the Ombudsperson for African American Families; and other individuals with experience and knowledge of African American communities. Council members must be selected through an open appointments process under section 15.0597. The terms, compensation, and removal of council members are governed by section 15.059.

(c) The council must:

(1) review annual reports related to African American children involved in the child welfare system. These reports may include but are not limited to the maltreatment, out-of-home placement, and permanency of African American children;

(2) assist with and make recommendations to the commissioner for developing strategies to reduce maltreatment determinations, prevent unnecessary out-of-home placement, promote culturally appropriate foster care and shelter or facility placement decisions and settings for African American children in need of out-of-home placement, ensure timely achievement of permanency, and improve child welfare outcomes for African American children and their families;

(3) review summary reports on targeted case reviews prepared by the commissioner to ensure that responsible social services agencies meet the needs of African American children and their families. Based on data collected from those reviews, the council shall assist the commissioner with developing strategies needed to improve any identified child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency for African American children;

(4) make recommendations to the commissioner and the legislature for public policy and statutory changes that specifically consider the needs of African American children and their families involved in the child welfare system;

(5) advise the commissioner on stakeholder engagement strategies and actions that the commissioner and responsible social services agencies may take to improve child welfare outcomes for African American children and their families;

(6) assist the commissioner with developing strategies for public messaging and communication related to racial ~~disproportionality and~~ disparities in child welfare outcomes for African American children and their families;

(7) assist the commissioner with identifying and developing internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(8) assist the commissioner with developing strategies to promote the development of a culturally diverse and representative child welfare workforce in Minnesota that includes professionals who are reflective of the community served and who have been directly impacted by lived experiences within the child welfare system. The council must also assist

the commissioner with exploring strategies and partnerships to address education and training needs, hiring, recruitment, retention, and professional advancement practices.

Sec. 8. Minnesota Statutes 2025 Supplement, section 260.692, subdivision 1, is amended to read:

Subdivision 1. **Duties.** The African American Child and Family Well-Being Unit, currently established by the commissioner, must:

(1) assist with the development of African American cultural competency training and review child welfare curriculum in the Minnesota Child Welfare Training Academy to ensure that responsible social services agency staff and other child welfare professionals are appropriately prepared to engage with African American children and their families and to support family preservation and reunification;

(2) provide technical assistance, including on-site technical assistance, and case consultation to responsible social services agencies to assist agencies with implementing and complying with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act;

(3) monitor individual county and statewide disaggregated and nondisaggregated data to identify trends and patterns in child welfare outcomes, including but not limited to reporting, maltreatment, out-of-home placement, and permanency of African American children and develop strategies to address ~~disproportionality and~~ disparities in the child welfare system;

(4) develop and implement a system for conducting case reviews when the commissioner receives reports of noncompliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act or when requested by the parent or custodian of an African American child. Case reviews may include but are not limited to a review of placement prevention efforts, safety planning, case planning and service provision by the responsible social services agency, relative placement consideration, and permanency planning;

(5) establish and administer a request for proposals process for African American and disproportionately represented family preservation grants under section 260.693, monitor grant activities, and provide technical assistance to grantees;

(6) in coordination with the African American Child and Family Well-Being Advisory Council, coordinate services and create internal and external partnerships to support adequate access to services and resources for African American children and their families, including

but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(7) develop public messaging and communication to inform the public about racial disparities in child welfare outcomes, current efforts and strategies to reduce racial disparities, and resources available to African American children and their families involved in the child welfare system.

Sec. 9. Minnesota Statutes 2025 Supplement, section 260.692, subdivision 2, is amended to read:

Subd. 2. **Case reviews.** (a) The African American Child and Family Well-Being Unit must conduct systemic case reviews to monitor targeted child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency of African American children.

(b) The reviews under this subdivision must be conducted using a random sampling of representative child ~~welfare~~ protection cases stratified for certain case related factors, including but not limited to case type, maltreatment type, if the case involves out-of-home placement, and other demographic variables. In conducting the reviews, unit staff may use court records and documents, information from the social services information system, and other available case file information to complete the case reviews.

(c) The frequency of the reviews and the number of cases, child welfare outcomes, and selected counties reviewed shall be determined by the unit in consultation with the African American Child and Family Well-Being Advisory Council, with consideration given to the availability of unit resources needed to conduct the reviews.

(d) The unit must monitor all case reviews and use the collective case review information and data to generate summary case review reports, ensure compliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, and identify trends or patterns in child welfare outcomes for African American children.

(e) The unit must review information from members of the public received through the compliance and feedback portal, including policy and practice concerns related to individual child ~~welfare~~ protection cases. After assessing a case concern, the unit may determine if further necessary action should be taken, which may include coordinating case remediation with other relevant child welfare agencies in accordance with data privacy laws, including the African American Child and Family Well-Being Advisory Council, and offering case

consultation and technical assistance to the responsible local social services agency as needed or requested by the agency.

Sec. 10. Minnesota Statutes 2025 Supplement, section 260.692, subdivision 3, is amended to read:

Subd. 3. **Reports.** (a) The African American Child and Family Well-Being Unit must provide regular updates on unit activities, including summary reports of case reviews, to the African American Child and Family Well-Being Advisory Council, and must publish an annual census of African American children in out-of-home placements statewide. The annual census must include data on the types of placements, age and sex of the children, how long the children have been in out-of-home placements, and other relevant demographic information.

(b) The African American Child and Family Well-Being Unit shall gather summary data about the practice and policy inquiries and individual case concerns received through the compliance and feedback portal under subdivision 2, paragraph (e). The unit shall provide regular reports of the nonidentifying compliance and feedback portal summary data to the African American Child and Family Well-Being Advisory Council to identify child welfare trends and patterns to assist with developing policy and practice recommendations to support eliminating ~~disparity and disproportionality~~ disparities for African American children.

Sec. 11. Minnesota Statutes 2024, section 260.693, subdivision 2, is amended to read:

Subd. 2. **Eligible services.** (a) Services eligible for grants under this section include but are not limited to:

(1) child out-of-home placement prevention and reunification services;

(2) family-based services and reunification therapy;

(3) culturally specific individual and family counseling;

(4) court advocacy;

(5) training for and consultation to responsible social services agencies and private social services agencies regarding this act;

(6) development and promotion of culturally informed, affirming, and responsive community-based prevention and family preservation services that target the children, youth, families, and communities of African American and African heritage experiencing the

highest disparities~~, disproportionality,~~ and overrepresentation in the Minnesota child welfare system;

(7) culturally affirming and responsive services that work with children and families in their communities to address their needs and ensure child and family safety and well-being within a culturally appropriate lens and framework;

(8) services to support informal kinship care arrangements; and

(9) other activities and services approved by the commissioner that further the goals of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, including but not limited to the recruitment of African American staff and staff from other communities disproportionately represented in the child welfare system to work for responsible social services agencies and licensed child-placing agencies.

(b) The commissioner may specify the priority of an activity and service based on its success in furthering these goals. The commissioner shall give preference to programs and service providers that are located in or serve counties with the highest rates of child welfare ~~disproportionality~~ disproportionate representation for African American and other disproportionately represented children and their families and employ staff who represent the population primarily served.

Sec. 12. Laws 2024, chapter 117, section 21, is amended to read:

Sec. 21. **MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT; WORKING GROUP.**

(a) The commissioner of human services must establish a working group to provide guidance and oversight for the Minnesota African American Family Preservation and Child Welfare Disproportionality Act phase-in program.

(b) The members of the working group must include representatives from the Minnesota Association of County Social Service Administrators, the Association of Minnesota Counties, the Minnesota Inter-County Association, the Minnesota County Attorneys Association, Hennepin County, Ramsey County, the Department of Human Services, and community organizations with experience in child welfare. The legislature may provide recommendations to the commissioner on the selection of the representatives from the community organizations.

(c) The working group must provide oversight of the phase-in program and evaluate the cost of the phase-in program. The working group must also assess future costs of

implementing the Minnesota African American Family Preservation and Child Welfare Disproportionality Act statewide.

(d) By January 1, 2026, the working group must develop and submit an interim report to the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare detailing initial needs for the implementation of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. The interim report must also include recommendations for any statutory or policy changes necessary to implement the act.

(e) By September 1, 2026, the working group must develop an implementation plan and best practices for the Minnesota African American Family Preservation and Child Welfare Disproportionality Act to go into effect statewide.

(f) The working group under this section expires December 31, 2027.

Sec. 13. **REPEALER.**

Minnesota Statutes 2024, section 260.63, subdivision 9, is repealed.

ARTICLE 9
HOSPITAL STABILIZATION

Section 1. Minnesota Statutes 2024, section 16A.103, is amended by adding a subdivision to read:

Subd. 1k. **Report on financial stability of hospitals.** The commissioner of management and budget must submit with each February forecast under this section the report on the financial stability of Minnesota's hospitals prepared by the commissioner of health under section 144.5913.

Sec. 2. **[144.5911] HOSPITAL STABILIZATION PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health must establish a hospital stabilization program to provide financial relief to hospitals that experience financial distress and a disproportionate level of uncompensated care.

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

(b) "Commissioner" means the commissioner of health.

(c) "Qualifying hospital" means a hospital:

(1) licensed under section 144.50;

(2) located within the state;

(3) that has filed a Medicare cost report in the Healthcare Cost Report Information System; and

(4) that meets the following criteria:

(i) critical access hospital or rural emergency hospital; or

(ii) medical disproportionate share hospital with less than 75 days of cash on hand.

(d) "Qualifying uncompensated episode of care" means the provision by a qualifying hospital of one or more services that are covered under medical assistance to an individual during a single patient encounter or episode of care when the:

(1) individual is not enrolled in medical assistance, MinnesotaCare, or Medicare and does not have other health coverage;

(2) individual is determined to be ineligible for medical assistance and MinnesotaCare for the date of service following any retroactive eligibility determination; and

(3) total cumulative reimbursement amount for the services provided, if paid under medical assistance payment methodologies using a cost to charge methodology as defined in the Minnesota Health Care Cost Information System, would be at least $2,000 but not more than $50,000.

Subd. 3. **Application for payments.** (a) A qualifying hospital seeking payment under this section must submit to the commissioner documentation identifying qualifying uncompensated episodes of care within a reporting period.

(b) The reporting periods are:

(1) January 1 through June 30; and

(2) July 1 through December 31.

(c) The initial reporting period begins January 1, 2026.

(d) For services provided during the January 1 through June 30 reporting period, a qualifying hospital must submit the required documentation to the commissioner by September 15 of the same calendar year.

(e) For services provided during the July 1 through December 31 reporting period, a qualifying hospital must submit the required documentation to the commissioner by March 15 of the next calendar year.

(f) Qualifying hospitals must submit documentation in a form and manner specified by the commissioner and must provide supporting documentation as requested by the commissioner.

Subd. 4. **Calculation of payments.** (a) For each reporting period, the commissioner must determine each qualifying hospital's share of the total value of qualifying uncompensated episodes of care submitted under subdivision 3.

(b) The commissioner must distribute payments proportionally based on each qualifying hospital's share of the statewide total among qualifying hospitals.

(c) A qualifying hospital must not receive more than ten percent of the money available for a reporting period.

(d) If money remains after the payment limitation in paragraph (c), the commissioner must redistribute the remaining money among qualifying hospitals that have not reached the limit in paragraph (c) in proportion to their share of the value of qualifying uncompensated episodes of care.

(e) The commissioner may establish procedures to reconcile adjustments, corrected claims, or late submissions in a subsequent reporting period.

Subd. 5. **Distribution of payments.** (a) One half of the annual appropriation for this program must be allocated to each reporting period.

(b) For the January 1 through June 30 reporting period, the commissioner must distribute payments no later than November 15 of the same calendar year.

(c) For the July 1 through December 31 reporting period, the commissioner must distribute payments no later than May 15 of the next calendar year.

Subd. 6. **Reporting requirements.** (a) A qualifying hospital receiving payment under this section must submit to the commissioner any information necessary to evaluate the appropriate use of funds. Such information must include, at minimum, by June 30, 2027, a detailed analysis of how the funds were used to preserve regional and local access to essential health care services, including emergency care, inpatient hospital care, maternal care and obstetrical services, behavioral and mental health care, and primary care and clinic services.

(b) A qualifying hospital receiving payment under this section must submit to the commissioner, by June 30, 2027, an organizational chart presenting the identities of and interrelationships among affiliated entities within the hospital system. No subsidiary of an entity specified on the chart need be shown if the equity or membership interest of the subsidiary held by the entity is less than ten percent of the subsidiary. As to each entity

specified in the chart, the qualifying hospital must indicate the type of organization and the state of domicile.

(c) Upon receipt of notice by a qualifying hospital receiving payment under this section submitted pursuant to section 144.555, the commissioner must provide notice of the hospital's planned actions and documentation of the amount of any payment distributed to the hospital under this section to:

(1) the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy; and

(2) the majority and minority leaders of the senate and house of representatives.

(d) The commissioner must determine the reporting requirement for payments under this section in addition to those reporting requirements under section 16B.98, subdivision 12.

Subd. 7. **Prohibited uses.** Funds received under this section must not be used to:

(1) supplant any other funding sources; or

(2) increase the salary, benefits, or other discretionary payment to an officer, director, manager, or any other executive.

Sec. 3. **[144.5912] COMMUNITY-BASED SAFETY NET PROVIDER STABILIZATION PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health must establish a community-based safety net provider stabilization program to provide financial relief to community-based safety net providers that experience a disproportionate level of uncompensated care.

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

(b) "Commissioner" means the commissioner of health.

(c) "Qualifying community-based safety net provider" means a:

(1) federally qualified health center under section 145.9269, subdivision 1;

(2) certified community behavioral health clinic under section 245.735; or

(3) community mental health center under section 256B.0625, subdivision 5.

(d) "Qualifying uncompensated episode of care" means the provision by a qualifying community-based safety net provider of one or more services that are covered under medical assistance to an individual during a single patient encounter or episode of care when the:

(1) individual is not enrolled in medical assistance, MinnesotaCare, or Medicare and does not have other health coverage;

(2) individual is determined to be ineligible for medical assistance and MinnesotaCare for the date of service following any retroactive eligibility determination; and

(3) total cumulative reimbursement amount for the services provided, if paid under medical assistance payment methodologies, would be at least $200 but not more than $2,000.

Subd. 3. **Application for payments.** (a) A qualifying community-based safety net provider seeking payment under this section must submit to the commissioner documentation identifying qualifying uncompensated episodes of care within the reporting period.

(b) The reporting periods are:

(1) January 1 through June 30; and

(2) July 1 through December 31.

(c) The initial reporting period begins January 1, 2026.

(d) For services provided during the January 1 through June 30 reporting period, a qualifying community-based safety net provider must submit the required documentation to the commissioner by September 15 of the same calendar year.

(e) For services provided during the July 1 through December 31 reporting period, a qualifying community-based safety net provider must submit the required documentation to the commissioner by March 15 of the next calendar year.

(f) Qualifying community-based safety net providers must submit documentation in a form and manner specified by the commissioner and must provide supporting documentation as requested by the commissioner.

Subd. 4. **Calculation of payments.** (a) For each reporting period, the commissioner must determine each qualifying community-based safety net provider's share of the total value of qualifying uncompensated episodes of care submitted under subdivision 3.

(b) The commissioner must distribute payments proportionally based on each qualifying community-based safety net provider's share of the statewide total.

(c) A qualifying community-based safety net provider must not receive more than ten percent of the money available for a reporting period.

(d) If money remains after the payment limitation in paragraph (c), the commissioner must redistribute the remaining money among qualifying community-based safety net providers that have not reached the limit in paragraph (c) in proportion to the community-based safety net provider's share of the value of qualifying uncompensated episodes of care.

(e) The commissioner may establish procedures to reconcile adjustments, corrected claims, or late submissions in a subsequent reporting period.

Subd. 5. **Distribution of payments.** (a) One half of the annual appropriation for this program must be allocated to each reporting period.

(b) For the January 1 through June 30 reporting period, the commissioner must distribute payments no later than November 15 of the same calendar year.

(c) For the July 1 through December 31 reporting period, the commissioner must distribute payments no later than May 15 of the next calendar year.

Sec. 4. **[144.5913] REPORT ON FINANCIAL STABILITY OF HOSPITALS.**

The commissioner of health must prepare and submit to the commissioner of management and budget, to be delivered with each February forecast under section 16A.103, a report on the financial stability of Minnesota's hospitals. The report must consider the core financial metrics of hospitals; expenses and staffing data; revenue, including payer mix; utilization data; financial liquidity and a balance sheet analysis; and other data determined by the commissioners. The report must include information about financially distressed hospitals, and whether any hospitals in Minnesota are determined to be financially distressed.

Sec. 5. **HENNEPIN HEALTHCARE STABILIZATION GRANT.**

Subdivision 1. **Establishment.** The commissioner of health must award a grant to Hennepin Healthcare to stabilize the HCMC operations, avoid closure of HCMC, ensure continuation of high-quality care for HCMC patients, and preserve access to essential services at HCMC that support the health care needs of the communities served by HCMC and the state of Minnesota.

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

(b) "Commissioner" means the commissioner of health.

(c) "HCMC" has the meaning given in Minnesota Statutes, section 383B.902.

(d) "Hennepin Healthcare" is the public corporation created by Minnesota Statutes, section 383B.901.

Subd. 3. **Accountability requirements.** (a) The commissioner must collect from Hennepin Healthcare any information necessary to complete the commissioner's reporting requirements under subdivision 4. Such information must include at minimum:

(1) a comprehensive financial analysis that describes the sources and magnitude of HCMC's fiscal instability;

(2) quarterly reports of financial information, including the following:

(i) unaudited quarterly updates of audited information currently required to be submitted annually to the Department of Health;

(ii) total inpatient gross revenues by payer, including Medicare, medical assistance, MinnesotaCare, commercial coverage, self-pay, other third-party payers, and other payers;

(iii) deductions from revenue in total and by component, including but not limited to contractual adjustments, bad debt, charity care, restricted donations, and teaching allowances;

(iv) total capital expenditures by project;

(v) total number of inpatient days, outpatient visits, and discharges by payer, including Medicare, medical assistance, MinnesotaCare, commercial coverage, other third parties, self-pay, and other payers;

(vi) total net patient revenues by payer, including Medicare, medical assistance, MinnesotaCare, commercial coverage, other third parties, self-pay, and other payers;

(vii) other operating revenue; and

(viii) nonoperating revenue net of nonoperating expenses;

(3) long-term capital spending priorities, including mandatory maintenance and replacement of existing facilities and equipment; and

(4) a strategic plan for long-term fiscal sustainability. The plan must include, at minimum, detailed proposals to:

(i) ensure the continued operation of critical specialized services by HCMC that are essential to Minnesota's comprehensive statewide hospital network of rural, regional, and safety net hospitals; and

(ii) transition governance and control of HCMC away from the Hennepin County Board of Commissioners acting as the governing board of Hennepin Healthcare System, Inc. and ensure long-term management stability of Hennepin Healthcare.

(b) Upon receipt of notice by HCMC provided pursuant to Minnesota Statutes, section 144.555, the commissioner must provide notice of HCMC's planned actions to:

(1) the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy; and

(2) the majority and minority leaders of the senate and house of representatives.

Subd. 4. **Reporting requirements.** (a) By January 15, 2027, and annually thereafter until January 15, 2030, the commissioner must report to the legislative committees with jurisdiction over health and human services finance and policy on:

(1) the financial stabilization of Hennepin Healthcare and HCMC, including recommendations to improve stabilization of those entities; and

(2) the financial stabilization of hospitals statewide, including recommendations to improve stabilization of those entities.

(b) By January 15, 2027, and annually thereafter until January 15, 2030, the legislative auditor must report to the legislative committees with jurisdiction over health and human services finance and policy to:

(1) confirm whether Hennepin Healthcare and HCMC:

(i) have met the requirements of this section; and

(ii) have adhered to the strategic plan for long-term fiscal sustainability provided under subdivision 3, paragraph (a), clause (4); and

(2) assess the overall financial health and stability of Hennepin Healthcare and HCMC.

(c) Hennepin Healthcare and HCMC must provide the commissioner and legislative auditor with all information and documents requested by the commissioner or legislative auditor for purposes of this subdivision.

Subd. 5. **Hospital stabilization program ineligibility.** HCMC is ineligible for payment under Minnesota Statutes, sections 144.5911 and 144.5912, in fiscal year 2027.

Sec. 6. **HENNEPIN HEALTHCARE FUTURE STRUCTURE AND GOVERNANCE ADVISORY TASK FORCE.**

Subdivision 1. **Establishment; purpose.** The Hennepin Healthcare Future Structure and Governance Advisory Task Force is established to develop recommendations to the legislature regarding the future ownership, governance, and financing structure of Hennepin Healthcare System, Inc. (Hennepin Healthcare), including its integrated system of health care facilities and services that includes Hennepin County Medical Center (HCMC). The advisory task force must evaluate options that recognize HCMC as a regional and statewide public health and public safety asset that provides critical health care services, including Level I trauma care, hyperbaric medicine, treatment services for burns and complex wounds, comprehensive cancer care, accredited poison control services, and supports education and training of health care professionals in Minnesota.

Subd. 2. **Leadership; composition.** (a) The advisory task force must consist of 14 members appointed by the governor. Members must include:

(1) one member with expertise in health care sector leadership and state public health systems;

(2) three members with professional experience in hospital and clinical system operations, specifically those providing safety net care;

(3) three members with professional experience in health care finance and public health insurance programs;

(4) two members with professional experience in public sector governance and public authorities;

(5) three members representing the health care sector workforce; and

(6) two members representing patient and community perspectives, particularly communities disproportionately impacted by lack of access to health care.

(b) The governor must make appointments by August 1, 2026.

(c) Members appointed under this subdivision serve until the advisory task force expires.

Subd. 3. **Organization and meetings.** (a) The member appointed under subdivision 2, clause (1), must serve as chair of the advisory task force. The chair must convene the first meeting of the advisory task force by September 1, 2026. The advisory task force must meet at least once per month and more frequently at the call of the chair.

(b) Members of the advisory task force receive no compensation for their services but must be reimbursed as provided in Minnesota Statutes, section 15.059, for expenses incurred as a result of their duties as members of the advisory task force.

Subd. 4. **Duties and powers.** (a) The advisory task force must:

(1) evaluate the current governance structure of Hennepin Healthcare;

(2) evaluate governance and ownership models at hospital systems comparable to Hennepin Healthcare;

(3) evaluate financing and funding mechanisms to achieve sustainable, long-term funding of Hennepin Healthcare;

(4) engage public health stakeholders throughout the state, including but not limited to counties, health systems, labor organizations, patient and community representatives, state agencies, and experts in public finance and governance; and

(5) develop specific recommendations for structures of ownership, governance, and sustainable, long-term funding of Hennepin Healthcare, as well as strategies for any ownership or governance transitions and a timeline to implement such transitions.

(b) In conducting evaluations under paragraph (a), the advisory task force must consider a full range of potential ownership, governance, and structural models, including models that may involve regional, multicounty, state, or public authority ownership structures. Such evaluations are not limited to the ownership of Hennepin Healthcare by Hennepin County.

Subd. 5. **Administrative support.** The commissioner of health must provide meeting space and administrative services for the advisory task force. State agencies must provide technical assistance upon the request of the advisory task force.

Subd. 6. **Report.** By February 15, 2027, the advisory task force must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services, taxation, and state government. The report must include the following at minimum:

(1) specific recommendations for structures of ownership, governance, and sustainable, long-term funding of Hennepin Healthcare, a fiscal analysis of all recommendations, and a timeline to implement such recommendations; and

(2) draft legislation necessary to implement the specific recommendations.

Subd. 7. **Expiration.** The advisory task force expires June 30, 2027, or upon submission of the required report, whichever is later.

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

ARTICLE 10
HEALTH PLAN REGULATORY ALIGNMENT

Section 1. Minnesota Statutes 2024, section 60A.50, subdivision 3, is amended to read:

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce ~~or the commissioner of health, whichever commissioner otherwise regulates the health organization~~.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 2. Minnesota Statutes 2024, section 60A.951, subdivision 3, is amended to read:

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce ~~for insurers regulated by the commissioner of commerce, and means the commissioner of health for insurers regulated by the commissioner of health~~.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 3. Minnesota Statutes 2024, section 60A.985, subdivision 8, is amended to read:

Subd. 8. **Licensee.** "Licensee" means any person licensed, authorized to operate, or registered, or required to be licensed, authorized, or registered by the Department of Commerce ~~or the Department of Health~~ under chapters 59A to 62M, 62Q to 62V, and 64B to 79A.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 4. Minnesota Statutes 2024, section 60A.9853, subdivision 1, is amended to read:

Subdivision 1. **Notification to the commissioner.** Each licensee shall notify the commissioner of commerce ~~or commissioner of health, whichever commissioner otherwise regulates the licensee,~~ without unreasonable delay but in no event later than five business days from a determination that a cybersecurity event has occurred when either of the following criteria has been met:

(1) this state is the licensee's state of domicile, in the case of an insurer, or this state is the licensee's home state, in the case of a producer, as those terms are defined in chapter 60K and the cybersecurity event has a reasonable likelihood of materially harming:

(i) any consumer residing in this state; or

(ii) any part of the normal operations of the licensee; or

(2) the licensee reasonably believes that the nonpublic information involved is of 250 or more consumers residing in this state and that is either of the following:

(i) a cybersecurity event impacting the licensee of which notice is required to be provided to any government body, self-regulatory agency, or any other supervisory body pursuant to any state or federal law; or

(ii) a cybersecurity event that has a reasonable likelihood of materially harming:

(A) any consumer residing in this state; or

(B) any part of the normal operations of the licensee.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 5. Minnesota Statutes 2024, section 60A.9854, is amended to read:

60A.9854 POWER OF COMMISSIONER.

(a) The commissioner of commerce ~~or commissioner of health, whichever commissioner otherwise regulates the licensee, shall have~~ has power to examine and investigate into the affairs of any licensee to determine whether the licensee has been or is engaged in any conduct in violation of sections 60A.985 to 60A.9857. This power is in addition to the powers which the commissioner has under section 60A.031. Any such investigation or examination shall be conducted pursuant to section 60A.031.

(b) Whenever the commissioner of commerce ~~or commissioner of health~~ has reason to believe that a licensee has been or is engaged in conduct in this state which violates sections 60A.985 to 60A.9857, the commissioner of commerce ~~or commissioner of health~~ may take action that is necessary or appropriate to enforce those sections.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 6. Minnesota Statutes 2024, section 60B.03, subdivision 2, is amended to read:

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce ~~of the state of Minnesota~~ and, in that commissioner's absence or disability, a deputy or other person duly designated to act in that commissioner's place. ~~In the context of rehabilitation or liquidation of a health maintenance organization, "commissioner" means the commissioner of health of the state of Minnesota and, in that commissioner's absence or disability, a deputy or other person duly designated to act in that commissioner's place.~~

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 7. Minnesota Statutes 2024, section 60G.01, subdivision 2, is amended to read:

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce~~, except that "commissioner" means the commissioner of health for administrative supervision of health maintenance organizations~~.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 8. Minnesota Statutes 2024, section 60G.01, subdivision 4, is amended to read:

Subd. 4. **Department.** "Department" means the Department of Commerce~~, except that "department" means the Department of Health for administrative supervision of health maintenance organizations~~.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 9. Minnesota Statutes 2024, section 62A.02, subdivision 8, is amended to read:

Subd. 8. **Filing by health carriers for purposes of complying with the certification requirements of MNsure.** No qualified health plan shall be offered through MNsure until its form and the premium rates pertaining to the form have been approved by the commissioner of commerce ~~or health, as appropriate,~~ and the health plan has been determined to comply with the certification requirements of MNsure in accordance with an agreement between the commissioners of commerce and health and MNsure.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 10. Minnesota Statutes 2024, section 62A.021, subdivision 1, is amended to read:

Subdivision 1. **Loss ratio standards.** (a) Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, and except as otherwise authorized by section 62A.02, subdivision 3a, for individual policies or certificates, health care policies or certificates shall not be delivered or issued for delivery to an individual or to a small employer as defined in section 62L.02, unless the policies or certificates can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to Minnesota policyholders and certificate holders in the form of aggregate benefits not including anticipated refunds or credits, provided under the policies or certificates, (1) at least 75 percent of the aggregate amount of premiums earned in the case of policies issued in the small employer market, as defined in section 62L.02, subdivision 27, calculated on an aggregate basis; and (2) at least 65 percent of the aggregate amount of premiums earned in the case of each policy form or certificate form issued in the individual market; calculated on the basis of incurred claims

experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. Assessments by the reinsurance association created in chapter 62L and all types of taxes, surcharges, or assessments created by Laws 1992, chapter 549, or created on or after April 23, 1992, are included in the calculation of incurred claims experience or incurred health care expenses. The applicable percentage for policies and certificates issued in the small employer market, as defined in section 62L.02, increases by one percentage point on July 1 of each year, beginning on July 1, 1994, until an 82 percent loss ratio is reached on July 1, 2000. The applicable percentage for policy forms and certificate forms issued in the individual market increases by one percentage point on July 1 of each year, beginning on July 1, 1994, until a 72 percent loss ratio is reached on July 1, 2000. A health carrier that enters a market after July 1, 1993, does not start at the beginning of the phase-in schedule and must instead comply with the loss ratio requirements applicable to other health carriers in that market for each time period. Premiums earned and claims incurred in markets other than the small employer and individual markets are not relevant for purposes of this section.

(b) All filings of rates and rating schedules shall demonstrate that actual expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy form or certificate form shall equal or exceed the appropriate loss ratio standards.

(c) A health carrier that issues health care policies and certificates to individuals or to small employers, as defined in section 62L.02, in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy form or certificate form duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. If the data submitted does not confirm that the health carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify the health carrier in writing of the deficiency. The health carrier shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section.

If the health carrier fails to file amended rates within the prescribed time, the commissioner shall order that the health carrier's filed rates for the nonconforming policy form or certificate form be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The health carrier's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the health carrier from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

(d) Each sale of a policy or certificate that does not comply with the loss ratio requirements of this section is an unfair or deceptive act or practice in the business of insurance and is subject to the penalties in sections 72A.17 to 72A.32.

(e)(1) For purposes of this section, health care policies issued as a result of solicitations of individuals through the mail or mass media advertising, including both print and broadcast advertising, shall be treated as individual policies.

(2) For purposes of this section, (i) "health care policy" or "health care certificate" is a health plan as defined in section 62A.011; and (ii) "health carrier" has the meaning given in section 62A.011 and includes all health carriers delivering or issuing for delivery health care policies or certificates in this state or offering these policies or certificates to residents of this state.

(f) The loss ratio phase-in as described in paragraph (a) does not apply to individual policies and small employer policies issued by a health plan company that is assessed less than three percent of the total annual amount assessed by the Minnesota Comprehensive Health Association. These policies must meet a 68 percent loss ratio for individual policies, a 71 percent loss ratio for small employer policies with fewer than ten employees, and a 75 percent loss ratio for all other small employer policies.

(g) Notwithstanding paragraphs (a) and (f), the loss ratio shall be 60 percent for a health plan as defined in section 62A.011, offered by an insurance company licensed under chapter 60A that is assessed less than ten percent of the total annual amount assessed by the Minnesota Comprehensive Health Association. For purposes of the percentage calculation of the association's assessments, an insurance company's assessments include those of its affiliates.

(h) The ~~commissioners~~ commissioner of commerce ~~and health shall each~~ must annually issue a public report listing, by health plan company, the actual loss ratios experienced in the individual and small employer markets in this state ~~by the health plan companies that the commissioners respectively regulate. The commissioners shall coordinate release of these reports so as to release them as a joint report or as separate reports issued the same day~~. The report or reports shall be released no later than June 1 for loss ratios experienced for the preceding calendar year. Health plan companies shall provide to the ~~commissioners~~ commissioner any information requested by the ~~commissioners~~ commissioner for purposes of this paragraph.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 11. Minnesota Statutes 2024, section 62A.61, is amended to read:

62A.61 DISCLOSURE OF METHODS USED BY HEALTH CARRIERS TO DETERMINE USUAL AND CUSTOMARY FEES.

(a) A health carrier that bases reimbursement to health care providers upon a usual and customary fee must maintain in its office a copy of a description of the methodology used to calculate fees including at least the following:

(1) the frequency of the determination of usual and customary fees;

(2) a general description of the methodology used to determine usual and customary fees; and

(3) the percentile of usual and customary fees that determines the maximum allowable reimbursement.

(b) A health carrier must provide a copy of the information described in paragraph (a) to the commissioner of health or the commissioner of commerce, upon request.

(c) The ~~commissioner of health or the~~ commissioner of commerce~~, as appropriate,~~ may use ~~to enforce this section~~ any enforcement powers otherwise available to the commissioner with respect to the health carrier to enforce this section. The commissioner of ~~health or~~ commerce~~, as appropriate,~~ may require health carriers to provide the information required under this section and may use any powers granted under other laws relating to the regulation of health carriers to enforce compliance.

(d) For purposes of this section, "health carrier" has the meaning given in section 62A.011.

(e) "Usual and customary" means the normal charge, in the absence of insurance, of the provider for a service or article, but not more than the prevailing charge in the area for like service or article. A "like service" is the same nature and duration, requires the same skill, and is performed by a provider of similar training and experience. A "like article" is one that is identically or substantially equivalent. "Area" means the municipality or, in the case of a large city, a subdivision of the city, in which the service or article is actually provided or a greater area as is necessary to obtain a representative cross-section of charges for like service or article.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 12. Minnesota Statutes 2024, section 62A.65, subdivision 7, is amended to read:

Subd. 7. **Short-term coverage.** (a) For purposes of this section, "short-term coverage" means an individual health plan that:

(1) is issued to provide coverage for a period of 185 days or less, except that the health plan may permit coverage to continue until the end of a period of hospitalization for a condition for which the covered person was hospitalized on the day that coverage would otherwise have ended;

(2) is nonrenewable, provided that the health carrier may provide coverage for one or more subsequent periods that satisfy clause (1), if the total of the periods of coverage do not exceed a total of 365 days out of any 555-day period, plus any additional days covered as a result of hospitalization on the day that a period of coverage would otherwise have ended;

(3) does not cover any preexisting conditions, including ones that originated during a previous identical policy or contract with the same health carrier where coverage was continuous between the previous and the current policy or contract; and

(4) is available with an immediate effective date without underwriting upon receipt of a completed application indicating eligibility under the health carrier's eligibility requirements, provided that coverage that includes optional benefits may be offered on a basis that does not meet this requirement.

(b) Short-term coverage is not subject to subdivisions 2 and 5. Short-term coverage may exclude as a preexisting condition any injury, illness, or condition for which the covered person had medical treatment, symptoms, or any manifestations before the effective date of the coverage, but dependent children born or placed for adoption during the policy period must not be subject to this provision.

(c) Notwithstanding subdivision 3, and section 62A.021, a health carrier may combine short-term coverage with its most commonly sold individual qualified plan, as defined in section 62E.02, other than short-term coverage, for purposes of complying with the loss ratio requirement.

(d) The 365-day coverage limitation provided in paragraph (a) applies to the total number of days of short-term coverage that covers a person, regardless of the number of policies, contracts, or health carriers that provide the coverage. A written application for short-term coverage must ask the applicant whether the applicant has been covered by short-term coverage by any health carrier within the 555 days immediately preceding the effective date of the coverage being applied for. Short-term coverage issued in violation of the 365-day limitation is valid until the end of its term and does not lose its status as short-term coverage, in spite of the violation. A health carrier that knowingly issues short-term coverage in violation of the 365-day limitation is subject to the administrative penalties otherwise available to the commissioner of commerce ~~or the commissioner of health, as appropriate~~.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 13. Minnesota Statutes 2024, section 62A.65, subdivision 8, is amended to read:

Subd. 8. **Cessation of individual business.** Notwithstanding the provisions of subdivisions 1 to 7, a health carrier may elect to cease doing business in the individual health plan market in this state if it complies with the requirements of this subdivision. For purposes of this section, "cease doing business" means to discontinue issuing new individual health plans and to refuse to renew all of the health carrier's existing individual health plans issued in this state whose terms permit refusal to renew under the circumstances specified in this subdivision. This subdivision does not permit cancellation of an individual health plan, unless the terms of the health plan permit cancellation under the circumstances specified in this subdivision. A health carrier electing to cease doing business in the individual health plan market in this state shall notify the commissioner 180 days prior to the effective date of the cessation. Within 30 days after the termination, the health carrier shall submit to the commissioner a complete list of policyholders that have been terminated. The cessation of business does not include the failure of a health carrier to offer or issue new business in the individual health plan market or continue an existing product line in that market, provided that a health carrier does not terminate, cancel, or fail to renew its current individual health plan business. A health carrier electing to cease doing business in the individual health plan market shall provide 120 days' written notice to each policyholder covered by an individual health plan issued by the health carrier. This notice must also inform each policyholder of

the existence of the Minnesota Comprehensive Health Association, the requirements for being accepted, the procedures for applying for coverage, and the telephone numbers at the ~~Department of Health and the~~ Department of Commerce for information about private individual or family health coverage. A health carrier that ceases to write new business in the individual health plan market shall continue to be governed by this section with respect to continuing individual health plan business conducted by the health carrier. A health carrier that ceases to do business in the individual health plan market after July 1, 1994, is prohibited from writing new business in the individual health plan market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the individual health plan market in one service area with respect to that service area only. Nothing in this subdivision prohibits an affiliated health maintenance organization from continuing to do business in the individual health plan market in that same service area. The right to refuse to renew an individual health plan under this subdivision does not apply to individual health plans issued on a guaranteed renewable basis that does not permit refusal to renew under the circumstances specified in this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 14. **[62D.015] REGULATORY DUTIES; TRANSFER.**

Subdivision 1. **Transfer and restructuring.** (a) The regulatory oversight with respect to health maintenance organizations transfers from the commissioner of health to the commissioner of commerce on July 1, 2027.

(b) The agency restructuring under this section must be conducted in accordance with sections 15.039 and 43A.045.

Subd. 2. **Succession; employees; liability.** (a) Employees related to the functions assigned to the commissioner of health are transferred to the Department of Commerce 30 days after the date the commissioner of health approves the transfer.

(b) An employee transferred under paragraph (a):

(1) must not have the employee's employment status or job classification altered as a result of the transfer;

(2) if represented by an exclusive representative before the transfer, remains represented by the same exclusive representative after the transfer occurs;

(3) if an applicable collective bargaining agreement with an exclusive representative was effective before the transfer, remains subject to the collective bargaining agreement for the remainder of the agreement's term; and

(4) if employed in a temporary unclassified position, the total length of time that the employee has served in the appointment includes all time served in the appointment at the transferring agency and the time served in the appointment at the department. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by the commissioner of management and budget is considered to have been hired through an open competitive selection process after the transfer.

(c) The state must meet and negotiate with the exclusive representatives of transferred employees regarding proposed changes that affect or relate to the transferred employees' terms and conditions of employment to the extent that the proposed changes are not addressed in the applicable collective bargaining agreement.

(d) If the state transfers ownership or control of a department facility, service, or operation to a private or public entity by subcontracting, sale, assignment, lease, or other transfer, the state must require as a written condition of the transfer of ownership or control:

(1) an employee who performs work in the facility, service, or operation must be offered employment with the entity acquiring ownership or control before the entity offers employment to another individual who was not employed by the transferring agency at the time the transfer occurs; and

(2) the entity acquiring ownership or control is prohibited from reducing the transferred employee's wage and benefit standards until the collective bargaining agreement in effect at the time the transfer occurs expires or for a period of two years after the transfer occurs, whichever is longer.

(e) The state of Minnesota and the state's officers or agents are not liable for and are not subject to a cause of action arising from the action or inaction of an entity acquiring ownership or control of a department facility, service, or operation.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 15. Minnesota Statutes 2024, section 62D.08, subdivision 1, is amended to read:

Subdivision 1. **Notice of changes.** A health maintenance organization shall, unless otherwise provided for by rules adopted by the commissioner of ~~health~~ commerce, file notice with the commissioner of ~~health prior to any modification of~~ commerce before

modifying the operations or documents described in the information submitted under section 62D.03, subdivision 4, clauses (a), (b), (e), (f), (g), (i), (j), (l), (m), (n), (o), (p), (q), (r), (s), and (t) ~~of section 62D.03, subdivision 4~~. If the commissioner of ~~health~~ commerce does not disapprove of the filing within 60 days, it shall be deemed approved and may be implemented by the health maintenance organization.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 16. Minnesota Statutes 2024, section 62D.08, subdivision 2, is amended to read:

Subd. 2. **Annual report required.** Every health maintenance organization shall annually, on or before April 1, file a verified report with the commissioner of ~~health~~ commerce covering the preceding calendar year. However, utilization data required under subdivision 3, clause (c), shall be filed on or before July 1.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 17. Minnesota Statutes 2024, section 62D.08, subdivision 3, is amended to read:

Subd. 3. **Report requirements.** ~~Such~~ The report shall be submitted on forms prescribed by the commissioner of ~~health,~~ commerce and shall include:

(a) a financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, and (4) a supplementary statement of assets, liabilities, premium revenue, and expenditures for risk sharing business under section 62D.04, subdivision 1, on forms prescribed by the commissioner;

(b) the number of new enrollees enrolled during the year, the number of group enrollees and the number of individual enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) a summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c), in such form as may be required by the commissioner of ~~health~~ commerce;

(d) a report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c), who were associated with the health maintenance organization or

the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d);

(e) a separate report addressing health maintenance contracts sold to individuals covered by Medicare, title XVIII of the Social Security Act, as amended, including the information required under section 62D.30, subdivision 6;

(f) data on the number of complaints received and the category of each complaint as defined by the commissioner. The categories must include access, communication and behavior, health plan administration, facilities and environment, coordination of care, and technical competence and appropriateness. The commissioner, in consultation with interested stakeholders, shall define complaint categories to be used by each health maintenance organization by July 1, 2017, and the categories must be used by each health maintenance organization beginning calendar year 2018; and

(g) such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of ~~health~~ commerce to carry out the duties under sections 62D.01 to 62D.30.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 18. Minnesota Statutes 2024, section 62D.08, subdivision 7, is amended to read:

Subd. 7. **Consistent administrative expenses and investment income reporting.** (a) Every health maintenance organization must directly allocate administrative expenses to specific lines of business or products when such information is available. Remaining expenses that cannot be directly allocated must be allocated based on other methods, as recommended by the Advisory Group on Administrative Expenses. Health maintenance organizations must submit this information, including administrative expenses for dental services, using the reporting template provided by the commissioner of ~~health~~ commerce.

(b) Every health maintenance organization must allocate investment income based on cumulative net income over time by business line or product and must submit this information, including investment income for dental services, using the reporting template provided by the commissioner of ~~health~~ commerce.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 19. Minnesota Statutes 2024, section 62D.12, subdivision 1, is amended to read:

Subdivision 1. **False representations.** No health maintenance organization or representative thereof may cause or knowingly permit the use of advertising or solicitation which is untrue or misleading, or any form of evidence of coverage which is deceptive. Each health maintenance organization ~~shall be~~ is subject to sections 72A.17 to 72A.32~~,~~ ~~relating to the regulation of trade practices, except (a) to the extent that the nature of a health maintenance organization renders such sections clearly inappropriate and (b) that enforcement shall be by the commissioner of health and not by the commissioner of commerce~~. Every health maintenance organization ~~shall be~~ is subject to sections 8.31 and 325F.69.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 20. Minnesota Statutes 2024, section 62D.124, subdivision 5, is amended to read:

Subd. 5. **Provider networks.** The ~~commissioner of health, the~~ commissioner of commerce~~,~~ and the commissioner of human services shall merge reporting requirements for health maintenance organizations and county-based purchasing plans related to Minnesota Department of ~~Health~~ Commerce oversight of network adequacy under this section and the provider network list reported to the Department of Human Services under Minnesota Rules, part 4685.2100. The commissioners shall work with health maintenance organizations and county-based purchasing plans to ensure that the report merger is done in a manner that simplifies health maintenance organization and county-based purchasing plan reporting processes.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 21. Minnesota Statutes 2025 Supplement, section 62D.21, is amended to read:

62D.21 FEES.

Every health maintenance organization subject to sections 62D.01 to 62D.30 shall pay to the commissioner of ~~health~~ commerce the following fees:

(1) filing an application for a certificate of authority: $10,000;

(2) filing an amendment to a certificate of authority: $125;

(3) filing each annual report: $400;

(4) filing each quarterly report: $200; and

(5) filing annual plan review documents, amendments to plan documents, and quality plans: $125.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 22. Minnesota Statutes 2025 Supplement, section 62D.211, is amended to read:

62D.211 RENEWAL FEE.

Each health maintenance organization subject to sections 62D.01 to 62D.30 shall submit to the commissioner of ~~health~~ commerce each year before June 15 a certificate of authority renewal fee in the amount of $30,000 each plus 88 cents per person enrolled in the health maintenance organization on December 31 of the preceding year.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 23. **[62D.212] HEALTH MAINTENANCE ORGANIZATION REGULATION ACCOUNT.**

(a) A health maintenance organization regulation account is established as a separate account in the special revenue fund in the state treasury. The commissioner of commerce must credit to the account filing fees and renewal fees collected under sections 62D.21 and 62D.211, appropriations and transfers, and other revenue related to the activities identified in paragraph (b). Earnings, including interest, dividends, other earnings arising from the account's assets, and remaining money from fiscal years occurring before July 1, 2027, must be credited to the account. The commissioner of commerce must manage the account.

(b) Money in the account is appropriated to the commissioner of commerce to administer this chapter and to reimburse the department's costs incurred to administer this section.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 24. Minnesota Statutes 2024, section 62D.221, subdivision 1, is amended to read:

Subdivision 1. **Insurance provisions applicable to health maintenance organizations.** Health maintenance organizations are subject to sections 60A.135, 60A.136, 60A.137, 60A.16, 60A.161, 60D.17, 60D.18, and 60D.20 and must comply with the provisions of these sections applicable to insurers. In applying these sections to health maintenance organizations, "commissioner" means the commissioner of ~~health~~ commerce. Health maintenance organizations are subject to Minnesota Rules, chapter 2720, as applicable to sections 60D.17, 60D.18, and 60D.20, and must comply with the provisions of chapter 2720 applicable to insurers, unless the commissioner of ~~health~~ commerce adopts rules to implement this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 25. Minnesota Statutes 2024, section 62D.221, subdivision 2, is amended to read:

Subd. 2. **Statement.** In addition to the conditions in section 60D.17, subdivision 1, subjecting a health maintenance organization to filing requirements, no person other than the issuer shall acquire all or substantially all of the assets of a domestic nonprofit health maintenance organization through any means unless at the time the offer, request, or invitation is made or the agreement is entered into the person has filed with the commissioner and has sent to the health maintenance organization a statement containing the information required in section 60D.17 and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner of ~~health~~ commerce in the manner prescribed in section 60D.17.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 26. Minnesota Statutes 2024, section 62E.11, subdivision 9, is amended to read:

Subd. 9. **Special assessment upon termination of individual health coverage.** (a) Each contributing member that terminates individual health coverage for reasons other than ~~(a)~~ (1) nonpayment of premium; ~~(b)~~ (2) failure to make co-payments; ~~(c)~~ (3) enrollee moving out of the area served; or ~~(d)~~ (4) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 62D.121; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivisions 1, paragraph (d), and 6. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees multiplied by the total number of terminated enrollees who enroll in the state plan.

(b) The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

(c) In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its

enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of ~~health~~ commerce shall make the determination regarding any adjustment in the special assessment ~~and shall transmit that determination to the commissioner of commerce~~.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 27. Minnesota Statutes 2024, section 62E.11, subdivision 13, is amended to read:

Subd. 13. **State funding; effect on premium rates of members.** In approving the premium rates as required in sections 62A.65, subdivision 3; and 62L.08, subdivision 8, the ~~commissioners~~ commissioner of ~~health and~~ commerce shall ensure that any appropriation to reduce the annual assessment made on the contributing members to cover the costs of the Minnesota comprehensive health insurance plan as required under this section is reflected in the premium rates charged by each contributing member.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 28. Minnesota Statutes 2024, section 62J.60, subdivision 5, is amended to read:

Subd. 5. **Annual reporting.** As part of an annual filing made with the commissioner of ~~health or~~ commerce ~~on or after January 1, 2003~~, a group purchaser shall certify compliance with this section and shall submit to the commissioner of ~~health or~~ commerce a copy of the Minnesota uniform health care identification card used by the group purchaser.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 29. Minnesota Statutes 2024, section 62L.02, subdivision 8, is amended to read:

Subd. 8. **Commissioner.** "Commissioner" means the commissioner of commerce ~~for health carriers subject to the jurisdiction of the Department of Commerce or the commissioner of health for health carriers subject to the jurisdiction of the Department of Health, or the relevant commissioner's designated representative. For purposes of sections 62L.13 to 62L.22, "commissioner" means the commissioner of commerce or that commissioner's designated representative~~.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 30. Minnesota Statutes 2024, section 62L.08, subdivision 11, is amended to read:

Subd. 11. **Loss ratio standards.** Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, each policy or contract form used with respect to a health benefit plan offered, or issued in the small employer market, is subject, beginning July 1, 1993, to section 62A.021. ~~The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.~~

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 31. Minnesota Statutes 2024, section 62L.09, subdivision 3, is amended to read:

Subd. 3. **Reentry prohibition.** (a) Except as otherwise provided in paragraph (b), a health carrier that ceases to do business in the small employer market after July 1, 1993, is prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only. Nothing in this subdivision prohibits an affiliated health maintenance organization from continuing to do business in the small employer market in that same service area.

(b) The commissioner of commerce ~~or the commissioner of health~~ may permit a health carrier that ceases to do business in the small employer market in this state after July 1, 1993, to begin writing new business in the small employer market if:

(1) since the carrier ceased doing business in the small employer market, legislative action has occurred that has significantly changed the effect on the carrier of its decision to cease doing business in the small employer market; and

(2) the commissioner deems it appropriate.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 32. Minnesota Statutes 2024, section 62L.10, subdivision 4, is amended to read:

Subd. 4. **Review of premium rates.** The commissioner shall regulate premium rates charged or proposed to be charged by all health carriers in the small employer market under section 62A.02. ~~The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.~~

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 33. Minnesota Statutes 2024, section 62L.11, subdivision 2, is amended to read:

Subd. 2. **Enforcement powers.** The ~~commissioners~~ commissioner of ~~health and~~ commerce ~~each~~ has, for purposes of this chapter, all of ~~each~~ the commissioner's ~~respective~~ powers under other chapters that are applicable to ~~their respective~~ the commissioner's duties under this chapter.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 34. Minnesota Statutes 2024, section 62M.11, is amended to read:

62M.11 COMPLAINTS TO COMMERCE ~~OR HEALTH~~.

Notwithstanding the provisions of this chapter, an enrollee may file a complaint regarding an adverse determination directly to the commissioner ~~responsible for regulating the utilization review organization~~ of commerce.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 35. Minnesota Statutes 2024, section 62Q.01, subdivision 2, is amended to read:

Subd. 2. **Commissioner.** "Commissioner" means ~~the commissioner of health for purposes of regulating health maintenance organizations, and community integrated service networks, or~~ the commissioner of commerce for purposes of regulating ~~all other~~ health plan companies. For all other purposes, "commissioner" means the commissioner of health.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 36. Minnesota Statutes 2024, section 62Q.106, is amended to read:

62Q.106 DISPUTE RESOLUTION BY COMMISSIONER.

(a) A complainant may at any time submit a complaint to the ~~appropriate~~ commissioner to investigate. After investigating a complaint, or reviewing a company's decision, the ~~appropriate~~ commissioner may order a remedy as authorized under chapter 45, 60A, or 62D.

(b) In investigating a complaint filed against a health maintenance organization regarding a vulnerable adult, upon request, the commissioner of ~~health~~ commerce must interview at least one family member of the complainant or the subject of the complaint. If the complainant or the subject of the complaint does not want any family members to be interviewed, this information will be included in the investigative file.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 37. Minnesota Statutes 2024, section 62Q.188, subdivision 2, is amended to read:

Subd. 2. **Flexible benefits plan.** Notwithstanding any provision of this chapter, chapter 363A, or any other law to the contrary, a health plan company may offer, sell, issue, and renew a health plan that is a flexible benefits plan under this section if the following requirements are satisfied:

(1) the health plan must be offered in compliance with the laws of this state, except as otherwise permitted in this section;

(2) the health plan must be designed to enable covered persons to better manage costs and coverage options through the use of co-pays, deductibles, and other cost-sharing arrangements;

(3) the health plan may modify or exclude any or all coverages of benefits that would otherwise be required by law, except for maternity benefits and other benefits required under federal law;

(4) each health plan and plan's premiums must be approved by the commissioner of ~~health or~~ commerce, ~~whichever is appropriate under section 62Q.01, subdivision 2,~~ but ~~neither~~ the commissioner may not disapprove a plan on the grounds of a modification or exclusion permitted under clause (3); and

(5) prior to the sale of the health plan, the purchaser must be given a written list of the coverages otherwise required by law that are modified or excluded in the health plan. The list must include a description of each coverage in the list and indicate whether the coverage is modified or excluded. If coverage is modified, the list must describe the modification. The list may, but is not required to, also list any or all coverages otherwise required by law that are included in the health plan and indicate that they are included. The health plan company must require that a copy of this written list be provided, prior to the effective date of the health plan, to each enrollee or employee who is eligible for health coverage under the plan.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 38. Minnesota Statutes 2024, section 62Q.37, subdivision 2, is amended to read:

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

(b) "Commissioner" means the commissioner of ~~health for purposes of regulating health maintenance organizations and community integrated service networks, the commissioner~~

~~of~~ commerce for purposes of regulating health maintenance organizations and nonprofit health service plan corporations, or the commissioner of human services for the purpose of contracting with managed care organizations serving persons enrolled in programs under chapter 256B or 256L.

(c) "Health plan company" means (1) a nonprofit health service plan corporation operating under chapter 62C; (2) a health maintenance organization operating under chapter 62D; (3) a community integrated service network operating under chapter 62N; or (4) a managed care organization operating under chapter 256B or 256L.

(d) "Nationally recognized independent organization" means (1) an organization that sets specific national standards governing health care quality assurance processes, utilization review, provider credentialing, marketing, and other topics covered by this chapter and other chapters and audits and provides accreditation to those health plan companies that meet those standards. The American Accreditation Health Care Commission (URAC), the National Committee for Quality Assurance (NCQA), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and the Accreditation Association for Ambulatory Health Care (AAAHC) are, at a minimum, defined as nationally recognized independent organizations; and (2) the Centers for Medicare and Medicaid Services for purposes of reviews or audits conducted of health plan companies under Part C of Title XVIII of the Social Security Act or under section 1876 of the Social Security Act.

(e) "Performance standard" means those standards relating to quality management and improvement, access and availability of service, utilization review, provider selection, provider credentialing, marketing, member rights and responsibilities, complaints, appeals, grievance systems, enrollee information and materials, enrollment and disenrollment, subcontractual relationships and delegation, confidentiality, continuity and coordination of care, assurance of adequate capacity and services, coverage and authorization of services, practice guidelines, health information systems, and financial solvency.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 39. Minnesota Statutes 2024, section 62Q.47, is amended to read:

62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.

(a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism, mental health, or chemical dependency services, must comply with the requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency and alcoholism services, except for persons seeking chemical dependency services under section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health services, psychiatric residential treatment facility services, and inpatient hospital and residential chemical dependency and alcoholism services, except for persons seeking chemical dependency services under section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) A health plan company must not impose an NQTL with respect to mental health and substance use disorders in any classification of benefits unless, under the terms of the health plan as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to mental health and substance use disorders in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the NQTL with respect to medical and surgical benefits in the same classification.

(e) All health plans must meet the requirements of the federal Mental Health Parity Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal guidance or regulations issued under, those acts.

(f) The commissioner may require information from health plan companies to confirm that mental health parity is being implemented by the health plan company. Information required may include comparisons between mental health and substance use disorder treatment and other medical conditions, including a comparison of prior authorization requirements, drug formulary design, claim denials, rehabilitation services, and other information the commissioner deems appropriate.

(g) Regardless of the health care provider's professional license, if the service provided is consistent with the provider's scope of practice and the health plan company's credentialing and contracting provisions, mental health therapy visits and medication maintenance visits shall be considered primary care visits for the purpose of applying any enrollee cost-sharing requirements imposed under the enrollee's health plan.

(h) All health plan companies offering health plans that provide coverage for alcoholism, mental health, or chemical dependency benefits shall provide reimbursement for the benefits delivered through the psychiatric Collaborative Care Model, which must include the following Current Procedural Terminology or Healthcare Common Procedure Coding System billing codes:

(1) 99492;

(2) 99493;

(3) 99494;

(4) G2214; and

(5) G0512.

This paragraph does not apply to managed care plans or county-based purchasing plans when the plan provides coverage to public health care program enrollees under chapter 256B or 256L.

(i) The commissioner of commerce shall update the list of codes in paragraph (h) if any alterations or additions to the billing codes for the psychiatric Collaborative Care Model are made.

(j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated behavioral health service delivery method described at Federal Register, volume 81, page 80230, which includes a formal collaborative arrangement among a primary care team consisting of a primary care provider, a care manager, and a psychiatric consultant, and includes but is not limited to the following elements:

(1) care directed by the primary care team;

(2) structured care management;

(3) regular assessments of clinical status using validated tools; and

(4) modification of treatment as appropriate.

(k) By June 1 of each year~~, beginning June 1, 2021~~, the commissioner of commerce~~, in consultation with the commissioner of health,~~ shall submit a report on compliance and oversight to the chairs and ranking minority members of the legislative committees with jurisdiction over health and commerce. The report must:

(1) describe the commissioner's process for reviewing health plan company compliance with United States Code, title 42, section 18031(j), any federal regulations or guidance relating to compliance and oversight, and compliance with this section and section 62Q.53;

(2) identify any enforcement actions taken by either commissioner during the preceding 12-month period regarding compliance with parity for mental health and substance use disorders benefits under state and federal law, summarizing the results of any market conduct examinations. The summary must include: (i) the number of formal enforcement actions taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the subject matter of each enforcement action, including quantitative and nonquantitative treatment limitations;

(3) detail any corrective action taken by either commissioner to ensure health plan company compliance with this section, section 62Q.53, and United States Code, title 42, section 18031(j); and

(4) describe the information provided by either commissioner to the public about alcoholism, mental health, or chemical dependency parity protections under state and federal law.

The report must be written in nontechnical, readily understandable language and must be made available to the public by, among other means as the commissioners find appropriate, posting the report on department websites. Individually identifiable information must be excluded from the report, consistent with state and federal privacy protections.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 40. Minnesota Statutes 2024, section 62Q.51, subdivision 3, is amended to read:

Subd. 3. **Rate approval.** The premium rates and cost sharing requirements for each option must be submitted to ~~the commissioner of health or~~ the commissioner of commerce as required by law. A health plan that includes lower enrollee cost sharing for services provided by network providers than for services provided by out-of-network providers, or lower enrollee cost sharing for services provided with prior authorization or second opinion than for services provided without prior authorization or second opinion, qualifies as a point-of-service option.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 41. Minnesota Statutes 2024, section 62Q.556, subdivision 3, is amended to read:

Subd. 3. **Annual data reporting.** (a) Beginning April 1, 2024, a health plan company must report annually to the commissioner of ~~health~~ commerce:

(1) the total number of claims and total billed and paid amounts for nonparticipating provider services, by service and provider type, submitted to the health plan in the prior calendar year; and

(2) the total number of enrollee complaints received regarding the rights and protections established by the No Surprises Act in the prior calendar year.

(b) The ~~commissioners~~ commissioner of commerce ~~and health~~ shall develop the form and manner for health plan companies to comply with paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 42. Minnesota Statutes 2024, section 62Q.556, subdivision 4, is amended to read:

Subd. 4. **Enforcement.** (a) Any provider or facility, including a health care provider or facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that is subject to the relevant provisions of the No Surprises Act is subject to the requirements of this section and section 62J.811.

(b) The commissioner of commerce ~~or health~~ shall enforce this section.

(c) If a health-related licensing board has cause to believe that a provider has violated this section, it may further investigate and enforce the provisions of this section pursuant to chapter 214.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 43. Minnesota Statutes 2024, section 62Q.69, subdivision 2, is amended to read:

Subd. 2. **Procedures for filing a complaint.** (a) A complainant may submit a complaint to a health plan company either by telephone or in writing. If a complaint is submitted orally and the resolution of the complaint, as determined by the complainant, is partially or wholly adverse to the complainant, or the oral complaint is not resolved to the satisfaction of the complainant, by the health plan company within ten days of receiving the complaint, the health plan company must inform the complainant that the complaint may be submitted in writing. The health plan company must also offer to provide the complainant with any assistance needed to submit a written complaint, including an offer to complete the complaint form for a complaint that was previously submitted orally and promptly mail the completed

form to the complainant for the complainant's signature. At the complainant's request, the health plan company must provide the assistance requested by the complainant. The complaint form must include the following information:

(1) the telephone number of the health plan company member services or other departments or persons equipped to advise complainants on complaint resolution;

(2) the address to which the form must be sent;

(3) a description of the health plan company's internal complaint procedure and the applicable time limits; and

(4) the toll-free telephone number of ~~either~~ the commissioner of ~~health or~~ commerce and notification that the complainant has the right to submit the complaint at any time to the ~~appropriate~~ commissioner for investigation.

(b) Upon receipt of a written complaint, the health plan company must notify the complainant within ten business days that the complaint was received, unless the complaint is resolved to the satisfaction of the complainant within the ten business days.

(c) Each health plan company must provide, in the member handbook, subscriber contract, or certification of coverage, a clear and concise description of how to submit a complaint and a statement that, upon request, assistance in submitting a written complaint is available from the health plan company.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 44. Minnesota Statutes 2024, section 62Q.69, subdivision 3, is amended to read:

Subd. 3. **Notification of complaint decisions.** (a) The health plan company must notify the complainant in writing of its decision and the reasons for it as soon as practical but in no case later than 30 days after receipt of a written complaint. If the health plan company cannot make a decision within 30 days due to circumstances outside the control of the health plan company, the health plan company may take up to 14 additional days to notify the complainant of its decision. If the health plan company takes any additional days beyond the initial 30-day period to make its decision, it must inform the complainant, in advance, of the extension and the reasons for the extension.

(b) For group health plans, if the decision is partially or wholly adverse to the complainant, the notification must inform the complainant of the right to appeal the decision to the health plan company's internal appeal process described in section 62Q.70 and the procedure for initiating an appeal.

(c) For individual health plans, if the decision is partially or wholly adverse to the complainant, the notification must inform the complainant of the right to submit the complaint decision to the external review process described in section 62Q.73 and the procedure for initiating the external review process. Notwithstanding the provisions in this subdivision, a health plan company offering individual coverage may instead follow the process for group health plans outlined in paragraph (b).

(d) The notification must also inform the complainant of the right to submit the complaint at any time to ~~either~~ the commissioner of ~~health or~~ commerce for investigation and the toll-free telephone number of the ~~appropriate~~ commissioner.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 45. Minnesota Statutes 2024, section 62Q.71, is amended to read:

62Q.71 NOTICE TO ENROLLEES.

Each health plan company shall provide to enrollees a clear and concise description of its complaint resolution procedure, if applicable under section 62Q.68, subdivision 1, and the procedure used for utilization review as defined under chapter 62M as part of the member handbook, subscriber contract, or certificate of coverage. If the health plan company does not issue a member handbook, the health plan company may provide the description in another written document. The description must specifically inform enrollees:

(1) how to submit a complaint to the health plan company;

(2) if the health plan includes utilization review requirements, how to notify the utilization review organization in a timely manner and how to obtain authorization for health care services;

(3) how to request an appeal either through the procedures described in section 62Q.70, if applicable, or through the procedures described in chapter 62M;

(4) of the right to file a complaint with ~~either~~ the commissioner of ~~health or~~ commerce at any time during the complaint and appeal process;

(5) of the toll-free telephone number of the ~~appropriate~~ commissioner; and

(6) of the right, for individual and group coverage, to obtain an external review under section 62Q.73 and a description of when and how that right may be exercised, including that under most circumstances an enrollee must exhaust the internal complaint or appeal process prior to external review. However, an enrollee may proceed to external review

without exhausting the internal complaint or appeal process under the following circumstances:

(i) the health plan company waives the exhaustion requirement;

(ii) the health plan company is considered to have waived the exhaustion requirement by failing to substantially comply with any requirements including, but not limited to, time limits for internal complaints or appeals; or

(iii) the enrollee has applied for an expedited external review at the same time the enrollee has applied for internal review under chapter 62M.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 46. Minnesota Statutes 2024, section 62Q.73, subdivision 3, is amended to read:

Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an enrollee who has received an adverse determination may submit a written request for an external review of the adverse determination, if applicable under section 62Q.68, subdivision 1, or 62M.06, ~~to the commissioner of health if the request involves a health plan company regulated by that commissioner or~~ to the commissioner of commerce ~~if the request involves a health plan company regulated by that commissioner~~. Notification of the enrollee's right to external review must accompany the denial issued by the insurer.

(b) Nothing in this section requires the commissioner of ~~health or~~ commerce to independently investigate an adverse determination referred for independent external review.

(c) If an enrollee requests an external review, the health plan company must participate in the external review. The cost of the external review must be borne by the health plan company.

(d) The enrollee must request external review within six months from the date of the adverse determination.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 47. Minnesota Statutes 2024, section 62Q.73, subdivision 10, is amended to read:

Subd. 10. **Data reporting.** The ~~commissioners~~ commissioner of commerce shall make available to the public, upon request, summary data on the decisions rendered under this section, including the number of reviews heard and decided and the final outcomes. Any data released to the public must not individually identify the enrollee initiating the request for external review.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 48. Minnesota Statutes 2024, section 62Q.81, subdivision 7, is amended to read:

Subd. 7. **Standard plans.** (a) A health plan company that offers individual health plans must ensure that no less than one individual health plan at each level of coverage described in subdivision 1, paragraph (b), clause (3), that the health plan company offers in each geographic rating area the health plan company serves conforms to the standard plan parameters determined by the commissioner under paragraph (e).

(b) An individual health plan offered under this subdivision must be:

(1) clearly and appropriately labeled as standard plans to aid the purchaser in the selection process;

(2) marketed as standard plans and in the same manner as other individual health plans offered by the health plan company; and

(3) offered for purchase to any individual.

(c) This subdivision does not apply to catastrophic plans, grandfathered plans, small group health plans, large group health plans, health savings accounts, qualified high deductible health benefit plans, limited health benefit plans, or short-term limited-duration health insurance policies.

(d) Health plan companies must meet the requirements in this subdivision separately for plans offered through MNsure under chapter 62V and plans offered outside of MNsure.

(e) The commissioner of commerce~~, in consultation with the commissioner of health,~~ must annually determine standard plan parameters, including but not limited to cost-sharing structure and covered benefits, that comprise a standard plan in Minnesota.

(f) Notwithstanding section 62A.65, subdivision 2, a health plan company may discontinue offering a health plan under this subdivision if, three years after the date the plan is initially offered, the plan has fewer than 75 enrollees. A health plan company discontinuing a health plan under this paragraph may discontinue a health plan that has fewer than 75 enrollees if it:

(1) provides notice of the plan's discontinuation in writing, in a form prescribed by the commissioner, to each enrollee of the plan at least 90 calendar days before the date the coverage is discontinued;

(2) offers on a guaranteed issue basis to each enrollee the option to purchase an individual health plan currently being offered by the health plan company for individuals in that

geographic rating area. An enrollee who does not select an option shall be automatically enrolled in the individual health plan closest in actuarial value to the enrollee's current plan; and

(3) acts uniformly without regard to any health status-related factor of an enrollee or an enrollee's dependents who may become eligible for coverage.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 49. **REVISOR INSTRUCTION.**

(a) Except as otherwise provided in this act, the revisor of statutes shall substitute the term "commissioner of commerce" for the term "commissioner of health" wherever the term appears in (1) Minnesota Statutes, chapters 62D, except section 62D.02, subdivision 12; 62L; and 62Q, except sections 62Q.19 and 62Q.33; (2) Minnesota Statutes, sections 60B.15, 60B.191, 60B.20, 62K.09, 62K.10, 62K.105, 62K.12, 62K.13, 62K.14, 62W.05, 256B.69, and 256B.692; (3) Minnesota Rules, chapters 4685, 2740, 4688; and (4) Minnesota Rules, part 9510.2020, subparts 3 and 8, item C. The revisor shall also make any necessary grammatical changes to verbs or other words to conform with this substitution.

(b) The revisor of statutes shall remove the term "commissioner of health" wherever the term appears in Minnesota Rules, chapter 2730.

EFFECTIVE DATE. This section is effective July 1, 2027.

ARTICLE 11
GAS RESOURCE DEVELOPMENT

Section 1. Minnesota Statutes 2024, section 103I.001, is amended to read:

103I.001 LEGISLATIVE INTENT.

This chapter is intended to protect the health and general welfare by providing a means for the ~~development and~~ protection of the natural resource of groundwater in an orderly, healthful, and reasonable manner.

Sec. 2. Minnesota Statutes 2024, section 103I.005, subdivision 9, is amended to read:

Subd. 9. **Exploratory boring.** "Exploratory boring" means a surface drilling done to explore or prospect for ~~oil, natural~~ gas, apatite, diamonds, graphite, gemstones, kaolin clay, and metallic minerals, including iron, copper, zinc, lead, gold, silver, titanium, vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium, beryllium,

thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and niobium~~, and a drilling or boring for petroleum~~.

Sec. 3. Minnesota Statutes 2024, section 103I.005, is amended by adding a subdivision to read:

Subd. 10a. **Gas.** "Gas" includes both hydrocarbon and nonhydrocarbon gases.

Sec. 4. Minnesota Statutes 2024, section 103I.005, is amended by adding a subdivision to read:

Subd. 10b. **Gas well.** "Gas well" means an excavation that is constructed to locate, extract, or produce gas.

Sec. 5. Minnesota Statutes 2024, section 103I.005, is amended by adding a subdivision to read:

Subd. 10c. **Gas well contractor.** "Gas well contractor" means a person with a gas well contractor's license issued by the commissioner.

Sec. 6. Minnesota Statutes 2024, section 103I.005, subdivision 21, is amended to read:

Subd. 21. **Well.** "Well" means an excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed if the excavation is intended for the location, diversion, artificial recharge, monitoring, testing, remediation, or acquisition of groundwater. Well includes environmental wells, drive point wells, and dewatering wells. "Well" does not include:

(1) an excavation by backhoe, or otherwise for temporary dewatering of groundwater for nonpotable use during construction, if the depth of the excavation is 25 feet or less;

(2) an excavation made to obtain or prospect for oil, ~~natural~~ gas, minerals, or products of mining or quarrying;

(3) an excavation to insert media to repressure oil or ~~natural~~ gas bearing formations or to store petroleum, ~~natural~~ gas, or other products;

(4) an excavation for nonpotable use for wildfire suppression activities; ~~or~~

(5) borings; or

(6) gas and oil wells.

Sec. 7. Minnesota Statutes 2024, section 103I.601, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following words have the meanings given them.

(b) "Data" includes samples and factual noninterpreted data obtained from exploratory borings and samples including analytical results.

(c) "Parcel" means a government section, fractional section, or government lot.

(d) "Samples" means at least a one-quarter portion of all samples from exploratory borings that are customarily collected by the explorer. When the exploratory borings are being done to explore or prospect for kaolin clay, "samples" means a representative sample of at least two cubic inches of material per foot from exploratory borings of the material that is customarily collected by the explorer.

(e) "Encounter gas" means a sustained presence of gas in an exploratory boring for at least 24 hours and in which gas has not dissipated prior to sealing.

Sec. 8. Minnesota Statutes 2024, section 103I.601, is amended by adding a subdivision to read:

Subd. 10. **Exploratory borings encountering gas.** (a) Requirements in this subdivision apply only for exploratory borings encountering gas.

(b) An explorer must notify the commissioners of health and natural resources:

(1) within 24 hours of drilling an exploratory boring encountering gas; and

(2) prior to beginning a permanent sealing of an exploratory boring encountering gas.

(c) An explorer must submit a permanent sealing notification and fee of $125 to the commissioner prior to permanently sealing an exploratory boring encountering gas.

(d) An explorer must begin permanently sealing an exploratory boring encountering gas within ten days of encountering gas.

(e) An exploratory boring encountering gas is exempt from paragraph (d) if the boring is constructed to prevent movement of gas and water within and from one geological formation to another. The boring must be permanently sealed within 90 days after the completion of drilling unless gas is no longer present in the boring.

(f) An exploratory boring encountering gas must be permanently sealed from the bottom of the boring to within two feet of the established ground surface.

(g) A permanent sealing report as required by subdivision 9 must also contain information indicating gas was encountered during construction and at what depth it was encountered.

(h) A person must not use an exploratory boring to extract gas for production.

Sec. 9. Minnesota Statutes 2024, section 103I.601, is amended by adding a subdivision to read:

Subd. 11. **Conversion of a gas well prohibited.** A person must not convert a gas well to any other type of well or boring.

Sec. 10. Minnesota Statutes 2024, section 103I.601, is amended by adding a subdivision to read:

Subd. 12. **Conversion of a well or boring to a gas well.** A person must not convert a well or boring to a gas well, except that an exploratory boring constructed before enactment of section 103I.707 may be converted to a gas well if constructed in accordance with provisions of section 103I.707, except that the outermost casing may be:

(1) ASTM Standard A53;

(2) ASTM Standard A589, Types I, II, and III;

(3) API Specification 5L; or

(4) API Specification 5CT.

Sec. 11. **[103I.706] GAS WELLS.**

Subdivision 1. **Rulemaking authority.** The commissioner of health must adopt rules for gas wells including requirements for drilling, construction, sealing, use, reporting, and rig registration; and for licensing and certifying persons constructing, repairing, and sealing gas wells. In adopting rules under this section, the commissioner must use the expedited procedure in section 14.389. Rules adopted or amended under this authority are exempt from the 18-month time limit under section 14.125. The commissioner must publish notice of intent to adopt expedited rules within 24 months after May 22, 2026.

Subd. 2. **Fees.** (a) License, certification, and registration renewals are not prorated and expire on December 31 of each year.

(b) An applicant must meet the gas well contractor license requirements and fee requirements to construct, repair, or seal a gas well. The fee for a gas well contractor license is $300. The annual renewal fee for a gas well contractor license is $300.

(c) A gas well contractor must designate a certified representative. The certified representative must meet the application and fee requirements. The application fee for a certified representative is $100. The annual renewal fee for a certified representative is $100.

(d) A gas well contractor must meet the registration and fee requirements for rigs used to construct, repair, service, or seal a gas well. The fee to register gas well rigs is $125. The annual renewal fee for gas well rig registration is $125.

(e) If a gas well contractor or certified representative under paragraphs (b) and (c) fails to submit all information required for renewal or submits the application and information after the required renewal date:

(1) the gas well contractor or certified representative must include a late fee of $75; and

(2) the gas well contractor or certified representative may not conduct activities authorized by the gas well contractor's license or certified representative's certification until the renewal application, renewal application fee, and all other information required is submitted.

(f) A gas well contractor must submit a notification for construction of a proposed gas well on a form prescribed by the commissioner, with a fee of $10,000.

(g) A gas well contractor must submit a notification for sealing a gas well on a form prescribed by the commissioner, with a fee of $7,500.

Subd. 3. **Rig registration.** (a) Rigs used to drill, maintain, repair, or seal a gas well, including drilling rigs and workover rigs, must be registered with the commissioner.

(b) A person must file an application to register a rig on a form provided by the commissioner with the fee under subdivision 2, paragraph (d), with the commissioner.

(c) A registration is valid until the date prescribed by the commissioner in the registration.

(d) A person must file an application with the fee under subdivision 2, paragraph (d), to renew the registration by the date prescribed by the commissioner in the registration.

Subd. 4. **Gas well contractor's license.** (a) A person must not construct, repair, or seal a gas well without a gas well contractor's license issued by the commissioner.

(b) A person must file a complete application for a gas well contractor's license on a form provided by the commissioner with the fee under subdivision 2, paragraph (b), with the commissioner. The person applying must meet the qualifications for a gas well contractor license.

(c) A gas well contractor's license is valid until the date prescribed by the commissioner in the license.

(d) A gas well contractor must file a complete application with the fee under subdivision 2, paragraph (b), to renew the license by the date prescribed by the commissioner in the license. A person must not construct, repair, or seal a gas well until a gas well contractor's license is renewed. The commissioner may not renew a license until the renewal fee is paid.

(e) A gas well contractor must include information at the time of renewal that the applicant has met the continuing education requirements established by the commissioner for gas wells.

(f) A gas well contractor must designate a certified representative to supervise and oversee regulated work on gas wells.

(g) A person must file a complete application on a form provided by the commissioner with the fee under subdivision 2, paragraph (c), to qualify as a certified representative.

(h) A certified representative must file an application with the fee under subdivision 2, paragraph (c), to renew the certification by the expiration date prescribed by the commissioner on the certification. A certified representative may not supervise or oversee regulated work on a gas well until the renewal application and application fee are submitted. The commissioner may not review a certification until the renewal fee is paid.

(i) A certified representative must include information at the time of renewal that the applicant has met the continuing education requirements established by the commissioner for gas wells.

(j) The commissioner of natural resources may require a bond, security, or other assurance from a gas well contractor if the commissioner of natural resources has reasonable doubts about the person's financial ability to comply with the requirements of law relating to reclamation of a gas well and the process to restore the land disturbed by a gas well drilling and production operations back to the condition of original state.

(k) The commissioner may suspend or revoke a licensee's license according to section 144.99.

Subd. 5. **Construction notification.** (a) A gas well contractor must not begin drilling or constructing a gas well unless it is included in a valid gas resource development permit issued by the commissioner of natural resources.

(b) The contractor must submit a notification to the commissioner to construct a gas well after receiving permit approval from the commissioner of natural resources and prior

to drilling or constructing a gas well. A gas well contractor must file the gas well notification with the fee under subdivision 2, paragraph (f), with the commissioner.

Subd. 6. **Access to drill sites.** (a) The commissioner of health shall have access to gas well sites to inspect gas wells, including the drilling, construction, and sealing of gas wells.

(b) The commissioner of health has enforcement authority according to section 144.99.

Subd. 7. **Emergency notification.** In the event of an occurrence during construction, repair, or sealing of a gas well that has a potential for significant adverse public health or environmental effects, the person drilling or constructing a gas or well must promptly:

(1) take reasonable action to minimize the adverse effects; and

(2) notify the commissioners of health, natural resources, and the Pollution Control Agency immediately by informing the Minnesota Duty Officer.

Subd. 8. **Sealing notification.** (a) A gas well, including an unsuccessful gas well, that is not in use must be sealed by a gas well contractor.

(b) A gas well contractor must file a notification and fee with the commissioner prior to sealing a gas well.

Subd. 9. **Report of work.** Within 60 days after completion or sealing of a gas well, the gas well contractor must submit a verified report to the commissioner on a form prescribed by the commissioner or in a format approved by the commissioner.

Sec. 12. **[103I.707] MORATORIUM ON GAS WELL CONSTRUCTION UNTIL ADOPTION OF RULES.**

Until rules are adopted under section 103I.706, a person shall not drill or construct a gas well or an exploratory boring in this state.

Sec. 13. **[103I.708] OIL WELLS.**

Notwithstanding any provision of chapter 93, or the rules adopted thereunder, to the contrary, a person shall not explore, prospect, or construct an oil well.

Sec. 14. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 12
MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 62Q.096, is amended to read:

62Q.096 CREDENTIALING OF PROVIDERS.

(a) If a health plan company has initially credentialed, as providers in its provider network, individual providers employed by or under contract with an entity that:

(1) is authorized to bill under section 256B.0625, subdivision 5;

(2) is a mental health clinic certified under section 245I.20;

(3) is designated an essential community provider under section 62Q.19; and

(4) is under contract with the health plan company to provide mental health services, the health plan company must continue to credential at least the same number of providers from that entity, as long as those providers meet the health plan company's credentialing standards.

(b) In order to ensure timely access by patients to mental health services, ~~between July 1, 2023, and June 30, 2025,~~ a health plan company must credential and enter into a contract for mental health services with any provider of mental health services that:

(1) meets the health plan company's credential requirements. For purposes of credentialing under this paragraph, a health plan company may waive credentialing requirements that are not directly related to quality of care in order to ensure patient access to providers from underserved communities or to providers in rural areas;

(2) seeks to receive a credential from the health plan company;

(3) agrees to the health plan company's contract terms. The contract shall include payment rates that are usual and customary for the services provided;

(4) is accepting new patients; and

(5) is not already under a contract with the health plan company under a separate tax identification number or, if already under a contract with the health plan company, has provided notice to the health plan company of termination of the existing contract.

(c) A health plan company shall not refuse to credential these providers on the grounds that their provider network has:

(1) a sufficient number of providers of that type, including but not limited to the provider types identified in paragraph (a); or

(2) a sufficient number of providers of mental health services in the aggregate.

Sec. 2. **[62Q.60] COVERAGE OF INFERTILITY TREATMENT.**

Subdivision 1. **Scope.** This section applies, and only applies, to all large group health plans that provide maternity benefits to Minnesota residents.

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

(b) "Diagnosis of and treatment for infertility" means procedures and medications:

(1) to diagnose or treat infertility; and

(2) consistent with established, published, or approved medical practices or professional guidelines from the American College of Obstetricians and Gynecologists or the American Society for Reproductive Medicine.

(c) "Infertility" means a disease, condition, or status characterized by:

(1) the failure of a person with a uterus to establish a pregnancy or to carry a pregnancy to live birth after the following duration of unprotected sexual intercourse, regardless of whether a pregnancy resulted in miscarriage during such time:

(i) for a person under the age of 35, 12 months duration; or

(ii) for a person 35 years of age or older, six months duration;

(2) a person's inability to reproduce without medical intervention, either as a single individual or with the person's partner; or

(3) a licensed health care provider's determination that a patient is infertile based on the patient's medical, sexual, and reproductive history; age; physical findings; or diagnostic testing.

(d) "Standard fertility preservation services" means procedures that are consistent with the established medical practices or professional guidelines published by the American Society for Reproductive Medicine or the American Society of Clinical Oncology for a person who has a medical condition or is expected to undergo medication therapy, surgery, radiation, chemotherapy, or other medical treatment that is recognized by medical professionals to cause a risk of impairment to fertility.

Subd. 3. **Required coverage.** (a) Health plans must provide comprehensive coverage for:

(1) diagnosis of and treatment for infertility; and

(2) standard fertility preservation services.

(b) Coverage under this section must include unlimited embryo transfers but may impose a limit of four completed oocyte retrievals. Single embryo transfer must be used when medically appropriate and recommended by the treating health care provider.

(c) Coverage for surgical reversal of elective sterilization is not required under this section.

Subd. 4. **Cost-sharing requirements.** A health plan must not impose on the coverage under this section any cost-sharing requirement that is greater than the cost-sharing requirement imposed on maternity coverage under the plan, including but not limited to the following requirements:

(1) co-payment;

(2) deductible; or

(3) coinsurance.

Subd. 5. **Exclusions and limitations.** (a) A health plan must not impose any benefit maximum, waiting period, utilization review, referral requirement, or any other limitation on the coverage under this section, except as provided in subdivision 3, paragraphs (b) and (c), that is not generally applicable to maternity coverage under the health plan.

(b) The prohibition under this subdivision includes but is not limited to any exclusion, limitation, or other restriction on:

(1) fertility medications that are different from those imposed on other prescription medications; and

(2) any fertility services based on an enrollee's participation in fertility services provided by or to a third party.

Subd. 6. **Exception.** Notwithstanding subdivision 1, this section does not apply to the State Employees Group Insurance Program.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to all large group health plans issued or renewed on or after that date that provide maternity benefits to Minnesota residents.

Sec. 3. Minnesota Statutes 2024, section 62Q.679, is amended to read:

62Q.679 RELIGIOUS OBJECTIONS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Closely held for-profit entity" means an entity that is not a nonprofit entity, has more than 50 percent of the value of its ownership interest owned directly or indirectly by five or fewer owners, and has no publicly traded ownership interest. For purposes of this paragraph:

(1) ownership interests owned by a corporation, partnership, limited liability company, estate, trust, or similar entity are considered owned by that entity's shareholders, partners, members, or beneficiaries in proportion to their interest held in the corporation, partnership, limited liability company, estate, trust, or similar entity;

(2) ownership interests owned by a nonprofit entity are considered owned by a single owner;

(3) ownership interests owned by all individuals in a family are considered held by a single owner. For purposes of this clause, "family" means brothers and sisters, including half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

(4) if an individual or entity holds an option, warrant, or similar right to purchase an ownership interest, the individual or entity is considered to be the owner of those ownership interests.

(c) "Eligible organization" means an organization that opposes covering some or all health benefits under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60 on account of religious objections and that is:

(1) organized as a nonprofit entity and holds itself out to be religious; or

(2) organized and operates as a closely held for-profit entity, and the organization's owners or highest governing body has adopted, under the organization's applicable rules of governance and consistent with state law, a resolution or similar action establishing that the organization objects to covering some or all health benefits under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60 on account of the owners' sincerely held religious beliefs.

(d) "Exempt organization" means an organization that is organized and operates as a nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.

Subd. 2. **Exemption.** (a) An exempt organization is not required to provide coverage under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60 if the exempt organization has religious objections to the coverage. An exempt organization that chooses to not provide coverage pursuant to this paragraph must notify employees as part of the hiring process and must notify all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(b) If the exempt organization provides partial coverage under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60, the notice required under paragraph (a) must provide a list of the portions of such coverage which the organization refuses to cover.

Subd. 3. **Accommodation for eligible organizations.** (a) A health plan established or maintained by an eligible organization complies with the coverage requirements of section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60, with respect to the health benefits identified in the notice under this paragraph, if the eligible organization provides notice to any health plan company with which the eligible organization contracts that it is an eligible organization and that the eligible organization has a religious objection to coverage for all or a subset of the health benefits under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60.

(b) The notice from an eligible organization to a health plan company under paragraph (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to coverage for some or all of the health benefits under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60, including a list of the health benefits to which the eligible organization objects, if applicable; and (3) the health plan name. The notice must be executed by a person authorized to provide notice on behalf of the eligible organization.

(c) An eligible organization must provide a copy of the notice under paragraph (a) to prospective employees as part of the hiring process and to all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(d) A health plan company that receives a copy of the notice under paragraph (a) with respect to a health plan established or maintained by an eligible organization must, for all future enrollments in the health plan:

(1) expressly exclude coverage for those health benefits identified in the notice under paragraph (a) from the health plan; and

(2) provide separate payments for any health benefits required to be covered under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60 for enrollees as long as the enrollee remains enrolled in the health plan.

(e) The health plan company must not impose any cost-sharing requirements, including co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or other charge for the health benefits under section 62Q.522 on the enrollee. The health plan company must not directly or indirectly impose any premium, fee, or other charge for the health benefits under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60 on the eligible organization or health plan.

(f) On January 1, 2025, and every year thereafter a health plan company must notify the commissioner, in a manner determined by the commissioner, of the number of eligible organizations granted an accommodation under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 4. Minnesota Statutes 2024, section 151.741, subdivision 4, is amended to read:

Subd. 4. **Insulin safety net program account.** (a) The insulin safety net program account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to:

(1) the MNsure board in an amount sufficient to carry out assigned duties under section 151.74, subdivision 7; and

(2) the Board of Pharmacy in an amount sufficient to cover costs incurred by the board ~~in assessing and collecting the registration fee under this section and~~ in administering the insulin safety net program under section 151.74.

(b) The commissioner of management and budget shall annually transfer from the health care access fund to the insulin safety net program account an amount sufficient to implement paragraph (a).

Sec. 5. Minnesota Statutes 2025 Supplement, section 151.741, subdivision 5, is amended to read:

Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a) The insulin repayment account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to the commissioner of administration to reimburse manufacturers for insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h), and to cover costs incurred by the commissioner in providing these reimbursement payments.

(b) ~~By June 30, 2025, and~~ Each June 30 ~~thereafter~~, the commissioner of administration shall certify to the commissioner of management and budget the total amount expended in the prior fiscal year for:

(1) reimbursement to manufacturers for insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h); and

(2) costs incurred by the commissioner of administration in providing the reimbursement payments described in clause (1).

(c) Each July 1, the commissioner of management and budget shall transfer from the health care access fund to the insulin repayment account~~, beginning July 1, 2025, and each July 1 thereafter,~~ an amount equal to the amount to which the commissioner of administration certified pursuant to paragraph (b).

Sec. 6. **[256.0141] HUMAN SERVICES SYSTEMS STEERING COMMITTEE.**

Subdivision 1. **Establishment.** The Human Services Systems Steering Committee is established to provide recommendations to the commissioners of human services; information technology services; and children, youth, and families on the development, administration, and business operations of human services information technology systems. For purposes of this section, "human services systems" means any information technology system used by counties or the commissioners of human services and children, youth, and families.

Subd. 2. **Membership; costs.** (a) The steering committee must be composed of the following members:

(1) two members appointed by the commissioner of human services;

(2) two members appointed by the commissioner of children, youth, and families;

(3) six members appointed jointly by the Association of Minnesota Counties, the Minnesota Inter-County Association, and the Minnesota Association of County Social Service Administrators; and

(4) two nonvoting members appointed by the commissioner of information technology services.

(b) One member appointed under paragraph (a), clause (3), and one member appointed under paragraph (a), clause (4), must serve as cochairpersons for the steering committee.

(c) Steering committee costs must be paid and reimbursed for expenses as provided in section 15.0575 from the budgets of the Department of Human Services, the Department of Information Technology Services, and the Department of Children, Youth, and Families.

(d) The commissioner of information technology services must organize and administer the steering committee.

Subd. 3. **Duties.** (a) The steering committee must provide recommendations on the administration and business operations of current human services systems and the development of any new human services systems.

(b) For each human services system, the steering committee must make recommendations on setting system goals and priorities, allocating system resources, making major system decisions, and tracking total system funding and expenditures from all sources.

(c) The steering committee must provide monthly updates on the committee's duties under this subdivision to the Legislative Commission on Human Services Systems under section 256.0142.

Subd. 4. **Meetings.** (a) The steering committee must meet at least quarterly.

(b) As part of every steering committee meeting, the steering committee must provide the opportunity for oral and written public testimony and comments on steering committee recommendations.

(c) All votes of the steering committee must be recorded and each member's vote must be identified.

Subd. 5. **Implementation of changes; new systems.** (a) The commissioners of human services and children, youth, and families must not implement new major changes to current human services systems, or implement a new human services system, prior to receiving recommendations from the steering committee and consulting with counties on the changes or development.

(b) The commissioners of human services and children, youth, and families must implement changes to human services systems recommended and passed by at least seven members of the steering committee.

Subd. 6. **Report.** (a) Beginning January 30, 2027, and each January 30 thereafter, the steering committee must report to the Legislative Commission on Human Services Systems under section 256.0142 and to the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems. The report must include:

(1) for each human services system, system funding and expenditures, including amounts received in the previous calendar year by funding source and expenditures made in the previous calendar year by funding source;

(2) recommendations made by the steering committee under subdivision 3, including any draft legislation to implement the recommendations; and

(3) a list of projects needed to improve human services systems.

(b) The legislative committees with jurisdiction over human services systems must hold a public hearing on the report during the regular legislative session in the year in which the report was submitted.

Sec. 7. **[256.0142] LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS.**

Subdivision 1. **Establishment; duties.** (a) The Legislative Commission on Human Services Systems is created to:

(1) provide oversight and monitoring of the efforts by the counties and the Departments of Human Services; Information Technology Services; and Children, Youth, and Families to manage, develop, update, and modernize information technology systems across human services programs, including but not limited to: MAXIS, METS, MMIS, SSIS, PRISM, and MEC2;

(2) evaluate Minnesota's state-supervised, county-administered human services system and provide recommendations for changes, if applicable. This must include evaluating changes to roles and responsibilities for the administration and delivery of human services programs and services, including program eligibility, case management functions, and use of third-party and nongovernmental entities;

(3) review how other states procure, administer, and deliver human services programs and services and the information technology infrastructure used;

(4) identify areas within the governance, procurement, and technology structures of the human services system that need to be addressed by the legislature;

(5) review reports provided to the legislature from state agencies on information technology projects and human services system transformation; and

(6) review reports and updates provided to the commission by the Human Services Systems Steering Committee under section 256.0141.

(b) The commission must work with Minnesota's Tribal Nations, counties, and the Departments of Human Services; Information Technology Services; and Children, Youth, and Families to:

(1) evaluate proposals for modifications to information technology systems used by Minnesota's Tribal Nations, counties, or the Departments of Human Services and Children, Youth, and Families; and

(2) consider overall costs to the state, counties, and Tribal Nations for the implementation of any systems changes and assess whether proposed solutions deliver improved services to Minnesotans and administrative responsibilities are efficiently delegated across stakeholders.

Subd. 2. **Members; meetings.** (a) Members of the legislative commission must include:

(1) six members from the house of representatives, including three members appointed by the speaker of the house and three members appointed by the minority leader; and

(2) six members from the senate, including three members appointed by the senate majority leader and three members appointed by the senate minority leader.

(b) Members of the commission serve a term that expires on December 31 of the even-numbered year following the year the members are appointed. The speaker of the house and the majority leader of the senate must each designate a chair and vice-chair from the membership of the commission. The chair and vice-chair must rotate after each meeting.

(c) The commission must meet at least quarterly.

Subd. 3. **Administrative support.** The Legislative Coordinating Commission must provide administrative support to the commission and arrange meeting space for commission meetings.

Subd. 4. **Report.** By February 15, 2027, and annually thereafter, the commission, in cooperation with the commissioners of human services; information technology services; and children, youth, and families, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and children, youth, and families. The report must contain information on the results of the commission's evaluations, identifications, and review under subdivision 1; recommendations for any legislative changes, including any draft legislation to implement the recommendations; and funding needs to implement any recommended changes.

Subd. 5. **Expiration.** This commission expires December 31, 2033.

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

Sec. 8. **HUMAN SERVICES SYSTEMS STEERING COMMITTEE; FIRST APPOINTMENTS AND FIRST MEETING.**

Appointing authorities for the Human Services Systems Steering Committee under Minnesota Statutes, section 256.0141, must make first appointments to the steering committee by August 15, 2026. The commissioner of information technology services must convene the first meeting of the committee by September 15, 2026.

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

Sec. 9. **LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS; FIRST APPOINTMENTS AND FIRST MEETING.**

Appointing authorities for the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142, must make first appointments to, and designate the chairs and vice-chairs of, the Legislative Commission on Human Services Systems by August 15, 2026. The member designated as chair by the majority leader of the senate must convene the first meeting of the commission by September 15, 2026.

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

Sec. 10. **REPEALER.**

Minnesota Statutes 2024, section 151.741, subdivisions 2, 3, and 6, are repealed.

ARTICLE 13
HUMAN SERVICES APPROPRIATIONS

Section 1. **HUMAN SERVICES APPROPRIATIONS.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 20, from the general fund or any fund named for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS

Available for the Year

		Ending June 30	
		2026	2027
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**	$	(798,000)	$ 25,588,000
The amounts that may be spent for each purpose are specified in this article.			
Sec. 3. **CENTRAL OFFICE; OPERATIONS**	$	34,000	$ 1,473,000
The general fund base is increased by $6,969,000 in fiscal year 2028 and $7,805,000 in fiscal year 2029.			
Sec. 4. **CENTRAL OFFICE; HEALTH CARE**	$	-0-	$ 19,403,000
The general fund base is increased by $59,838,000 in fiscal year 2028 and $60,350,000 in fiscal year 2029.			
Sec. 5. **CENTRAL OFFICE; OFFICE OF INSPECTOR GENERAL**	$	-0-	$ 26,000
Sec. 6. **FORECASTED PROGRAMS; MEDICAL ASSISTANCE**	$	-0-	$ 5,143,000
Sec. 7. **GRANT PROGRAMS; CHILD AND ECONOMIC SUPPORT GRANTS**	$	(407,000)	$ (407,000)
Sec. 8. **GRANT PROGRAMS; FRAUD PREVENTION GRANTS**	$	(425,000)	$ (425,000)
Sec. 9. **GRANT PROGRAMS; HEALTH CARE GRANTS**	$	-0-	$ 1,500,000
Subdivision 1. **Health Care Navigator Incentive Payment Grants**			
$250,000 in fiscal year 2027 is for application assistance bonuses to organizations and licensed insurance producers for applicants successfully enrolled in medical assistance under Minnesota Statutes, section 256.962, subdivision 5. The base for this appropriation is $500,000 in fiscal year 2028 and $500,000 in fiscal year 2029.			

Subd. 2. **Community Minigrant Program**

$1,250,000 in fiscal year 2027 is for the community minigrant program under Minnesota Statutes, section 256.01, subdivision 2, paragraph (a), clause (6). Grants under this subdivision are subject to the grant requirements under Minnesota Statutes, chapter 16B. The base for this appropriation is $1,250,000 in fiscal year 2028 and $625,000 in fiscal year 2029.

Subd. 3. **Base Adjustment**

The general fund base is increased by $1,750,000 in fiscal year 2028 and $1,125,000 in fiscal year 2029.

Sec. 10. **GRANT PROGRAMS; HOUSING AND SUPPORT SERVICES GRANTS**	**$**	**-0-**	**$**	**192,000**
Sec. 11. **GRANT PROGRAMS; ADULT MENTAL HEALTH GRANTS**	**$**	**-0-**	**$**	**(1,317,000)**
Sec. 12. **GRANT PROGRAMS; CHILD MENTAL HEALTH GRANTS**	**$**	**-0-**	**$**	**361,000**
Sec. 13. **GRANT PROGRAMS; CHEMICAL DEPENDENCY TREATMENT SUPPORT GRANTS**	**$**	**-0-**	**$**	**(361,000)**

Sec. 14. **GRANT ADMINISTRATION COSTS.**

This article appropriates necessary administrative costs. The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 15. **EXPIRATION OF UNCODIFIED LANGUAGE.**

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

Sec. 16. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2026 legislative session, the appropriation, transfer, or cancellation must be given effect once.

ARTICLE 14

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS

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

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 22, from the general fund or any fund named for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES**	**$ 1,113,000**	**$ 74,017,000**
The amounts that may be spent for each purpose are specified in the following sections.		
Sec. 3. **OPERATIONS AND ADMINISTRATION; AGENCY-WIDE SUPPORTS**	**$ -0-**	**$ 11,119,000**
The base is increased by $12,182,000 in fiscal year 2028 and $10,985,000 in fiscal year 2029.		
Sec. 4. **OPERATIONS AND ADMINISTRATION; CHILD SAFETY AND PERMANENCY**	**$ -0-**	**$ 1,346,000**
The base is increased by $1,582,000 in fiscal year 2028 and $1,582,000 in fiscal year 2029.		
Sec. 5. **OPERATIONS AND ADMINISTRATION; EARLY CHILDHOOD**	**$ 281,000**	**$ 281,000**

Sec. 6. **OPERATIONS AND ADMINISTRATION; ECONOMIC OPPORTUNITY AND YOUTH SERVICES** **$ -0- $ 441,000**

This is a onetime appropriation.

Sec. 7. **OPERATIONS AND ADMINISTRATION; FAMILY WELL-BEING** **$ -0- $ 3,577,000**

The general fund base is increased by $4,202,000 in fiscal year 2028 and $4,202,000 in fiscal year 2029.

Sec. 8. **FORECAST PROGRAMS; SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM**

The estimated base for this section is $71,239,000 in fiscal year 2028 and $96,735,000 in fiscal year 2029.

Sec. 9. **FORECASTED PROGRAMS; SNAP ADMINISTRATIVE FUNDING** **$ -0- $ 24,286,000**

Sec. 10. **GRANT PROGRAMS; CHILD CARE DEVELOPMENT GRANTS** **$ -0- $ 450,000**

Subdivision 1. **Child Care Licensing Basics Training Contract**

$450,000 in fiscal year 2027 is for a contract with a vendor to provide child care licensing basics training, including course content creation, translation, marketing, promotion, and underwriting. The base for this appropriation is $338,000 in fiscal year 2028 and $338,000 in fiscal year 2029.

Subd. 2. **Base Adjustment**

The general fund base is increased by $338,000 in fiscal year 2028 and $338,000 in fiscal year 2029.

Sec. 11. **GRANT PROGRAMS; CHILD AND COMMUNITY SERVICES GRANTS** **$ -0- $ 14,085,000**

Subdivision 1. **Minnesota African American Family Preservation and Child Welfare Disproportionality Act**

$14,085,000 in fiscal year 2027 is for counties for child protection grants under Minnesota Statutes, section 256M.41.

Subd. 2. **Base Adjustment**

The general fund base for this section is $13,924,000 in fiscal year 2028 and $13,924,000 in fiscal year 2029.

Sec. 12. **GRANT PROGRAMS; CHILD AND ECONOMIC SUPPORT GRANTS** **$ 832,000** **$ 18,432,000**

Subdivision 1. **Prepared Meals Food Relief Grants**

$2,300,000 in fiscal year 2027 is for prepared meals food relief grants. This is a onetime appropriation and is available until June 30, 2028.

Subd. 2. **Regional Food Bank Grants**

$9,900,000 in fiscal year 2027 is for regional food bank grants. This is a onetime appropriation.

Subd. 3. **Minnesota Food Shelf Program**

$5,400,000 in fiscal year 2027 is for food shelf programs under Minnesota Statutes, section 142F.14. This is a onetime appropriation.

Subd. 4. **Base Adjustment**

The general fund base is increased by $832,000 in fiscal year 2028 and $832,000 in fiscal year 2029.

Sec. 13. Minnesota Statutes 2025 Supplement, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from registration and license fee account.** (a) The appropriations in paragraphs (b) to (n) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

(b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) $100,000 is appropriated to the commissioner of human services for grants for opiate antagonist distribution. Grantees may utilize funds for opioid overdose prevention, community asset mapping, education, and opiate antagonist distribution.

(d) $2,000,000 is appropriated to the commissioner of human services for direct payments to Tribal nations and five urban Indian communities for traditional healing practices for American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce. Any evaluations of practices under this paragraph must be designed cooperatively by the commissioner and Tribal nations or urban Indian communities. The commissioner must not require recipients to provide the details of specific ceremonies or identities of healers.

(e) $400,000 is appropriated to the commissioner of human services for competitive grants for opioid-focused Project ECHO programs.

(f) ~~$277,000~~ $321,000 in fiscal year ~~2024~~ 2027 and ~~$321,000~~ each year thereafter is appropriated to the commissioner of ~~human services~~ children, youth, and families to administer the funding distribution and reporting requirements in paragraph ~~(o)~~ (m).

(g) $3,000,000 in fiscal year 2025 and $3,000,000 each year thereafter is appropriated to the commissioner of human services for safe recovery sites start-up and capacity building grants under section 254B.18.

(h) $395,000 in fiscal year 2024 and $415,000 each year thereafter is appropriated to the commissioner of human services for the opioid overdose surge alert system under section 245.891.

(i) $300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

(j) $261,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (n).

(k) $126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(l) $672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, $384,000 is for drug scientists and lab supplies and $288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining amount is appropriated to the commissioner of children, youth, and families for distribution to county social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide prevention and child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county social service agencies and Tribal social service agency initiative projects through a formula based on intake data from the previous three calendar years related to substance use and out-of-home placement episodes where parental drug abuse is a reason for the out-of-home placement. County social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide prevention and child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agency initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

(n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

(o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service agencies and Tribal social service agency initiative projects under paragraph (m) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n) may be distributed on a calendar year basis.

(p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 14. Laws 2024, chapter 117, section 22, is amended to read:

Sec. 22. **APPROPRIATIONS; MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT.**

(a) $5,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for grants to Hennepin and Ramsey Counties to implement the Minnesota African American Family Preservation and Child Welfare Disproportionality Act phase-in program. Of this amount, $2,500,000 must be provided to Hennepin County and $2,500,000 must be provided to Ramsey County. This is a onetime appropriation and is available until ~~June 30~~ December 31, 2026.

(b) $1,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for the African American and disproportionately represented family preservation grant program under Minnesota Statutes, section 260.693. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the amount for administrative costs under this paragraph is $0.

(c) $2,367,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services to implement the African American Family Preservation and Child Welfare Disproportionality Act. The base for this appropriation is $3,251,000 in fiscal year 2026 and $3,110,000 in fiscal year 2027.

Sec. 15. **GRANT ADMINISTRATION COSTS.**

This article appropriates necessary administrative costs. The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 16. **EXPIRATION OF UNCODIFIED LANGUAGE.**

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

Sec. 17. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2026 legislative session, the appropriation, transfer, or cancellation must be given effect once.

Sec. 18. **EFFECTIVE DATE.**

This article is effective the day following final enactment unless otherwise indicated.

ARTICLE 15

DEPARTMENT OF HEALTH APPROPRIATIONS

Section 1. **HEALTH APPROPRIATIONS.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 21, from the general fund or any named fund and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **COMMISSIONER OF HEALTH**		
Subdivision 1. **Total Appropriation**	**$ 50,440,000**	**$ 237,605,000**

Appropriations by Fund

	2026	2027
General	50,000,000	236,978,000
State Government Special Revenue	440,000	627,000

The amounts that may be spent for each purpose are specified in the following subdivision.

Subd. 2. **Health Improvement**

	Appropriations by Fund	
General	50,000,000	234,925,000
State Government Special Revenue	440,000	627,000

(a) **Helping Paws Grant.** $200,000 in fiscal year 2027 is from the general fund for a grant to Helping Paws, Inc., to breed, train, and place service or facility dogs with individuals who have physical disabilities; veterans and first responders living with service-related post-traumatic stress disorder; and professionals in courthouse, educational, and mental health settings. This is a onetime appropriation in memory of Speaker Emerita Melissa Hortman.

(b) **Helping Paws; Private Donations.** The commissioner of health may accept private donations to supplement the state money appropriated under paragraph (a). All donations accepted by the commissioner under this paragraph must be deposited in the gift fund and are appropriated to the commissioner for the purposes of paragraph (a).

(c) **Crisis Telephone Services.** $1,125,000 in fiscal year 2027 is from the general fund for regional coordination and 24-hour-a-day, seven-day-a-week statewide crisis telephone services.

(d) **Hospital Stabilization Program.** $114,800,000 in fiscal year 2027 is from the general fund for the hospital stabilization program under Minnesota Statutes, section 144.5911. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section

16B.98, subdivision 14, $700,000 in fiscal year 2027 is for the commissioner to administer the program.

(e) **Community-Based Safety Net Provider Stabilization Program.** $17,600,000 in fiscal year 2027 is from the general fund for the community-based safety net provider stabilization program under Minnesota Statutes, section 144.5912. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $100,000 in fiscal year 2027 is for the commissioner to administer the program.

(f) **Hennepin Healthcare Stabilization Grant.** $49,950,000 in fiscal year 2026 and $99,650,000 in fiscal year 2027 are from the general fund for the Hennepin Healthcare stabilization grant. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $50,000 in fiscal year 2026 and $350,000 in fiscal year 2027 are for the commissioner to administer this grant.

(g) **Report on Financial Stability of Hospitals.** $400,000 in fiscal year 2027 is from the general fund to prepare the report on the financial stability of hospitals under Minnesota Statutes, section 16A.103, subdivision 1k.

(h) **Hennepin Healthcare Future Structure and Governance Advisory Task Force.** $500,000 in fiscal year 2027 is from the general fund for administration of the Hennepin Healthcare Future Structure and

Governance Advisory Task Force. This is a onetime appropriation.

(i) **HMO Regulation.** $440,000 in fiscal year 2026 and $440,000 in fiscal year 2027 are from the state government special revenue fund to administer the licensing and regulation of health maintenance organizations under Minnesota Statutes, chapter 62D.

(j) **All-Payer Claims Data Administration.** $187,000 in fiscal year 2027 is from the state government special revenue fund to administer all-payer claims data under Minnesota Statutes, chapter 62U. The base for this appropriation is $233,000 in fiscal year 2028 and $291,000 in fiscal year 2029.

(k) **Base Adjustment.** The general fund base is reduced by $225,000 in fiscal year 2028 and $225,000 in fiscal year 2029.

Subd. 3. **Health Protection** -0- 2,053,000

Rulemaking for Gas Wells. $2,053,000 in fiscal year 2027 is for rulemaking activities under Minnesota Statutes, section 103I.706. This is a onetime appropriation and is available until December 31, 2029.

EFFECTIVE DATE. Subdivision 2, paragraphs (f) and (i), are effective the day following final enactment.

Sec. 3. **GRANT ADMINISTRATION COSTS.**

This article appropriates necessary administrative costs. The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 4. **EXPIRATION OF UNCODIFIED LANGUAGE.**

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

Sec. 5. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2026 legislative session, the appropriation, transfer, or cancellation must be given effect once.

ARTICLE 16

OTHER AGENCY APPROPRIATIONS

Section 1. **OTHER AGENCY APPROPRIATIONS.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 3, articles 23 and 24, from the general fund or any fund named for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **OFFICE OF EMERGENCY MEDICAL SERVICES**	**$ -0-**	**$ 15,000,000**

$14,900,000 in fiscal year 2027 is for the rural EMS uncompensated care pool payment program under Minnesota Statutes, section 144E.55. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $100,000 in fiscal year 2027 is for the director to administer the program.

Sec. 3. **COMMISSIONER OF INFORMATION TECHNOLOGY** **$ -0- $ 45,000,000**

Subdivision 1. **Information Technology Changes; System Focused**

(a) $32,500,000 in fiscal year 2027 is appropriated to update information technology systems. This appropriation must be used, in collaboration with counties, to fund the following projects:

(1) expand Data Depot to all interested Minnesota counties and Tribal Nations;

(2) expand BlueZone Scripting Collaborative to all interested Minnesota counties and Tribal Nations;

(3) expand piloted artificial intelligence tools for human services to all interested Minnesota counties and Tribal Nations;

(4) develop new user interfaces to replace character-based green screens for the MAXIS and PRISM computer systems;

(5) complete the renewal self-service portal in the Minnesota Eligibility Technology System (METS);

(6) copy all state human services systems policies and procedures into the data warehouse and keep the policies and procedures regularly updated;

(7) develop the ability for METS to note when a recipient has a second pregnancy;

(8) determine, in collaboration with Minnesota Management and Budget, the dollar amount needed to fund the integration layer tool and the amount needed to allow full

implementation for both the MAXIS and PRISM computer systems; and

(9) other projects decided by the Human Services Systems Steering Committee under Minnesota Statutes, section 256.0141.

(b) Of the amount appropriated under paragraph (a), $2,500,000 is for fully funding the work verification vendor system for child support, health care, and public assistance programs.

(c) The base for this appropriation is $10,000,000 in fiscal year 2028 and $10,000,000 in fiscal year 2029.

Subd. 2. **Information Technology Changes; Policy Focused**

(a) $12,500,000 in fiscal year 2027 is appropriated to update information technology systems to conform with legislative changes. This appropriation must be used, in collaboration with counties, to fund the following projects:

(1) develop an automated process in the MAXIS computer system to confirm the eligibility for health care program enrollees;

(2) eliminate the duplicative data entry by county eligibility workers, including integrating MNBenefits with the MAXIS computer system and developing a solution to allow recipients to provide updated information through electronic means;

(3) update the MAXIS computer system to require a county eligibility worker to update the shelter and utility panels in MAXIS every time the address panel is updated for

Supplemental Nutrition Assistance Program (SNAP) applications;

(4) update the MAXIS computer system to allow the state to move to a simplified reporting method for SNAP so that all recipients will report changes on a six-month timeline;

(5) update the MAXIS computer system with correct coding for time-limited recipients receiving SNAP benefits and integrate the coding with other panels in MAXIS;

(6) update the MAXIS computer system eligibility results to reflect the most recent noncitizen eligibility policy for health care programs and SNAP;

(7) update the MAXIS computer system to eliminate the need for county eligibility workers to enter and approve general assistance and SNAP applications separately within the same system, including the ability for MAXIS to translate information between general assistance and SNAP;

(8) initiate a review and modernization of client notices generated by the MAXIS computer system and METS to ensure the notices are clear, accurate, and compliant with all current federal and state requirements and enhance system functionality so the notices automatically populate correct and complete information based on case actions;

(9) update the MAXIS computer system to allow automatic case noting; and

(10) other projects decided by the Human Services Systems Steering Committee under Minnesota Statutes, section 256.0141.

(b) The base for this appropriation is $2,500,000 in fiscal year 2028 and $2,500,000 in fiscal year 2029.

Subd. 3. **Base Adjustment**

The general fund base is increased by $12,500,000 in fiscal year 2028 and $12,500,000 in fiscal year 2029.

Sec. 4. **LEGISLATIVE COORDINATING COMMISSION** **$ -0- $ 194,000**

Subdivision 1. **Legislative Commission on Human Services Systems**

$194,000 in fiscal year 2027 is to administer the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142. The base for this appropriation is $191,000 in fiscal year 2028 and $174,000 in fiscal year 2029.

Subd. 2. **Base Adjustment**

The general fund base is increased by $191,000 in fiscal year 2028 and $174,000 in fiscal year 2029.

Sec. 5. **COMMISSIONER OF PUBLIC SAFETY** **$ -0- $ 549,000**

Subdivision 1. **Child Care Licensing Modernization**

$549,000 in fiscal year 2027 is for child care licensing modernization under Minnesota Statutes, chapters 142H and 142I. The base for this appropriation is $544,000 in fiscal year 2028 and $544,000 in fiscal year 2029.

Subd. 2. **Base Adjustment**

The general fund base is increased by $544,000 in fiscal year 2028 and $544,000 in fiscal year 2029.

Sec. 6. **COMMISSIONER OF EDUCATION** **$ (281,000) $ (281,000)**

This reduction is for preschool assessment funding.

Sec. 7. **COMMISSIONER OF MANAGEMENT AND BUDGET** **$ -0- $ 450,000**

Subdivision 1. **Financial Stability of Safety Net Health Care Providers**

$250,000 in fiscal year 2027 is for a study to evaluate strategies to promote the long-term financial stability of safety net health care providers across Minnesota. This is a onetime appropriation.

Subd. 2. **Report on Financial Stability of Hospitals**

$200,000 in fiscal year 2027 is to prepare the report on the financial stability of hospitals under Minnesota Statutes, section 16A.103, subdivision 1k.

Subd. 3. **Base Adjustment**

The general fund base is increased by $200,000 in fiscal year 2028 and $200,000 in fiscal year 2029.

Sec. 8. **COMMISSIONER OF COMMERCE** **$ -0- $ -0-**

The general fund base is increased by $1,750,000 in fiscal year 2028 and $1,750,000 in fiscal year 2029 for health maintenance organization regulatory activities.

Sec. 9. Laws 2024, chapter 127, article 67, section 7, is amended to read:

Sec. 7. **BOARD OF DIRECTORS OF MNSURE** **$ -0- $ 2,330,000**

(a) **Information Technology ~~to Implement Federal Deferred Action for Childhood Arrivals Regulatory Requirements~~.** $2,330,000 in fiscal year 2025 is ~~for information technology to implement federal Deferred Action for Childhood Arrivals regulatory requirements~~ for technology and operational needs. This appropriation is for information technology enhancements, system readiness, consumer communications, and operational changes to maintain service continuity and improve the consumer experience. This is a onetime appropriation and is available until June 30, 2027.

(b) **Transfer to Enterprise Account.** The Board of Directors of MNsure must transfer $2,330,000 in fiscal year 2025 from the general fund to the enterprise account under Minnesota Statutes, section 62V.07. This is a onetime transfer.

Sec. 10. **GRANT ADMINISTRATION COSTS.**

This article appropriates necessary administrative costs. The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 11. **EXPIRATION OF UNCODIFIED LANGUAGE.**

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

Sec. 12. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2026 legislative session, the appropriation, transfer, or cancellation must be given effect once.

APPENDIX
Article locations for S4612-2

ARTICLE 1	DEPARTMENT OF HEALTH	Page.Ln 2.28
ARTICLE 2	DEPARTMENT OF HUMAN SERVICES	Page.Ln 18.1
ARTICLE 3	HUMAN SERVICES FEDERAL COMPLIANCE	Page.Ln 32.17
ARTICLE 4	PROVIDER BRIDGE REIMBURSEMENTS	Page.Ln 61.5
ARTICLE 5	CHILDREN, YOUTH, AND FAMILIES	Page.Ln 64.9
ARTICLE 6	CHILD CARE CENTER LICENSING MODERNIZATION	Page.Ln 77.3
ARTICLE 7	FAMILY CHILD CARE LICENSING MODERNIZATION	Page.Ln 143.16
ARTICLE 8	MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT CHANGES	Page.Ln 196.23
ARTICLE 9	HOSPITAL STABILIZATION	Page.Ln 209.15
ARTICLE 10	HEALTH PLAN REGULATORY ALIGNMENT	Page.Ln 219.2
ARTICLE 11	GAS RESOURCE DEVELOPMENT	Page.Ln 247.19
ARTICLE 12	MISCELLANEOUS	Page.Ln 254.1
ARTICLE 13	HUMAN SERVICES APPROPRIATIONS	Page.Ln 264.19
ARTICLE 14	DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS	Page.Ln 267.5
ARTICLE 15	DEPARTMENT OF HEALTH APPROPRIATIONS	Page.Ln 273.7
ARTICLE 16	OTHER AGENCY APPROPRIATIONS	Page.Ln 277.9

142B.01 DEFINITIONS.

Subd. 11. **Drop-in child care program.** "Drop-in child care program" means a nonresidential program of child care in which children participate on a onetime only or occasional basis up to a maximum of 90 hours per child, per month. A drop-in child care program must be licensed under Minnesota Rules governing child care centers. A drop-in child care program must meet one of the following requirements to qualify for the rule exemptions specified in section 142B.41, subdivision 6:

(1) the drop-in child care program operates in a child care center which houses no child care program except the drop-in child care program;

(2) the drop-in child care program operates in the same child care center but not during the same hours as a regularly scheduled ongoing child care program with a stable enrollment; or

(3) the drop-in child care program operates in a child care center at the same time as a regularly scheduled ongoing child care program with a stable enrollment but the program's activities, except for bathroom use and outdoor play, are conducted separately from each other.

Subd. 12. **Experience.** For purposes of child care centers, "experience" means paid or unpaid employment:

(1) caring for children as a teacher, assistant teacher, aide, or student intern:

(i) in a licensed child care center, a licensed family day care or group family day care, or a Tribally licensed child care program in any United States state or territory; or

(ii) in a public or nonpublic school;

(2) caring for children as a staff person or unsupervised volunteer in a certified, license-exempt child care center under chapter 142C; or

(3) providing direct contact services in a home or residential facility serving children with disabilities that requires a background study under section 245C.03.

Subd. 13. **Family day care and group family day care child age classifications.** (a) For the purposes of family day care and group family day care licensing under this chapter, the following terms have the meanings given them in this subdivision.

(b) "Newborn" means a child between birth and six weeks old.

(c) "Infant" means a child who is at least six weeks old but less than 12 months old.

(d) "Toddler" means a child who is at least 12 months old but less than 24 months old, except that for purposes of specialized infant and toddler family and group family day care, "toddler" means a child who is at least 12 months old but less than 30 months old.

(e) "Preschooler" means a child who is at least 24 months old up to school age.

(f) "School age" means a child who is at least five years of age, but is younger than 11 years of age.

Subd. 25. **School-age child.** "School-age child," for programs licensed or required to be licensed as a child care center, means a child who is at least of sufficient age to have attended the first day of kindergarten, or is eligible to enter kindergarten within the next four months, but is younger than 13 years of age.

Subd. 26. **School-age child care program.** "School-age child care program" means a program licensed or required to be licensed as a child care center, serving more than ten children with the primary purpose of providing child care for school age children.

Subd. 27. **Supervision.** (a) For purposes of licensed child care centers, "supervision" means when a program staff person:

(1) is accountable for the child's care;

(2) can intervene to protect the health and safety of the child; and

(3) is within sight and hearing of the child at all times except as described in paragraphs (b) to (e).

(b) When an infant is placed in a crib room to sleep, supervision occurs when a program staff person is within sight or hearing of the infant. When supervision of a crib room is provided by sight or hearing, the center must have a plan to address the other supervision components.

(c) When a single school-age child uses the restroom within the licensed space, supervision occurs when a program staff person has knowledge of the child's activity and location and checks on the child at least every five minutes. When a school-age child uses the restroom outside the licensed space, including but not limited to field trips, supervision occurs when staff accompany children to the restroom.

(d) When a school-age child leaves the classroom but remains within the licensed space to deliver or retrieve items from the child's personal storage space, supervision occurs when a program staff person has knowledge of the child's activity and location and checks on the child at least every five minutes.

(e) When a single preschooler uses an individual, private restroom within the classroom with the door closed, supervision occurs when a program staff person has knowledge of the child's activity and location, can hear the child, and checks on the child at least every five minutes.

142B.41 SPECIAL CONDITIONS FOR NONRESIDENTIAL PROGRAMS.

Subd. 4. **Special family child care homes.** (a) Nonresidential child care programs serving 14 or fewer children that are conducted at a location other than the license holder's own residence shall be licensed under this section and the rules governing family child care or group family child care if:

(1) the license holder is the primary provider of care and the nonresidential child care program is conducted in a dwelling that is located on a residential lot;

(2) the license holder is an employer who may or may not be the primary provider of care, and the purpose for the child care program is to provide child care services to children of the license holder's employees;

(3) the license holder is a church or religious organization;

(4) the license holder is a community collaborative child care provider. For purposes of this subdivision, a community collaborative child care provider is a provider participating in a cooperative agreement with a community action agency as defined in section 142F.301;

(5) the license holder is a not-for-profit agency that provides child care in a dwelling located on a residential lot and the license holder maintains two or more contracts with community employers or other community organizations to provide child care services. The county licensing agency may grant a capacity variance to a license holder licensed under this clause to exceed the licensed capacity of 14 children by no more than five children during transition periods related to the work schedules of parents, if the license holder meets the following requirements:

(i) the program does not exceed a capacity of 14 children more than a cumulative total of four hours per day;

(ii) the program meets a one to seven staff-to-child ratio during the variance period;

(iii) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

(iv) the facility has square footage required per child under Minnesota Rules, part 9502.0425;

(v) the program is in compliance with local zoning regulations;

(vi) the program is in compliance with the applicable fire code as follows:

(A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020, Section 202; or

(B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202, unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202; and

(vii) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

(6) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:

(i) the program is in compliance with local zoning regulations;

(ii) the program is in compliance with the applicable fire code as follows:

(A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020, Section 202; or

(B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancy, as provided under the Minnesota State Fire Code 2020, Section 202, unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;

(iii) any age and capacity limitations required by the fire code inspection and square footage determinations are printed on the license; and

(iv) the license holder prominently displays the license issued by the commissioner which contains the statement "This special family child care provider is not licensed as a child care center."

(b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner may issue up to four licenses to an organization licensed under paragraph (a), clause (2), (3), or (5). Each license must have its own primary provider of care as required under paragraph (d). Each license must operate as a distinct and separate program in compliance with all applicable laws and regulations.

(c) For licenses issued under paragraph (a), clause (2), (3), (4), (5), or (6), the commissioner may approve up to four licenses at the same location or under one contiguous roof if each license holder is able to demonstrate compliance with all applicable rules and laws. Each licensed program must operate as a distinct program and within the capacity, age, and ratio distributions of each license.

(d) For a license issued under paragraph (a), clause (2), (3), or (5), the license holder must designate a person to be the primary provider of care at the licensed location on a form and in a manner prescribed by the commissioner. The license holder shall notify the commissioner in writing before there is a change of the person designated to be the primary provider of care. The primary provider of care:

(1) must be the person who will be the provider of care at the program and present during the hours of operation;

(2) must operate the program in compliance with applicable laws and regulations under this chapter and Minnesota Rules, chapter 9502;

(3) is considered a child care background study subject as defined in section 245C.02, subdivision 6a, and must comply with background study requirements in chapter 245C;

(4) must complete the training that is required of license holders in section 142B.70; and

(5) is authorized to communicate with the county licensing agency and the department on matters related to licensing.

(e) For any license issued under this subdivision, the license holder must ensure that any other caregiver, substitute, or helper who assists in the care of children meets the training requirements in section 142B.70 and background study requirements under chapter 245C.

Subd. 6. **Drop-in and school age child care programs.** (a) Except as expressly set forth in this subdivision, drop-in and school age child care programs must be licensed as a drop-in or school age program under the rules governing child care programs operated in a center.

(b) Drop-in and school age child care programs are exempt from the following Minnesota Rules:

(1) part 9503.0040;

(2) part 9503.0045, subpart 1, items F and G;

(3) part 9503.0050, subpart 6, except for children less than 2-1/2 years old;

(4) one-half the requirements of part 9503.0060, subpart 4, item A, subitems (2), (5), and (8), subpart 5, item A, subitems (2), (3), and (7), and subpart 6, item A, subitems (3) and (6);

(5) part 9503.0070; and

(6) part 9503.0090, subpart 2.

(c) A drop-in and school age child care program must be operated under the supervision of a person qualified as a director and a teacher.

(d) A drop-in and school age child care program must have at least two persons on staff whenever the program is operating, except that the commissioner may permit variances from this requirement under specified circumstances for parent cooperative programs, as long as all other staff-to-child ratios are met.

(e) Whenever the total number of children present to be cared for at a drop-in child care center is more than 20, children that are younger than age 2-1/2 must be in a separate group. This group may contain children up to 60 months old. This group must be cared for in an area that is physically separated from older children.

(f) A drop-in child care program must maintain a minimum staff ratio for children age 2-1/2 or greater of one staff person for each ten children. A school age child care program must maintain a minimum staff ratio of one staff person for every 15 children.

(g) If the drop-in child care program has additional staff who are on call as a mandatory condition of their employment, the minimum child-to-staff ratio may be exceeded only for children age 2-1/2 or greater, by a maximum of four children, for no more than 20 minutes while additional staff are in transit.

(h) In a drop-in child care program, the minimum staff-to-child ratio for infants up to 16 months of age is one staff person for every four infants. The minimum staff-to-child ratio for children age 17 months to 30 months is one staff for every seven children.

(i) In drop-in care programs that serve both infants and older children, children up to age 2-1/2 may be supervised by assistant teachers, as long as other staff are present in appropriate ratios.

(j) The minimum staff distribution pattern for a drop-in child care program serving children age 2-1/2 or greater and a school age child care program serving school age children is: the first staff member must be a teacher; the second, third, and fourth staff members must have at least the qualifications of a child care aide; the fifth staff member must have at least the qualifications of an assistant teacher; the sixth, seventh, and eighth staff members must have at least the qualifications of a child care aide; and the ninth staff person must have at least the qualifications of an assistant teacher.

(k) A drop-in child care program may care for siblings 16 months or older together in any group. For purposes of this subdivision, sibling is defined as sister or brother, half sister or half brother, or stepsister or stepbrother.

(l) The commissioner may grant a variance to any of the requirements in paragraphs (a) to (k), as long as the health and safety of the persons served by the program are not affected. The request for a variance shall comply with the provisions in section 142B.10, subdivision 16.

Subd. 7. **Experienced aides; child care centers.** (a) An individual employed as an aide at a child care center may work with children without being directly supervised for an amount of time that does not exceed 25 percent of the child care center's daily hours if:

(1) a teacher is in the facility;

(2) the individual is at least 20 years old; and

(3) the individual has at least 4,160 hours of child care experience as a staff member in a licensed child care center or as the license holder of a family day care home, 120 days of which must be in the employment of the current company.

(b) A child care center that uses experienced aides under this subdivision must notify parents or guardians by posting the notification in each classroom that uses experienced aides, identifying

which staff member is the experienced aide. Records of experienced aide usage must be kept on site and given to the commissioner upon request.

(c) A child care center may not use the experienced aide provision for one year following two determined experienced aide violations within a one-year period.

(d) A child care center may use one experienced aide per every four full-time child care classroom staff.

Subd. 8. **Portable wading pools; family day care and group family day care providers.** A portable wading pool as defined in section 144.1222 may not be used by a child at a family day care or group family day care home or at a home at which child care services are provided under section 142B.05, subdivision 2, paragraph (a), clause (2), unless the parent or legal guardian of the child has provided written consent. The written consent shall include a statement that the parent or legal guardian has received and read material provided by the Department of Health to the Department of Children, Youth, and Families for distribution to all family day care or group family day care homes and the general public on the human services Internet website related to the risk of disease transmission as well as other health risks associated with the use of portable wading pools.

Subd. 9. **Swimming pools; family day care and group family day care providers.** (a) This subdivision governs swimming pools located at family day care or group family day care homes licensed under Minnesota Rules, chapter 9502. This subdivision does not apply to portable wading pools or whirlpools located at family day care or group family day care homes licensed under Minnesota Rules, chapter 9502. For a provider to be eligible to allow a child cared for at the family day care or group family day care home to use the swimming pool located at the home, the provider must not have had a licensing sanction under section 142B.18 or 245A.07 or a correction order or conditional license under section 142B.16 or 245A.06 relating to the supervision or health and safety of children during the prior 24 months, and must satisfy the following requirements:

(1) notify the county agency before initial use of the swimming pool and annually, thereafter;

(2) obtain written consent from a child's parent or legal guardian allowing the child to use the swimming pool and renew the parent or legal guardian's written consent at least annually. The written consent must include a statement that the parent or legal guardian has received and read materials provided by the Department of Health to the Department of Children, Youth, and Families for distribution to all family day care or group family day care homes and the general public on the human services Internet website related to the risk of disease transmission as well as other health risks associated with swimming pools. The written consent must also include a statement that the Department of Health, Department of Children, Youth, and Families, and county agency will not monitor or inspect the provider's swimming pool to ensure compliance with the requirements in this subdivision;

(3) enter into a written contract with a child's parent or legal guardian and renew the written contract annually. The terms of the written contract must specify that the provider agrees to perform all of the requirements in this subdivision;

(4) attend and successfully complete a swimming pool operator training course once every five years. Acceptable training courses are:

(i) the National Swimming Pool Foundation Certified Pool Operator course;

(ii) the National Spa and Pool Institute Tech I and Tech II courses (both required); or

(iii) the National Recreation and Park Association Aquatic Facility Operator course;

(5) require a caregiver trained in first aid and adult and child cardiopulmonary resuscitation to supervise and be present at the swimming pool with any children in the pool;

(6) toilet all potty-trained children before they enter the swimming pool;

(7) require all children who are not potty-trained to wear swim diapers while in the swimming pool;

(8) if fecal material enters the swimming pool water, add three times the normal shock treatment to the pool water to raise the chlorine level to at least 20 parts per million, and close the pool to swimming for the 24 hours following the entrance of fecal material into the water or until the water pH and disinfectant concentration levels have returned to the standards specified in clause (10), whichever is later;

(9) prevent any person from entering the swimming pool who has an open wound or any person who has or is suspected of having a communicable disease;

(10) maintain the swimming pool water at a pH of not less than 7.2 and not more than 8.0, maintain the disinfectant concentration between two and five parts per million for chlorine or between 2.3 and 4.5 parts per million for bromine, and maintain a daily record of the swimming pool's operation with pH and disinfectant concentration readings on days when children cared for at the family day care or group family day care home are present;

(11) have a disinfectant feeder or feeders;

(12) have a recirculation system that will clarify and disinfect the swimming pool volume of water in ten hours or less;

(13) maintain the swimming pool's water clarity so that an object on the pool floor at the pool's deepest point is easily visible;

(14) comply with the provisions of the Abigail Taylor Pool Safety Act in section 144.1222, subdivisions 1c and 1d;

(15) have in place and enforce written safety rules and swimming pool policies;

(16) have in place at all times a safety rope that divides the shallow and deep portions of the swimming pool;

(17) satisfy any existing local ordinances regarding swimming pool installation, decks, and fencing;

(18) maintain a water temperature of not more than 104 degrees Fahrenheit and not less than 70 degrees Fahrenheit; and

(19) for lifesaving equipment, have a United States Coast Guard-approved life ring attached to a rope, an exit ladder, and a shepherd's hook available at all times to the caregiver supervising the swimming pool.

The requirements of clauses (5), (16), and (18) only apply at times when children cared for at the family day care or group family day care home are present.

(b) A violation of paragraph (a), clauses (1) to (3), is grounds for a sanction under section 142B.18 or a correction order or conditional license under section 142B.16.

(c) If a provider under this subdivision receives a licensing sanction under section 142B.18 or 245A.07 or a correction order or a conditional license under section 142B.16 or 245A.06 relating to the supervision or health and safety of children, the provider is prohibited from allowing a child cared for at the family day care or group family day care home to continue to use the swimming pool located at the home.

Subd. 10. **Attendance records for publicly funded services.** (a) A child care center licensed under this chapter and according to Minnesota Rules, chapter 9503, must maintain documentation of actual attendance for each child receiving care for which the license holder is reimbursed by a governmental program. The records must be accessible to the commissioner during the program's hours of operation, they must be completed on the actual day of attendance, and they must include:

(1) the first and last name of the child;

(2) the time of day that the child was dropped off; and

(3) the time of day that the child was picked up.

(b) A family child care provider licensed under this chapter and according to Minnesota Rules, chapter 9502, must maintain documentation of actual attendance for each child receiving care for which the license holder is reimbursed for the care of that child by a governmental program. The records must be accessible to the commissioner during the program's hours of operation, they must be completed on the actual day of attendance, and they must include:

(1) the first and last name of the child;

(2) the time of day that the child was dropped off; and

(3) the time of day that the child was picked up.

Subd. 11. **Parental access in child care programs.** An enrolled child's parent or legal guardian must be allowed access to the parent's or legal guardian's child at any time while the child is in care.

Subd. 12. **Valid driver's license.** Notwithstanding any law to the contrary, when a licensed child care center provides transportation for children or contracts to provide transportation for children, a person who has a current, valid driver's license appropriate to the vehicle driven may transport the child.

Subd. 13. **Reusable water bottles or cups.** Notwithstanding any law to the contrary, a licensed child care center may provide drinking water to a child in a reusable water bottle or reusable cup if the center develops and ensures implementation of a written policy that at a minimum includes the following procedures:

(1) each day the water bottle or cup is used, the child care center cleans and sanitizes the water bottle or cup using procedures that comply with the Food Code under Minnesota Rules, chapter 4626, or allows the child's parent or legal guardian to bring the water bottle or cup home to be cleaned and sanitized each day the water bottle or cup is used;

(2) a water bottle or cup is assigned to a specific child and labeled with the child's first and last name;

(3) water bottles and cups are stored in a manner that reduces the risk of a child using the wrong water bottle or cup; and

(4) a water bottle or cup is used only for water.

142B.54 REQUIREMENTS; MALTREATMENT OF MINORS OR VULNERABLE ADULTS.

Subdivision 1. **Maltreatment of minors 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 or external report of alleged or suspected maltreatment has been made. The review must include an evaluation of whether:

(i) related policies and procedures were followed;

(ii) the policies and procedures were adequate;

(iii) there is a need for additional staff training;

(iv) the reported event is similar to past events with the children or the services involved; and

(v) there is a need for corrective action by the license holder to protect the health and safety of children in care.

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;

(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

(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.

Subd. 2. **Child care centers; risk reduction plan.** (a) Child care centers licensed under this chapter and Minnesota Rules, chapter 9503, must develop a risk reduction plan that identifies the general risks to children served by the child care center. The license holder must establish procedures to minimize identified risks, train staff on the procedures, and annually review the procedures.

(b) The risk reduction plan must include an assessment of risk to children the center serves or intends to serve and identify specific risks based on the outcome of the assessment. The assessment of risk must be based on the following:

(1) an assessment of the risks presented by the physical plant where the licensed services are provided, including an evaluation of the following factors: the condition and design of the facility and its outdoor space, bathrooms, storage areas, and accessibility of medications and cleaning products that are harmful to children when children are not supervised and the existence of areas that are difficult to supervise; and

(2) an assessment of the risks presented by the environment for each facility and for each site, including an evaluation of the following factors: the type of grounds and terrain surrounding the building and the proximity to hazards, busy roads, and publicly accessed businesses.

(c) The risk reduction plan must include a statement of measures that will be taken to minimize the risk of harm presented to children for each risk identified in the assessment required under paragraph (b) related to the physical plant and environment. At a minimum, the stated measures must include the development and implementation of specific policies and procedures or reference to existing policies and procedures that minimize the risks identified.

(d) In addition to any program-specific risks identified in paragraph (b), the plan must include development and implementation of specific policies and procedures or refer to existing policies and procedures that minimize the risk of harm or injury to children, including:

(1) closing children's fingers in doors, including cabinet doors;

(2) leaving children in the community without supervision;

(3) children leaving the facility without supervision;

(4) caregiver dislocation of children's elbows;

(5) burns from hot food or beverages, whether served to children or being consumed by caregivers, and the devices used to warm food and beverages;

(6) injuries from equipment, such as scissors and glue guns;

(7) sunburn;

(8) feeding children foods to which they are allergic;

(9) children falling from changing tables; and

(10) children accessing dangerous items or chemicals or coming into contact with residue from harmful cleaning products.

(e) The plan shall prohibit the accessibility of hazardous items to children.

(f) The plan must include specific policies and procedures to ensure adequate supervision of children at all times as defined under section 142B.01, subdivision 27, with particular emphasis on:

(1) times when children are transitioned from one area within the facility to another;

(2) nap-time supervision, including infant crib rooms as specified under section 142B.01, subdivision 27, which requires that when an infant is placed in a crib to sleep, supervision occurs when a staff person is within sight or hearing of the infant. When supervision of a crib room is provided by sight or hearing, the center must have a plan to address the other supervision components;

(3) child drop-off and pick-up times;

(4) supervision during outdoor play and on community activities, including but not limited to field trips and neighborhood walks;

(5) supervision of children in hallways;

(6) supervision of school-age children when using the restroom and visiting the child's personal storage space; and

(7) supervision of preschool children when using an individual, private restroom within the classroom.

Subd. 3. **Yearly review of risk reduction plan.** The license holder must review the risk reduction plan each calendar year and document the review. When conducting the review, the license holder must consider incidents that have occurred in the center since the last review, including:

(1) the assessment factors in the plan;

(2) the internal reviews conducted under this section, if any;

(3) substantiated maltreatment findings, if any; and

(4) incidents that caused injury or harm to a child, if any, that occurred since the last review.

Following any change to the risk reduction plan, the license holder must inform staff persons, under the control of the license holder, of the changes in the risk reduction plan, and document that the staff were informed of the changes.

142B.62 CHILD CARE LICENSE HOLDER INSURANCE.

(a) A license holder must provide a written notice to all parents or guardians of all children to be accepted for care prior to admission stating whether the license holder has liability insurance. This notice may be incorporated into and provided on the admission form used by the license holder.

(b) If the license holder has liability insurance:

(1) the license holder shall inform parents in writing that a current certificate of coverage for insurance is available for inspection to all parents or guardians of children receiving services and to all parents seeking services from the family child care program;

(2) the notice must provide the parent or guardian with the date of expiration or next renewal of the policy; and

(3) upon the expiration of the policy or a change in coverage, the license holder must provide a new written notice informing all parents or guardians of children receiving services of the change and indicating whether the insurance policy has lapsed.

If a license holder has a continuous insurance policy that renews each year, the license holder may indicate the policy's renewal date in the initial written notice to parents and guardians. This initial written notice shall remain valid and no further notices are required until the insurance coverage changes or the policy lapses.

(c) If the license holder does not have liability insurance, the license holder must provide an annual notice, on a form developed and made available by the commissioner, to the parents or guardians of children in care indicating that the license holder does not carry liability insurance.

(d) The license holder must notify all parents and guardians in writing immediately of any change in insurance status.

(e) The license holder must make available upon request the certificate of liability insurance to the parents of children in care, to the commissioner, and to county licensing agents.

(f) The license holder must document, with the signature of the parent or guardian, that the parent or guardian received the notices required by this section.

142B.65 CHILD CARE CENTER TRAINING REQUIREMENTS.

Subdivision 1. **Orientation.** (a) The child care center license holder must ensure that the director, staff persons, substitutes, and unsupervised volunteers are given orientation training and successfully complete the training before starting assigned duties. The orientation training must include information about:

(1) the center's philosophy, child care program, and procedures for maintaining health and safety according to section 142B.66 and Minnesota Rules, part 9503.0140, and handling emergencies and accidents according to Minnesota Rules, part 9503.0110;

(2) specific job responsibilities;

(3) the behavior guidance standards in Minnesota Rules, part 9503.0055;

(4) the reporting responsibilities in chapter 260E and Minnesota Rules, part 9503.0130;

(5) the center's drug and alcohol policy under section 142B.10, subdivision 1, paragraph (c);

(6) the center's risk reduction plan as required under section 142B.54, subdivision 2;

(7) at least one-half hour of training on the standards under section 142B.46 and on reducing the risk of sudden unexpected infant death as required in subdivision 6, if applicable;

(8) at least one-half hour of training on the risk of abusive head trauma as required for the director and staff under subdivision 7, if applicable; and

(9) training required by a child's individual child care program plan as required under Minnesota Rules, part 9503.0065, subpart 3, if applicable.

(b) In addition to paragraph (a), before having unsupervised direct contact with a child, the director and staff persons within the first 90 days of employment, and substitutes and unsupervised volunteers within 90 days after the first date of direct contact with a child, must complete:

(1) pediatric first aid, in accordance with subdivision 4; and

(2) pediatric cardiopulmonary resuscitation, in accordance with subdivision 5.

(c) In addition to paragraph (b), the director and staff persons within the first 90 days of employment, and substitutes and unsupervised volunteers within 90 days from the first date of direct contact with a child, must complete training in child development, in accordance with subdivision 3.

(d) The license holder must ensure that documentation, as required in subdivision 10, identifies the number of hours completed for each topic with a minimum training time identified, if applicable, and that all required content is included.

(e) Training in this subdivision must not be used to meet in-service training requirements in subdivision 9.

(f) Training completed within the previous 12 months under paragraphs (a), clauses (7) and (8), and (c) are transferable to another child care center.

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

(b) "Substitute" means an adult who is temporarily filling a position as a director, teacher, assistant teacher, or aide in a licensed child care center for less than 240 hours total in a calendar year due to the absence of a regularly employed staff person.

(c) "Staff person" means an employee of a child care center who provides direct contact services to children.

(d) "Unsupervised volunteer" means an individual who:

(1) assists in the care of a child in care;

(2) is not under the continuous direct supervision of a staff person; and

(3) is not employed by the child care center.

Subd. 3. **Child development and learning training.** (a) The director and all staff persons, substitutes, and unsupervised volunteers shall complete child development and learning training within the first 90 days of employment. The director and staff persons, not including substitutes, must complete at least two hours of training on child development and learning. The training for substitutes and unsupervised volunteers is not required to be of a minimum length. For purposes of this subdivision, "child development and learning training" means any training in Knowledge and Competency Area I: Child Development and Learning, which is training in understanding how children develop physically, cognitively, emotionally, and socially and learn as part of the children's family, culture, and community.

(b) Notwithstanding paragraph (a), individuals are exempt from this requirement if they:

(1) have taken a three-credit college course on early childhood development within the past five years;

(2) have received a baccalaureate or master's degree in early childhood education or school-age child care within the past five years;

(3) are licensed in Minnesota as a prekindergarten teacher, an early childhood educator, a kindergarten to sixth grade teacher with a prekindergarten specialty, an early childhood special education teacher, or an elementary teacher with a kindergarten endorsement; or

(4) have received a baccalaureate degree with a Montessori certificate within the past five years.

(c) The director and staff persons, not including substitutes, must complete at least two hours of child development and learning training every second calendar year.

(d) Substitutes and unsupervised volunteers must complete child development and learning training every second calendar year. There is no minimum number of training hours required.

(e) Except for training required under paragraph (a), training completed under this subdivision may be used to meet the in-service training requirements under subdivision 9.

Subd. 4. **First aid.** (a) Unless training has been completed within the previous two years, the director, staff persons, substitutes, and unsupervised volunteers must satisfactorily complete pediatric first aid training prior to having unsupervised direct contact with a child, but not to exceed the first 90 days of employment.

(b) Pediatric first aid training must be repeated at least every second calendar year. First aid training under this subdivision must be provided by an individual approved as a first aid instructor and must not be used to meet in-service training requirements under subdivision 9.

Subd. 5. **Cardiopulmonary resuscitation.** (a) Unless training has been completed within the previous two years, the director, staff persons, substitutes, and unsupervised volunteers must satisfactorily complete pediatric cardiopulmonary resuscitation (CPR) training that meets the requirements of this subdivision. Pediatric CPR training must be completed prior to having unsupervised direct contact with a child, but not to exceed the first 90 days of employment.

(b) Pediatric CPR training must be provided by an individual approved to provide pediatric CPR instruction.

(c) The pediatric CPR training must:

(1) cover CPR techniques for infants and children and the treatment of obstructed airways;

(2) include instruction, hands-on practice, and an in-person, observed skills assessment under the direct supervision of a CPR instructor; and

(3) be developed by the American Heart Association, the American Red Cross, or another organization that uses nationally recognized, evidence-based guidelines for CPR.

(d) Pediatric CPR training must be repeated at least once every second calendar year.

(e) Pediatric CPR training in this subdivision must not be used to meet in-service training requirements under subdivision 9.

Subd. 6. **Sudden unexpected infant death training.** (a) Before caring for infants, the director, staff persons, substitutes, unsupervised volunteers, and any other volunteers must receive training on the standards under section 142B.46 and on reducing the risk of sudden unexpected infant death during orientation and each calendar year thereafter.

(b) Sudden unexpected infant death reduction training required under this subdivision must be at least one-half hour in length. At a minimum, the training must address the risk factors related to sudden unexpected infant death, means of reducing the risk of sudden unexpected infant death in child care, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death.

(c) Except if completed during orientation, training taken under this subdivision may be used to meet the in-service training requirements under subdivision 9.

Subd. 7. **Abusive head trauma training.** (a) Before caring for children under school age, the director, staff persons, substitutes, and unsupervised volunteers must receive training on the risk of abusive head trauma during orientation and each calendar year thereafter.

(b) Abusive head trauma training under this subdivision must be at least one-half hour in length. At a minimum, the training must address the risk factors related to shaking infants and young children, means to reduce the risk of abusive head trauma in child care, and license holder communication with parents regarding reducing the risk of abusive head trauma.

(c) Except if completed during orientation, training taken under this subdivision may be used to meet the in-service training requirements under subdivision 9.

(d) The commissioner shall make available for viewing a video presentation on the dangers associated with shaking infants and young children, which may be used in conjunction with the annual training required under paragraph (b).

Subd. 8. **Child passenger restraint systems; training requirement.** (a) Before a license holder transports a child or children under age nine in a motor vehicle, the person placing the child or

children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles.

(b) Training required under this subdivision must be 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.

(c) Training required under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(d) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 25, in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

(e) Training completed under this subdivision may be used to meet in-service training requirements under subdivision 9. Training completed within the previous five years is transferable upon a staff person's change in employment to another child care center.

Subd. 9. **In-service training.** (a) A license holder must ensure that the center director, staff persons, substitutes, and unsupervised volunteers complete in-service training each calendar year.

(b) The center director and staff persons who work more than 20 hours per week must complete 24 hours of in-service training each calendar year. Staff persons who work 20 hours or less per week must complete 12 hours of in-service training each calendar year. Substitutes and unsupervised volunteers must complete at least two hours of training each year, and the training must include the requirements of paragraphs (d) to (g).

(c) The number of in-service training hours may be prorated for center directors and staff persons not employed for an entire year.

(d) Each year, in-service training must include:

(1) the center's procedures for maintaining health and safety according to section 142B.66 and Minnesota Rules, part 9503.0140, and handling emergencies and accidents according to Minnesota Rules, part 9503.0110;

(2) the reporting responsibilities under chapter 260E and Minnesota Rules, part 9503.0130;

(3) at least one-half hour of training on the standards under section 142B.46 and on reducing the risk of sudden unexpected infant death as required under subdivision 6, if applicable; and

(4) at least one-half hour of training on the risk of abusive head trauma from shaking infants and young children as required under subdivision 7, if applicable.

(e) Each year, or when a change is made, whichever is more frequent, in-service training must be provided on: (1) the center's risk reduction plan under section 142B.54, subdivision 2; and (2) a child's individual child care program plan as required under Minnesota Rules, part 9503.0065, subpart 3.

(f) At least once every two calendar years, the in-service training must include:

(1) child development and learning training under subdivision 3;

(2) pediatric first aid that meets the requirements of subdivision 4;

(3) pediatric cardiopulmonary resuscitation training that meets the requirements of subdivision 5;

(4) cultural dynamics training to increase awareness of cultural differences; and

(5) disabilities training to increase awareness of differing abilities of children.

(g) At least once every five years, in-service training must include child passenger restraint training that meets the requirements of subdivision 8, if applicable.

(h) The remaining hours of the in-service training requirement must be met by completing training in the following content areas of the Minnesota Knowledge and Competency Framework:

(1) Content area I: child development and learning;

(2) Content area II: developmentally appropriate learning experiences;

(3) Content area III: relationships with families;

(4) Content area IV: assessment, evaluation, and individualization;

(5) Content area V: historical and contemporary development of early childhood education;

(6) Content area VI: professionalism;

(7) Content area VII: health, safety, and nutrition; and

(8) Content area VIII: application through clinical experiences.

(i) For purposes of this subdivision, the following terms have the meanings given them.

(1) "Child development and learning training" means training in understanding how children develop physically, cognitively, emotionally, and socially and learn as part of the children's family, culture, and community.

(2) "Developmentally appropriate learning experiences" means creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, and promoting creative development.

(3) "Relationships with families" means training on building a positive, respectful relationship with the child's family.

(4) "Assessment, evaluation, and individualization" means training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality.

(5) "Historical and contemporary development of early childhood education" means training in past and current practices in early childhood education and how current events and issues affect children, families, and programs.

(6) "Professionalism" means training in knowledge, skills, and abilities that promote ongoing professional development.

(7) "Health, safety, and nutrition" means training in establishing health practices, ensuring safety, and providing healthy nutrition.

(8) "Application through clinical experiences" means clinical experiences in which a person applies effective teaching practices using a range of educational programming models.

(j) The license holder must ensure that documentation, as required in subdivision 10, includes the number of total training hours required to be completed, name of the training, the Minnesota Knowledge and Competency Framework content area, number of hours completed, and the director's approval of the training.

(k) In-service training completed by a staff person that is not specific to that child care center is transferable upon a staff person's change in employment to another child care program.

Subd. 10. **Documentation.** All training must be documented and maintained on site in each personnel record. In addition to any requirements for each training provided in this section, documentation for each staff person must include the staff person's first date of direct contact and first date of unsupervised contact with a child in care.

142B.66 CHILD CARE CENTER HEALTH AND SAFETY REQUIREMENTS.

Subdivision 1. **Allergy prevention and response.** (a) Before admitting a child for care, the license holder must obtain documentation of any known allergy from the child's parent or legal guardian or the child's source of medical care. If a child has a known allergy, the license holder must maintain current information about the allergy in the child's record and develop an individual child care program plan as specified in Minnesota Rules, part 9503.0065, subpart 3. The individual child care program plan must include but not be limited to a description of the allergy, specific triggers, avoidance techniques, symptoms of an allergic reaction, and procedures for responding to an allergic reaction, including medication, dosages, and a doctor's contact information.

(b) The license holder must ensure that each staff person who is responsible for carrying out the individual child care program plan review and follow the plan. Documentation of a staff person's review must be kept on site.

(c) At least once each calendar year or following any changes made to allergy-related information in the child's record, the license holder must update the child's individual child care program plan and inform each staff person who is responsible for carrying out the individual child care program plan of the change. The license holder must keep on site documentation that a staff person was informed of a change.

(d) A child's allergy information must be available at all times including on site, when on field trips, or during transportation. A child's food allergy information must be readily available to a staff person in the area where food is prepared and served to the child.

(e) The license holder must contact the child's parent or legal guardian as soon as possible in any instance of exposure or allergic reaction that requires medication or medical intervention. The license holder must call emergency medical services when epinephrine is administered to a child in the license holder's care.

Subd. 2. **Handling and disposal of bodily fluids.** The licensed child care center must comply with the following procedures for safely handling and disposing of bodily fluids:

(1) surfaces that come in contact with potentially infectious bodily fluids, including blood and vomit, must be cleaned and disinfected according to Minnesota Rules, part 9503.0005, subpart 11;

(2) blood-contaminated material must be disposed of in a plastic bag with a secure tie;

(3) sharp items used for a child with special care needs must be disposed of in a "sharps container." The sharps container must be stored out of reach of a child;

(4) the license holder must have the following bodily fluid disposal supplies in the center: disposable gloves, disposal bags, and eye protection; and

(5) the license holder must ensure that each staff person follows universal precautions to reduce the risk of spreading infectious disease.

Subd. 3. **Emergency preparedness.** (a) A licensed child care center must have a written emergency plan for emergencies that require evacuation, sheltering, or other protection of a child, such as fire, natural disaster, intruder, or other threatening situation that may pose a health or safety hazard to a child. The plan must be written on a form developed by the commissioner and must include:

(1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

(2) a designated relocation site and evacuation route;

(3) procedures for notifying a child's parent or legal guardian of the evacuation, relocation, shelter-in-place, or lockdown, including procedures for reunification with families;

(4) accommodations for a child with a disability or a chronic medical condition;

(5) procedures for storing a child's medically necessary medicine that facilitates easy removal during an evacuation or relocation;

(6) procedures for continuing operations in the period during and after a crisis;

(7) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities; and

(8) accommodations for infants and toddlers.

(b) The license holder must train staff persons on the emergency plan at orientation, when changes are made to the plan, and at least once each calendar year. Training must be documented in each staff person's personnel file.

(c) The license holder must conduct drills according to the requirements in Minnesota Rules, part 9503.0110, subpart 3. The date and time of the drills must be documented.

(d) The license holder must review and update the emergency plan each calendar year. Documentation of the yearly emergency plan review shall be maintained in the program's administrative records.

(e) The license holder must include the emergency plan in the program's policies and procedures as specified under section 142B.10, subdivision 21. The license holder must provide a physical or electronic copy of the emergency plan to the child's parent or legal guardian upon enrollment.

(f) The relocation site and evacuation route must be posted in a visible place as part of the written procedures for emergencies and accidents in Minnesota Rules, part 9503.0140, subpart 21.

Subd. 4. **Child passenger restraint requirements.** A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

Subd. 5. **Telephone requirement in licensed child care centers.** (a) A working telephone which is capable of making outgoing calls and receiving incoming calls must be located within the licensed child care center at all times. Staff must have access to a working telephone while providing care and supervision to children in care, even if the care occurs outside of the child care facility. A license holder may use a cellular telephone to meet the requirements of this subdivision.

(b) If a cellular telephone is used to satisfy the requirements of this subdivision, the cellular telephone must be accessible to staff, be stored in a centrally located area when not in use, and be sufficiently charged for use at all times.

142B.70 FAMILY CHILD CARE TRAINING REQUIREMENTS.

Subdivision 1. **Initial training.** (a) License holders, second adult caregivers, and substitutes must comply with the training requirements in this section.

(b) Helpers who assist with care on a regular basis must complete six hours of training within one year after the date of initial employment.

(c) Training requirements established under this section that must be completed prior to initial licensure must be satisfied only by a newly licensed child care provider or by a child care provider who has not held an active child care license in Minnesota in the previous 12 months. A child care provider who voluntarily cancels a license or allows the license to lapse for a period of less than 12 months and who seeks reinstatement of the lapsed or canceled license within 12 months of the lapse or cancellation must satisfy the annual, ongoing training requirements, and is not required to satisfy the training requirements that must be completed prior to initial licensure. A child care provider who relocates within the state must (1) satisfy the annual, ongoing training requirements according to the schedules established in this section and (2) not be required to satisfy the training requirements under this section that the child care provider completed prior to initial licensure. If a licensed provider moves to a new county, the new county is prohibited from requiring the provider to complete any orientation class or training for new providers.

(d) Before a second adult caregiver or substitute cares for a child or assists in the care of a child, the license holder must train the second adult caregiver or substitute on:

(1) the emergency preparedness plan required under section 142B.71, subdivision 3; and

(2) allergy prevention and response required under section 142B.71, subdivision 1.

Subd. 2. **Definitions and general provisions.** For the purposes of this section, the following terms have the meanings given:

(1) "second adult caregiver" means an adult who cares for children in the licensed program along with the license holder for a cumulative total of more than 500 hours annually;

(2) "helper" means a minor, ages 13 to 17, who assists in caring for children; and

(3) "substitute" means an adult who assumes responsibility for a license holder for a cumulative total of not more than 500 hours annually.

An adult who cares for children in the licensed program along with the license holder for a cumulative total of not more than 500 hours annually has the same training requirements as a substitute.

Subd. 3. **Child development and learning and behavior guidance training.** (a) For purposes of family and group family child care, the license holder and each second adult caregiver shall complete and document at least four hours of child development and learning and behavior guidance training prior to initial licensure, and before caring for children. For purposes of this subdivision, "child development and learning training" means training in understanding how children develop physically, cognitively, emotionally, and socially and learn as part of the children's family, culture, and community. "Behavior guidance training" means training in the understanding of the functions of child behavior and strategies for managing challenging situations. The training shall be developed or approved by the commissioner of children, youth, and families.

(b) Notwithstanding initial child development and learning and behavior guidance training requirements in paragraph (a), individuals are exempt from this requirement if they:

(1) have taken a three-credit course on early childhood development within the past five years;

(2) have received a baccalaureate or master's degree in early childhood education or school-age child care within the past five years;

(3) are licensed in Minnesota as a prekindergarten teacher, an early childhood educator, a kindergarten to grade 6 teacher with a prekindergarten specialty, an early childhood special education teacher, or an elementary teacher with a kindergarten endorsement; or

(4) have received a baccalaureate degree with a Montessori certificate within the past five years.

(c) The license holder and each second adult caregiver must annually take at least two hours of child development and learning or behavior guidance training. A three-credit course about early childhood development meets the requirements of this paragraph.

Subd. 4. **First aid.** (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric first aid. The first aid training must have been provided by an individual approved to provide first aid instruction. First aid training may be less than eight hours and persons qualified to provide first aid training include individuals approved as first aid instructors. License holders, second adult caregivers, and substitutes must repeat pediatric first aid training every two years within 90 days of the date the training was previously taken.

(b) Video training reviewed and approved by the county licensing agency satisfies the training requirement of this subdivision.

Subd. 5. **Cardiopulmonary resuscitation.** (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and children, and in the treatment of obstructed airways. The CPR training must have been provided by an individual approved to provide CPR instruction. License holders, second adult caregivers, and substitutes must repeat pediatric CPR training at least once every two years within 90 days of the date the training was previously taken, and the training must be documented in the license holder's records.

(b) Persons providing CPR training must use CPR training that has been developed:

(1) by the American Heart Association or the American Red Cross and incorporates psychomotor skills to support the instruction; or

(2) using nationally recognized, evidence-based guidelines for CPR training and incorporates psychomotor skills to support the instruction.

Subd. 6. **Sudden unexpected infant death and abusive head trauma training.** (a) License holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants, they are instructed on the standards in section 142B.46 and receive training on reducing the risk of sudden unexpected infant death. In addition, license holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants and children under school age, they receive training on reducing the risk of abusive head trauma from shaking infants and young children. The training in this subdivision may be provided as initial training under subdivision 1 or ongoing annual training under subdivision 8.

(b) Sudden unexpected infant death reduction training required under this subdivision must, at a minimum, address the risk factors related to sudden unexpected infant death, means of reducing the risk of sudden unexpected infant death in child care, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death.

(c) Abusive head trauma training required under this subdivision must, at a minimum, address the risk factors related to shaking infants and young children, means of reducing the risk of abusive head trauma in child care, and license holder communication with parents regarding reducing the risk of abusive head trauma.

(d) Training for family and group family child care providers must be developed by the commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved by the Minnesota Center for Professional Development. Sudden unexpected infant death reduction training and abusive head trauma training may be provided in a single course of no more than two hours in length.

(e) Sudden unexpected infant death reduction training and abusive head trauma training required under this subdivision must be completed in person or as allowed under subdivision 11, clause (1) or (2), at least once every two years. On the years when the individual receiving training is not receiving training in person or as allowed under subdivision 11, clause (1) or (2), the individual receiving training in accordance with this subdivision must receive sudden unexpected infant death reduction training and abusive head trauma training through a video of no more than one hour in length. The video must be developed or approved by the commissioner.

(f) An individual who is related to the license holder as defined in section 142B.01, subdivision 15, and who is involved only in the care of the license holder's own infant or child under school age and who is not designated to be a second adult caregiver, helper, or substitute for the licensed program, is exempt from the sudden unexpected infant death and abusive head trauma training.

Subd. 7. **Child passenger restraint systems; training requirement.** (a) A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

(b) Family and group family child care programs licensed by the Department of Children, Youth, and Families that serve a child or children under nine years of age must document training that fulfills the requirements in this subdivision.

(1) Before a license holder, second adult caregiver, substitute, or helper transports a child or children under age nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this subdivision may be used to meet initial training under subdivision 1 or ongoing training under subdivision 8.

(2) Training required under this subdivision must be at least one hour in length, completed at 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.

(3) Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(c) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 13, paragraph (f), in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

Subd. 8. **Training requirements for family and group family child care.** (a) For purposes of family and group family child care, the license holder and each second adult caregiver must complete 16 hours of ongoing training each year. Repeat of topical training requirements in subdivisions 3 to 9 shall count toward the annual 16-hour training requirement. Additional ongoing training subjects to meet the annual 16-hour training requirement must be selected from the following areas:

(1) child development and learning training in understanding how a child develops physically, cognitively, emotionally, and socially, and how a child learns as part of the child's family, culture, and community;

(2) developmentally appropriate learning experiences, including training in creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, promoting creative development; and behavior guidance;

(3) relationships with families, including training in building a positive, respectful relationship with the child's family;

(4) assessment, evaluation, and individualization, including training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality;

(5) historical and contemporary development of early childhood education, including training in past and current practices in early childhood education and how current events and issues affect children, families, and programs;

(6) professionalism, including training in knowledge, skills, and abilities that promote ongoing professional development; and

(7) health, safety, and nutrition, including training in establishing healthy practices; ensuring safety; and providing healthy nutrition.

(b) A provider who is approved as a trainer through the Develop data system may count up to two hours of training instruction toward the annual 16-hour training requirement in paragraph (a). The provider may only count training instruction hours for the first instance in which they deliver a particular content-specific training during each licensing year. Hours counted as training instruction must be approved through the Develop data system with attendance verified on the trainer's individual learning record and must be in Knowledge and Competency Framework content area VII A (Establishing Healthy Practices) or B (Ensuring Safety).

(c) Substitutes and adult caregivers who provide care for 500 or fewer hours per year must complete a minimum of one hour of training each calendar year, and the training must include the requirements in subdivisions 3, 4, 5, 6, and 9.

Subd. 9. **Other required training requirements.** (a) The training required of family and group family child care providers and staff must include training in the cultural dynamics of early childhood development and child care. The cultural dynamics and disabilities training and skills development of child care providers must be designed to achieve outcomes for providers of child care that include, but are not limited to:

(1) an understanding and support of the importance of culture and differences in ability in children's identity development;

(2) understanding the importance of awareness of cultural differences and similarities in working with children and their families;

(3) understanding and support of the needs of families and children with differences in ability;

(4) developing skills to help children develop unbiased attitudes about cultural differences and differences in ability;

(5) developing skills in culturally appropriate caregiving; and

(6) developing skills in appropriate caregiving for children of different abilities.

The commissioner shall approve the curriculum for cultural dynamics and disability training.

(b) The provider must meet the training requirement in section 142B.41, subdivision 9, paragraph (a), clause (4), to be eligible to allow a child cared for at the family child care or group family child care home to use the swimming pool located at the home.

Subd. 10. **Supervising for safety; training requirement.** (a) Courses required by this subdivision must include the following health and safety topics:

(1) preventing and controlling infectious diseases;

(2) administering medication;

(3) preventing and responding to allergies;

(4) ensuring building and physical premises safety;

(5) handling and storing biological contaminants;

(6) preventing and reporting child abuse and maltreatment; and

(7) emergency preparedness.

(b) Before initial licensure and before caring for a child, all family child care license holders and each second adult caregiver shall complete and document the completion of the six-hour Supervising for Safety for Family Child Care course developed by the commissioner.

(c) The license holder must ensure and document that, before caring for a child, all substitutes have completed the four-hour Basics of Licensed Family Child Care for Substitutes course developed by the commissioner, which must include health and safety topics as well as child development and learning.

(d) The family child care license holder and each second adult caregiver shall complete and document:

(1) the annual completion of either:

(i) a two-hour active supervision course developed by the commissioner; or

(ii) any courses in the ensuring safety competency area under the health, safety, and nutrition standard of the Knowledge and Competency Framework that the commissioner has identified as an active supervision training course; and

(2) the completion at least once every five years of the two-hour courses Health and Safety I and Health and Safety II. A license holder's or second adult caregiver's completion of either training in a given year meets the annual active supervision training requirement in clause (1).

(e) At least once every three years, license holders must ensure and document that substitutes have completed the four-hour Basics of Licensed Family Child Care for Substitutes course.

Subd. 11. **Approved training.** (a) The commissioner of children, youth, and families must post information on the department's website indicating the specific category within the Knowledge and Competency Framework that will satisfy training requirements for child development and learning, behavior guidance, and active supervision. County licensing staff must accept trainings designated as satisfying training requirements by the commissioner under this paragraph.

(b) Unless specifically authorized in this section, one training does not fulfill two different training requirements. Courses within the identified knowledge and competency areas that are specific to child care centers or legal nonlicensed providers do not fulfill the requirements of this section.

(c) County licensing staff must accept training approved by the Minnesota Center for Professional Development, including:

(1) face-to-face or classroom training;

(2) online training; and

(3) relationship-based professional development, such as mentoring, coaching, and consulting.

Subd. 12. **Provider training.** New and increased training requirements under this section must not be imposed on providers until the commissioner establishes statewide accessibility to the required provider training.

142B.71 FAMILY CHILD CARE HEALTH AND SAFETY REQUIREMENTS.

Subdivision 1. **Allergy prevention and response.** (a) Before admitting a child for care, the license holder must obtain information about any known allergy from the child's parent or legal guardian. The license holder must maintain current allergy information in each child's record. The allergy information must include a description of the allergy, specific triggers, avoidance techniques, symptoms of an allergic reaction, and procedures for responding to an allergic reaction, including medication, dosages, and a doctor's contact information.

(b) The child's allergy information must be documented on a form approved by the commissioner, readily available to all caregivers, and reviewed annually by the license holder and each caregiver.

Subd. 2. **Handling and disposal of bodily fluids.** The licensed family child care provider must comply with the following procedures for safely handling and disposing of bodily fluids:

(1) surfaces that come in contact with potentially infectious bodily fluids, including blood and vomit, must be cleaned and disinfected as described in section 142B.76;

(2) blood-contaminated material must be disposed of in a plastic bag with a secure tie;

(3) sharp items used for a child with special care needs must be disposed of in a "sharps container." The sharps container must be stored out of reach of a child; and

(4) the license holder must have the following bodily fluid disposal supplies available: disposable gloves, disposal bags, and eye protection.

Subd. 3. **Emergency preparedness plan.** (a) A licensed family child care provider must have a written emergency preparedness plan for emergencies that require evacuation, sheltering, or other protection of children, such as fire, natural disaster, intruder, or other threatening situation that may pose a health or safety hazard to children. The plan must be written on a form developed by the commissioner and updated at least annually. The plan must include:

(1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

(2) a designated relocation site and evacuation route;

(3) procedures for notifying a child's parent or legal guardian of the evacuation, shelter-in-place, or lockdown, including procedures for reunification with families;

(4) accommodations for a child with a disability or a chronic medical condition;

(5) procedures for storing a child's medically necessary medicine that facilitate easy removal during an evacuation or relocation;

(6) procedures for continuing operations in the period during and after a crisis;

(7) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities; and

(8) accommodations for infants and toddlers.

(b) The license holder must train caregivers before the caregiver provides care and at least annually on the emergency preparedness plan and document completion of this training.

(c) The license holder must conduct drills according to the requirements in Minnesota Rules, part 9502.0435, subpart 8. The date and time of the drills must be documented.

(d) The license holder must have the emergency preparedness plan available for review.

Subd. 4. **Transporting children.** A license holder must ensure compliance with all seat belt and child passenger restraint system requirements under section 169.685.

Subd. 5. **Telephone requirement.** Notwithstanding Minnesota Rules, part 9502.0435, subpart 8, item B, a license holder is not required to post a list of emergency numbers. A license holder may use a cellular telephone to meet the requirements of Minnesota Rules, part 9502.0435, subpart 8, if the cellular telephone is sufficiently charged for use at all times.

142B.72 FAMILY CHILD CARE PHYSICAL SPACE REQUIREMENTS.

Subdivision 1. **Means of escape.** (a) At least one emergency escape route separate from the main exit from the space must be available in: (1) each room used for sleeping by anyone receiving licensed care; and (2) a basement used for child care. One means of escape must be a stairway or door leading to the floor of exit discharge. The other must be a door or window leading directly outside. A window used as an emergency escape route must be openable without special knowledge.

(b) In homes with construction that began before March 31, 2020, the interior of the window leading directly outside must have a net clear opening area of not less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions of 20 inches wide and 20 inches high. The net clear opening dimensions shall be the result of normal operation of the opening. The opening must be no higher than 48 inches from the floor. The height to the window may be measured from a platform if a platform is located below the window.

(c) In homes with construction that began on or after March 31, 2020, the interior of the window leading directly outside must have minimum clear opening dimensions of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result of normal operation of the opening. The opening must be no higher than 44 inches from the floor.

Additional requirements are dependent on the distance of the openings from the ground outside the window: (1) windows or other openings with a sill height not more than 44 inches above or below the finished ground level adjacent to the opening (grade-floor emergency escape and rescue openings) must have a minimum opening of five square feet; and (2) non-grade-floor emergency escape and rescue openings must have a minimum opening of 5.7 square feet.

Subd. 2. **Door to attached garage.** (a) If there is an opening between an attached garage and a day care residence, there must be a door that is:

(1) a solid wood bonded-core door at least 1-3/8 inches thick;

(2) a steel insulated door at least 1-3/8 inches thick; or

(3) a door with a fire protection rating of 20 minutes.

(b) The separation wall on the garage side between the residence and garage must consist of 1/2-inch-thick gypsum wallboard or its equivalent.

Subd. 3. **Heating and venting systems.** (a) Notwithstanding Minnesota Rules, part 9502.0425, subpart 7, item C, items that can be ignited and support combustion, including but not limited to plastic, fabric, and wood products must not be located within:

(1) 18 inches of a gas or fuel-oil heater or furnace; or

(2) 36 inches of a solid-fuel-burning appliance.

(b) If a license holder produces manufacturer instructions listing a smaller distance, then the manufacturer instructions control the distance combustible items must be from gas, fuel-oil, or solid-fuel burning heaters or furnaces.

Subd. 4. **Fire extinguisher.** A portable, operational, multipurpose, dry chemical fire extinguisher with a minimum 2 A 10 BC rating must be located in or near the kitchen and cooking areas of the residence at all times. The fire extinguisher must be serviced annually by a qualified inspector. All caregivers must know how to properly use the fire extinguisher.

Subd. 5. **Carbon monoxide and smoke alarms.** (a) All homes must have an approved and operational carbon monoxide alarm installed within ten feet of each room used for sleeping children in care.

(b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly installed and maintained in hallways outside of rooms used for sleeping children and on all levels, including basements but not including crawl spaces and uninhabitable attics.

(c) In homes with construction that began on or after March 31, 2020, smoke alarms must be installed and maintained in each room used for sleeping children in care.

Subd. 6. **Updates.** After readoption of the Minnesota State Fire Code, the fire marshal must notify the commissioner of any changes that conflict with this section and Minnesota Rules, chapter 9502. The state fire marshal must identify necessary statutory changes to align statutes with the revised code. The commissioner must recommend updates to sections of this chapter that are derived from the Minnesota State Fire Code in the legislative session following readoption of the code.

Subd. 7. **Fire code variances.** When a variance is requested of the standards contained in subdivision 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from the state fire marshal of the variance requested and the alternative measures identified to ensure the safety of children in care.

Subd. 8. **Stairways.** (a) All stairways must meet the requirements in this subdivision.

(b) Stairways of four or more steps must have handrails on at least one side.

(c) Any open area between the handrail and stair tread must be enclosed with a protective guardrail as specified in the State Building Code. At open risers, openings located more than 30 inches or 762 millimeters as measured vertically to the floor or grade below must not permit the passage of a sphere four inches or 102 millimeters in diameter.

(d) Gates or barriers must be used when children aged six to 18 months are in care.

(e) Stairways must be well lit, in good repair, and free of clutter and obstructions.

142B.74 SUBSTITUTE CAREGIVERS AND REPLACEMENTS IN FAMILY CHILD CARE.

Subdivision 1. **Total hours allowed.** Notwithstanding Minnesota Rules, part 9502.0365, subpart 5, the use of a substitute caregiver in a licensed family child care program must be limited to a cumulative total of not more than 500 hours annually. The license holder must document the name, dates, and number of hours of the substitute who provided care.

Subd. 2. **Emergency replacement supervision.** (a) A license holder may allow an adult who has not completed the training requirements under this chapter or the background study requirements under chapter 245C to supervise children in a family child care program in an emergency. For purposes of this subdivision, an emergency is a situation in which:

(1) the license holder has begun operating the family child care program for the day and for reasons beyond the license holder's control, including, but not limited to a serious illness or injury, accident, or situation requiring the license holder's immediate attention, the license holder needs to leave the licensed space and close the program for the day; and

(2) the parents or guardians of the children attending the program are contacted to pick up their children as soon as is practicable.

(b) The license holder must make reasonable efforts to minimize the time the emergency replacement has unsupervised contact with the children in care, not to exceed 24 hours per emergency incident.

(c) The license holder shall not knowingly use a person as an emergency replacement who has committed an action or has been convicted of a crime that would cause the person to be disqualified from providing care to children, if a background study was conducted under chapter 245C.

(d) To the extent practicable, the license holder must attempt to arrange for emergency care by a substitute caregiver before using an emergency replacement.

(e) To the extent practicable, the license holder must notify the county licensing agency within seven days that an emergency replacement was used, and specify the circumstances that led to the use of the emergency replacement. The county licensing agency must notify the commissioner within three business days after receiving the license holder's notice that an emergency replacement was used, and specify the circumstances that led to the use of the emergency replacement.

(f) Notwithstanding the requirements in Minnesota Rules, part 9502.0405, a license holder is not required to provide the names of persons who may be used as replacements in emergencies to parents or the county licensing agency.

142B.75 FAMILY CHILD CARE INFANT SLEEP SUPERVISION REQUIREMENTS.

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.

Subd. 2. **Use of audio or visual monitoring devices.** In addition to conducting the in-person checks encouraged under subdivision 1, license holders serving infants are encouraged to use and maintain an audio or visual monitoring device to monitor each sleeping infant in care during all hours of sleep.

142B.76 FAMILY CHILD CARE DIAPERING AREA DISINFECTION.

Notwithstanding Minnesota Rules, part 9502.0435, a family child care provider may disinfect the diaper changing surface with chlorine bleach in a manner consistent with label directions for disinfection or with a surface disinfectant that meets the following criteria:

(1) the manufacturer's label or instructions state that the product is registered with the United States Environmental Protection Agency;

(2) the manufacturer's label or instructions state that the disinfectant is effective against Staphylococcus aureus, Salmonella enterica, and Pseudomonas aeruginosa;

(3) the manufacturer's label or instructions state that the disinfectant is effective with a ten minute or less contact time;

(4) the disinfectant is clearly labeled by the manufacturer with directions for mixing and use;

(5) the disinfectant is used only in accordance with the manufacturer's directions; and

(6) the product does not include triclosan or derivatives of triclosan.

142B.77 SUPERVISION OF FAMILY CHILD CARE LICENSE HOLDER'S OWN CHILD.

(a) Notwithstanding Minnesota Rules, part 9502.0365, subpart 5, and with the license holder's consent, an individual may be present in the licensed space, may supervise the family child care license holder's own child both inside and outside of the licensed space, and is exempt from the training and supervision requirements of this chapter and Minnesota Rules, chapter 9502, if the individual:

(1) is related to the license holder or to the license holder's child, as defined in section 142B.01, subdivision 15, or is a household member who the license holder has reported to the county agency;

(2) is not a designated caregiver, helper, or substitute for the licensed program;

(3) is involved only in the care of the license holder's own child; and

(4) does not have direct, unsupervised contact with any nonrelative children receiving services.

(b) If the individual in paragraph (a) is not a household member, the individual is also exempt from background study requirements under chapter 245C.

151.741 INSULIN MANUFACTURER REGISTRATION FEE.

Subd. 2. **Assessment of registration fee.** (a) The board shall assess each manufacturer an annual registration fee of $100,000, except as provided in paragraph (b). The board shall notify each manufacturer of this requirement beginning November 1, 2024, and each November 1 thereafter.

(b) A manufacturer may request an exemption from the annual registration fee. The board shall exempt a manufacturer from the annual registration fee if the manufacturer can demonstrate to the board, in the form and manner specified by the board, that gross revenue from sales of prescription insulin produced by that manufacturer and sold or delivered within or into Minnesota was less than five percent of the total gross revenue from sales of prescription insulin produced by all manufacturers and sold or delivered within or into Minnesota in the previous calendar year.

Subd. 3. **Payment of the registration fee; deposit of fee.** (a) Each manufacturer must pay the registration fee by March 1, 2025, and by each March 1 thereafter. In the event of a change in ownership of the manufacturer, the new owner must pay the registration fee that the original owner would have been assessed had the original owner retained ownership. The board may assess a late fee of ten percent per month or any portion of a month that the registration fee is paid after the due date.

(b) The registration fee, including any late fees, must be deposited in the insulin safety net program account.

Subd. 6. **Contingent transfer by commissioner.** If subdivisions 2 and 3, or the application of subdivisions 2 and 3 to any person or circumstance, are held invalid for any reason in a court of competent jurisdiction, the invalidity of subdivisions 2 and 3 does not affect other provisions of this act, and the commissioner of management and budget shall annually transfer from the health care access fund to the insulin safety net program account an amount sufficient to implement subdivision 4.

256B.0625 COVERED SERVICES.

Subd. 38. **Payments for mental health services.** Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals shall be 80 percent of the rate paid to doctoral-prepared professionals. Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals employed by community mental health centers shall be 100 percent of the rate paid to doctoral-prepared professionals. Payments for mental health services covered under the medical assistance program that are provided by physician assistants shall be 80.4 percent of the base rate paid to psychiatrists.

256B.198 PAYMENTS FOR NON-HOSPITAL-BASED GOVERNMENTAL HEALTH CENTERS.

(a) The commissioner may make payments to non-hospital-based health centers operated by a governmental entity for the difference between the expenditures incurred by the health center for patients eligible for medical assistance, and the payments to the health center for medical assistance permitted elsewhere under this chapter.

(b) The nonfederal share of payments authorized under paragraph (a) shall be provided through certified public expenditures authorized under section 256B.199, paragraph (b).

(c) Effective July 1, 2013, or no earlier than 12 months after implementation of a total cost of care demonstration project, Hennepin County may receive federal matching funds for certified public expenditures under paragraph (a), if the county participates in a total cost of care demonstration project under sections 256B.0755 and 256B.0756, or another total cost of care demonstration project approved by the commissioner, and the county exceeds the minimum performance threshold established by the commissioner for the demonstration project. The value of the federal matching

funds for the certified public expenditures allocated to Hennepin County shall be equal to the value of savings achieved above the minimum performance threshold. The same proportion of federal matching funds for certified public expenditure allocated to Hennepin County based on savings achieved under the demonstration project shall continue after the demonstration project and must continue to be paid to Hennepin County each year thereafter.

(d) Beginning July 1, 2014, or no earlier than 12 months after the initial allocation under paragraph (c) if a portion of the federal matching funds for certified public expenditure remains with the state, the commissioner shall annually determine if the savings from county's total cost of care demonstration project exceeded the savings from the previous year and allocate federal matching funds for certified public expenditures to Hennepin County equal to the amount of savings achieved above the amount achieved in the previous year. The proportion of federal matching funds for certified public expenditure allocated to Hennepin County shall be paid to Hennepin County each year thereafter, until no federal matching funds for certified public expenditures under paragraph (a) remain with the state.

(e) Nothing under this section precludes Hennepin County from receiving an additional gain-sharing payment or relieves the county from paying a downside risk-sharing payment to the state under the demonstration project under section 256B.0755.

256B.69 PREPAID HEALTH PLANS.

Subd. 6i. **Directed pharmacy dispensing payment.** (a) The commissioner shall provide a directed pharmacy dispensing payment of $4.50 per filled prescription to eligible outpatient retail pharmacies in Minnesota to improve and maintain access to pharmaceutical services in rural and underserved areas of Minnesota. Managed care and county-based purchasing plans delivering services under section 256B.69 or 256B.692, and any pharmacy benefit managers under contract with these entities, must pay the directed pharmacy dispensing payment to eligible outpatient retail pharmacies for drugs dispensed to medical assistance enrollees. The directed pharmacy dispensing payment is in addition to, and must not supplant or reduce, any other dispensing fee paid by these entities to the pharmacy. Entities paying the directed pharmacy dispensing payment must not reduce other payments to the pharmacy as a result of payment of the directed pharmacy dispensing payment.

(b) For purposes of this subdivision, "eligible outpatient retail pharmacy" means an outpatient retail pharmacy licensed under chapter 151 that is not owned, either directly or indirectly or through an affiliate or subsidiary, by a pharmacy benefit manager licensed under chapter 62W or a health carrier, as defined in section 62A.011, subdivision 2, and that:

(1) is located in a medically underserved area or primarily serves a medically underserved population, as defined by the United States Department of Health and Human Services Health Resources and Services Administration under United States Code, title 42, section 254; or

(2) shares common ownership with 13 or fewer Minnesota pharmacies.

(c) In order to receive the directed pharmacy dispensing payment, a pharmacy must submit to the commissioner a form, developed by the commissioner, attesting that the pharmacy meets the requirements of paragraph (b).

(d) Managed care and county-based purchasing plans, and any pharmacy benefit managers under contract with these entities, shall pay the directed pharmacy dispensing payment to eligible outpatient retail pharmacies. The commissioner shall monitor the effect of this requirement on access to pharmaceutical services in rural and underserved areas of Minnesota. If, for any contract year, federal approval is not received for this subdivision, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect removal of this subdivision. Contracts between managed care plans and county-based purchasing plans, and any pharmacy benefit managers under contract with these entities, and providers to whom this subdivision applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this subdivision. This subdivision expires if federal approval is not received for this subdivision at any time.

(e) This subdivision expires on December 31, 2026.

260.63 DEFINITIONS.

Subd. 9. **Disproportionality.** "Disproportionality" means the overrepresentation of African American children and other disproportionately represented children in Minnesota's child welfare

system population as compared to the representation of those children in Minnesota's total child population.

9502.0300 REPEALER AND EFFECTIVE DATE.

Subpart 1. **Repealer.** Minnesota Rules, parts 9545.0310, 9545.0320, 9545.0330, 9545.0340, 9545.0350, 9545.0360, 9545.0370, 9545.0380, 9545.0390, 9545.0400, 9545.0410, 9545.0420, 9545.0430, 9545.0440, and 9545.0450, are repealed, except for providers who are licensed under those parts. As to those providers, parts 9545.0310, 9545.0320, 9545.0330, 9545.0340, 9545.0350, 9545.0360, 9545.0370, 9545.0380, 9545.0390, 9545.0400, 9545.0410, 9545.0420, 9545.0430, 9545.0440, and 9545.0450 are repealed March 25, 1986.

Subp. 2. **Effective date.** Parts 9502.0315 to 9502.0445 take effect April 1, 1985, except for providers who are licensed on April 1, 1985 under parts 9545.0310 to 9545.0440. As to those providers, parts 9502.0315 to 9502.0445 take effect October 1, 1985, or on the first date the provider's license is renewed after March 25, 1985, whichever is later, except that parts 9502.0365 and 9502.0367 shall be construed not to require the exclusion from the day care facility of any child who is receiving care on March 25, 1985.

Any provider who is licensed under parts 9545.0310 to 9545.0440 April 1, 1985, and who is not providing care in a residence as defined by part 9502.0315, subpart 27, may be licensed under parts 9502.0315 to 9502.0445 until the provider ceases to give care in that facility or obtains a license to operate a day care center.

9502.0315 DEFINITIONS.

Subpart 1. **Applicability.** As used in parts 9502.0315 to 9502.0445, the following terms have the meanings given them.

Subp. 2. **Adult.** "Adult" means a person at least 18 years of age.

Subp. 3. **Agency.** "Agency" means the county or multicounty social or human service agency governed by the county board or multicounty human services board.

Subp. 4. **Applicant.** "Applicant" means the person seeking a license to be the primary provider of day care in the residence.

Subp. 5. **Building official.** "Building official" means the person appointed in accordance with Minnesota Statutes, section 326B.133, to administer the State Building Code, or the building official's authorized representative.

Subp. 6. **Caregiver.** "Caregiver" means the provider, substitute, helper, or another adult giving care in the residence.

Subp. 7. **Child.** "Child" means a person ten years of age or younger.

Subp. 8. **Commissioner.** "Commissioner" means the Minnesota commissioner of the Department of Human Services or the commissioner's authorized representative.

Subp. 9. **Day care.** "Day care" means the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24 hour day.

Subp. 10. **Department.** "Department" means the Minnesota Department of Human Services.

Subp. 11. **Family day care.** "Family day care" means day care for no more than ten children at one time of which no more than six are under school age. The licensed capacity must include all children of any caregiver when the children are present in the residence.

Subp. 12. **Fire marshal.** "Fire marshal" means the person designated by Minnesota Statutes, section 299F.011 to administer and enforce the State Fire Code, or the fire marshal's authorized representative.

Subp. 13. **Group family day care.** "Group family day care" means day care for no more than 14 children at any one time. The total number of children includes all children of any caregiver when the children are present in the residence.

Subp. 14. **Helper.** "Helper" means a person at least 13 years of age and less than 18 years of age who assists the provider with the care of children.

Subp. 15. **Agent of a community health board.** "Agent of a community health board" as authorized under Minnesota Statutes, section 145A.04, means the designated representative of the state or community health board authorized to enforce state and local health codes.

Subp. 16. **Infant.** "Infant" means a child who is at least six weeks of age but less than 12 months of age.

Subp. 17. **License.** "License" means a certificate issued by the commissioner authorizing the provider to give specified services for a specified period of time in accordance with the terms in parts 9502.0315 to 9502.0445; Minnesota Statutes, chapter 245A; and the rules of the department.

Subp. 18. **Licensed capacity.** "Licensed capacity" means the total number of children ten years of age or younger permitted at any one time in the residence. The licensed capacity includes all children of any caregiver when the children are present in the residence.

Subp. 19. **Medicine.** "Medicine" means a prescription or nonprescription substance taken internally or applied externally to prevent or cure disease, heal, or relieve pain.

Subp. 19a. **Mental illness.** "Mental illness" means the inability to interpret reality realistically and the impaired functioning in primary aspects of daily living, such as personal relations, living arrangements, work, and recreation; which is listed in the International Classification of Diseases (ICD-9-CM) Ninth Revision (1980), code range 290.0-299.9, or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-III) Third Edition (1980), Axes I, II, or III. These publications are incorporated by reference and are not subject to frequent change. They are available in the State Law Library.

Subp. 19b. **State Fire Code.** "State Fire Code" means those codes and regulations adopted by the state fire marshal in accordance with Minnesota Statutes, section 299F.011 and contained in chapter 7511.

Subp. 20. **Newborn.** "Newborn" means a child between birth and six weeks of age.

Subp. 21. **Parent.** "Parent" means a person who has the legal responsibility for a child such as the child's mother, father, or legally appointed guardian.

Subp. 22. **Preschooler.** "Preschooler" has the meaning given in Minnesota Statutes, section 245A.02, subdivision 19, paragraph (e).

Subp. 23. [Repealed, 10 SR 2617]

Subp. 24. **Provider.** "Provider" means the license holder and primary caregiver.

Subp. 25. **Related.** "Related" means any of the following relationships by marriage, blood, or adoption: parent, grandparent, brother, sister, stepparent, stepsister, stepbrother, uncle, aunt, child, niece, nephew. Related also includes a legally appointed guardian.

Subp. 26. **Regularly or regular basis.** "Regularly" or "regular basis" means a cumulative total of more than 30 days within any 12 month period.

Subp. 27. **Residence.** "Residence" means the dwelling unit, as defined by section 405 of the State Building Code, in which day care is provided and which is occupied as a home.

Subp. 28. **School age.** "School age" has the meaning given in Minnesota Statutes, section 245A.02, subdivision 19, paragraph (f).

Subp. 28a. **State Building Code.** "State Building Code" means those codes and regulations adopted by the commissioner of administration in accordance with Minnesota Statutes, section 326B.101 and contained in chapter 1300.

Subp. 29. **Substitute.** "Substitute" means an adult at least 18 years of age who assumes the responsibility of the provider as specified in part 9502.0365, subpart 5.

Subp. 29a. **Supervision.** "Supervision" means a caregiver being within sight or hearing of an infant, toddler, or preschooler at all times so that the caregiver is capable of intervening to protect the health and safety of the child. For the school age child, it means a caregiver being available for assistance and care so that the child's health and safety is protected.

Subp. 30. **Toddler.** "Toddler" has the meaning given in Minnesota Statutes, section 245A.02, subdivision 19, paragraph (d).

Subp. 31. **Variance.** "Variance" means written permission by the commissioner for a provider or applicant to depart from the provisions of parts 9502.0315 to 9502.0445.

9502.0325 LICENSING OF FACILITIES FOR CHILDREN FAMILY DAY CARE AND GROUP FAMILY DAY CARE HOMES.

Subpart 1. **Purpose.** The purpose of parts 9502.0315 to 9502.0445 is to establish procedures and standards for licensing family day care and group family day care homes to ensure that minimum levels of care and service are given and the protection, proper care, health, safety, and development of the children are assured.

Subp. 2. **Applicability.** Parts 9502.0315 to 9502.0445 as authorized by Minnesota Statutes, chapter 245A, govern the licensing of family day care homes and group family day care homes.

Subp. 3. **Exclusion from licensure.** Under Minnesota Statutes, section 245A.03, the following day care situations are excluded from licensure under parts 9502.0315 to 9502.0445:

A. day care provided by a relative to only related children; or

B. day care provided to children from a single, unrelated family, for any length of time; or

C. day care provided for a cumulative total of less than 30 days in any 12-month period; or

D. the exclusions contained in items A and B are mutually exclusive.

9502.0335 LICENSING PROCESS.

Subpart 1. **License application.** A license to operate a family or group family day care residence must be obtained from the department.

A. Application for a license must be made on the application form issued by the department. The application must be made in the county where the applicant resides.

B. The applicant shall be the person who will be the provider of care in the residence, present during the hours of operation, and who shall be legally responsible for the operation of the residence.

C. An application for licensure is complete when the applicant completes, signs, and submits all department forms and documentation needed for licensure to the agency and the agency receives all inspection, zoning, evaluation, and investigative reports, documentation, and information required to verify compliance with parts 9502.0315 to 9502.0445 and Minnesota Statutes.

Subp. 2. **Licensing study.** The applicant shall give the agency access to the residence for a licensing study to determine compliance with parts 9502.0315 to 9502.0445.

A. If, in the judgment of the agency representative, a potentially hazardous condition may be present, due to a violation of parts 9502.0315 to 9502.0445, the applicant shall obtain an inspection from a fire marshal, building official, or agent of a community

health board as authorized under Minnesota Statutes, section 145A.04 to verify the absence of hazard and report to the agency.

B. The residence must comply with any applicable local ordinances. If the commissioner or the agency has reasonable cause to believe a hazardous condition may be present and requests an inspection by a fire marshal, building official, or authorized agent, then any condition cited by a fire marshal, building official, or authorized agent as hazardous and creating an immediate danger of fire, or threat to human life and safety, must be corrected or a variance approved in accordance with subparts 8, 8a, and 8b prior to issuance of a license.

C. An initial inspection of the residence by a fire marshal to determine compliance with the State Fire Code and compliance with orders issued are conditions of licensure for all residences with freestanding solid fuel heating appliances; manufactured (mobile) homes; new applicants for licensure with a licensed capacity of more than ten; day care residences which use the basement for child care; and residences in mixed or multiple occupancy buildings. "Multiple occupancy building" means a structure with two or more residential dwelling units such as a duplex, apartment building, or townhome. "Mixed occupancy building" means a residence in a structure that contains nonresidential occupancies or an attached garage.

D. The commissioner or agency may require, prior to licensure, or anytime during the licensed term of day care, a physical, mental illness, or chemical dependency or abuse evaluation of any caregiver or person living in the residence or present during the hours children are in care if the agency has reasonable cause to believe that any of the disqualification factors in subpart 6, item A, exist, or that the provider is not physically able to care for the children. These evaluations, conducted by a licensed physician, psychiatrist, psychologist, consulting psychologist, or certified chemical dependency practitioner or counselor may be used to verify physical or mental illness, chemical dependency or chemical abuse, or behavior that would reflect on the ability of the provider to give day care.

Subp. 3. [Repealed, 15 SR 2105]

Subp. 4. **Period of licensure; nontransfer.** A license must be issued by the department when the provider fully complies with parts 9502.0315 to 9502.0445. The period of licensure may be up to two years. The license must not be transferred to another provider.

Subp. 5. **Initial license.** An applicant for initial licensure may be granted a license by the department for up to two years if all laws and rules cannot be met immediately, the deviations from parts 9502.0315 to 9502.0445 do not threaten the health, rights, or safety of the children, and which will be corrected within the time specified by the commissioner but not to exceed two years. Failure to correct deviations within the stated time shall be cause for revocation, suspension, or nonrenewal.

Subp. 6. **Disqualification factors.** An applicant or provider shall not be issued a license or the license shall be revoked, not renewed, or suspended if the applicant, provider, or any other person living in the day care residence or present during the hours children are in care, or working with children:

A. Abuses prescription drugs or uses controlled substances as specified in Minnesota Statutes, chapter 152, or alcohol, to the extent that the use or abuse has or may have a negative effect on the ability of the provider to give care or is apparent during the hours children are in care. Caregivers who have abused prescription drugs or have been dependent on controlled substances as specified in Minnesota Statutes, chapter 152, or alcohol, such that the use, abuse, or dependency has had a negative effect on the ability to give care, was apparent during the hours children are in care, or required treatment or therapy, must have 12 months of verified abstinence before licensure.

B. [Repealed, L 1991 c 38 s 2]

C. Refuses to give written consent for the disclosure of criminal history records as specified in Minnesota Statutes, section 245C.09.

D. Has a disqualification under Minnesota Statutes, section 245C.15, that is not set aside under Minnesota Statutes, section 245C.22, or for which a variance has not been granted under Minnesota Statutes, section 245C.30.

E. Has had a child placed in foster care within the past 12 months and the agency determines the reasons for placement reflect on the ability of the provider to give care. A license may not be denied if the primary reason for the placement was due to a physical illness of the parent, developmental disability of the child, a disability of the child, or for the temporary care of an infant being relinquished for adoption.

F. Has had a child placed in residential treatment within the past 12 months for emotional disturbance or antisocial behavior and the agency determines that the reasons for the placement reflect on the ability of the provider to give care.

Subp. 7. [Repealed, 15 SR 2043]

Subp. 8. **Variance standard.** An applicant or provider may request a variance from compliance with parts 9502.0315 to 9502.0445. When reviewing a variance request of parts 9502.0315 and 9502.0445, the department shall assess whether alternative methods are identified by the applicant or provider to ensure the health, safety, and protection of children in care. A variance may be granted only if:

A. the applicant complies with all applicable laws, ordinances, and regulations;

B. specific equivalent measures are identified by the applicant or provider to ensure the health, safety, and protection of the children in care;

C. any variance to the safety provisions in part 9502.0425, subparts 4, 5, 6, 7, 12, 15, 16, 17, and 18 which relate to the State Fire Code is approved by a fire marshal and alternative measures are identified to ensure the safety of children in care;

D. any variance of the provisions in part 9502.0435 relating to sanitation and health and part 9502.0445 on water, food, and nutrition are approved by an authorized agent and alternative measures are identified to ensure the health of children in care;

E. any variance of the provisions in part 9502.0425 relating to subparts 10, stairways; 11, decks; and 13, sewage disposal which relate to the State Building Code, are approved by a building official and alternative measures are identified to ensure the health and safety of children in care; and

F. any variance to subpart 6, item F must have clear and convincing evidence presented by the applicant or provider that no threat or harm whatsoever will result to the children in care due to the granting of the variance. The department shall consider the nature of the crime committed and the amount of time which has elapsed without a repeat of the crime.

Subp. 8a. **Variance procedure.** Request for a variance must comply with and be handled according to the following procedures.

A. An applicant or provider must submit to the agency a written request for a variance. The request must include the following information:

(1) the sections of parts 9502.0315 to 9502.0445 with which the applicant or provider cannot comply;

(2) the reasons why the applicant or provider needs to depart from the specified sections;

(3) the period of time for which the applicant or provider requests a variance; and

(4) the specific equivalent alternative measures which the applicant or provider will provide so the health, safety, and protection of children in care are ensured if the variance is granted.

B. An applicant or provider must submit to the agency written approval from a fire marshal of a variance request and the alternative measures identified to ensure the safety of children in care when a variance of the fire safety provisions in part 9502.0425 on physical environment is requested. These are part 9502.0425, subpart 4, means of escape; subpart 5, occupancy separations; subpart 6, vertical separations; subpart 7, heating and venting systems; subpart 12, locks and latches; subpart 15, interior walls and ceilings; subpart 16, extinguishers; subpart 17, smoke detection systems; and subpart 18, electrical services.

C. An applicant or provider must submit to the agency written approval from an authorized agent of a variance request and the alternative measures identified to ensure the safety of children in care when a variance of the health provisions in parts 9502.0435 on sanitation and health, and 9502.0445 on water, food, and nutrition is requested.

D. An applicant or provider must submit to the agency written approval from a building official of a variance request and alternative measures identified to ensure the health and safety of children in care when a variance is requested of the standards contained in part 9502.0425 relating to subparts 10, stairways; 11, decks; and 13, sewage disposal.

Subp. 8b. [Repealed, 30 SR 585]

Subp. 9. **License terms.** The license must indicate:

A. the number and age groupings of children who may receive care at any one time;

B. the expiration date of the license and location of the residence;

C. the name and address of the provider; and

D. that the provider is licensed under parts 9502.0315 to 9502.0445 of Minnesota Rules.

Subp. 10. **Posting license.** The provider shall post the license in the residence in a prominent place.

Subp. 11. **Change in license terms.** The following shall apply to changes in the terms of a license.

A. A new department application form must be submitted by the provider and a full licensing study as specified in part 9502.0335, subpart 2, must be completed when the provider wants to move the day care operation to a new residence or the provider wants to change to group family day care from family day care.

B. A new department application form indicating the changes in the ages and numbers of children in care must be completed when the provider wants to change to family day care from group family day care.

C. A background study must be initiated and completed as required under Minnesota Statutes, chapter 245C.

Subp. 12. **Number of licenses.** No provider shall be issued a license to operate more than one day care residence.

Subp. 13. **Access to residence.** The provider shall give authorized representatives of the commissioner or agency access to the residence during the hours of operation to determine whether the residence complies with the standards of parts 9502.0315 to 9502.0445. Access shall include:

A. the residence to be occupied by children in care;

B. any adjoining land or buildings owned or operated by the applicant or provider in conjunction with the provision of day care and designed for use by the children in care;

C. noninterference in interviewing all caregivers and household members present in the residence on a regular basis and present during the hours of operation; and

D. the right to view and photocopy the records and documents specified in part 9502.0405.

Subp. 14. [Repealed, 15 SR 2105]

Subp. 15. **Return of license to commissioner.** When a provider stops giving care, or if a license is revoked, suspended, or not renewed, the provider shall return the license to the commissioner, stop all advertising and refrain from providing care to children in excess of the exclusions specified in part 9502.0325, subpart 3.

Subp. 16. [Repealed, 15 SR 2105]

9502.0341 NEGATIVE LICENSING ACTIONS.

Subpart 1. [Repealed, 15 SR 2105]

Subp. 2. **Definitions.** For the purposes of this subpart, negative licensing actions shall mean denial of application for licensure, issuance of a fine, revocation, suspension, or temporary immediate suspension of an existing license.

Subp. 3. **Procedures.** In accordance with Minnesota Statutes, section 245A.06 or 245A.07, failure to comply with parts 9502.0315 to 9502.0445 or the terms of licensure is grounds for a negative licensing action. If the agency recommends a negative licensing action, the agency shall notify the department and the department shall determine if the standards in parts 9502.0315 to 9502.0445 or the terms of licensure have been violated. If the grounds are sufficient, the commissioner shall notify the applicant or provider by certified mail unless personal service is required by subpart 9. The notice must be addressed to the name and location shown on the application or license and contain a statement of, and the reasons for, the proposed action. The notice must inform the applicant or provider of the right to appeal the decision within the specified time period. The applicant or provider shall be notified of the specific appeal rights provided under chapter 245A.

Subp. 3a. **Fine.** If the commissioner issues a fine, the provider must be informed of the reason for the fine and the right to a contested case hearing under Minnesota Statutes, chapter 14, and parts 1400.8505 to 1400.8612 as provided in Minnesota Statutes, section 245A.07, subdivision 3.

Subp. 4. **Denial.** If the commissioner denies an application for licensure, the applicant must be informed of the reason the application was denied and the right to a contested case hearing under Minnesota Statutes, chapter 14, and parts 1400.8505 to 1400.8612 as provided in Minnesota Statutes, section 245A.05.

Subp. 5. **Revocation.** If the commissioner revokes a license, the provider must be informed of the reason for the revocation and the right to a contested case hearing under Minnesota Statutes, chapter 14, and parts 1400.8505 to 1400.8612 as provided in Minnesota Statutes, section 245A.07, subdivision 3.

Subp. 6. [Repealed, 30 SR 585]

Subp. 7. [Repealed, 30 SR 585]

Subp. 8. **Suspension.** If the commissioner suspends a license, the provider must be informed of the reason for the suspension and the right to a contested case hearing under Minnesota Statutes, chapter 14, and parts 1400.8505 to 1400.8612 as provided in Minnesota Statutes, section 245A.07, subdivision 3.

Subp. 9. **Temporary immediate suspension.** If the provider's actions or failure to comply with applicable law or rule poses an imminent risk of harm to the health, safety, or

rights of the children in care, the commissioner shall act immediately to temporarily suspend the license. The provider shall be informed by personal service and informed of the right to an expedited hearing under Minnesota Statutes, chapter 14, and parts 1400.8505 to 1400.8612 as provided in Minnesota Statutes, section 245A.07, subdivisions 2 and 2a.

Subp. 9a. [Repealed, 15 SR 2105]

Subp. 10. **Notice to parents of recommended action.** As soon as the county recommends revocation, suspension, a conditional license, or temporary immediate suspension action, a notice of the circumstances for the action, but not the identity of a child, other than the parent's own, shall be sent by the agency to the parents of children in care. If the provider remains in operation and exercises a right to a hearing, the provider must give a copy of the Notice of and Order for Hearing on the appeal to the parents of any child currently enrolled or seeking admission to the residence.

Subp. 11. **Reapplication after revocation or denial.** A provider whose license has been revoked because of noncompliance with applicable laws or rules, shall not be granted a new license for five years following revocation. When the commissioner initiates an action to revoke a license, the provider may not voluntarily withdraw his or her license without written assurance from the provider that he or she is voluntarily accepting revocation and will not reapply for five years. An applicant whose application was denied shall not be granted a new license for two years following a denial, unless the applicant's subsequent application contains new information which constitutes a substantial change in the condition that caused the previous denial.

9502.0345 AGENCY RECORDS.

Subpart 1. **Agency records.** The agency shall maintain the following records for each provider:

A. A copy of the completed licensing application form signed by the applicant and the agency.

B. The physical health reports on any adult giving care in the residence on a regular basis.

C. Any written reports from the fire marshal, agent of a community health board as authorized under Minnesota Statutes, section 145A.04, or building official.

D. The agency's initial and any renewal licensing studies.

E. If the applicant has been licensed through another jurisdiction, the agency shall request and keep a reference from the licensing authority in that jurisdiction.

F. The annual relicensing evaluation by the agency of the provider. Any comments of the provider about the evaluation by the agency shall also be noted in the agency record.

G. Documentation of any variances of parts 9502.0315 to 9502.0445.

H. Arrest, conviction, or criminal history information and substantiated maltreatment information used to disqualify an individual required to have a background study under Minnesota Statutes, chapter 245C.

Subp. 2. **Data privacy.** The agency, department, and the authorized agent shall have access to provider records on children in care to determine compliance with parts 9502.0315 to 9502.0445. The provider shall not disclose any records on children in care to any persons other than the parents of the child, the agency, the department, the persons required by part 9502.0375, subpart 1, and medical or public safety persons if information is necessary to protect the health and safety of the child.

9502.0355 CAREGIVER QUALIFICATIONS.

Subpart 1. **Age.** An applicant for family day care or group family day care shall be an adult at the time of licensure.

Subp. 2. **Health.** An adult caregiver shall be physically able to care for children.

A. The applicant shall supply documentation to the agency with the license application that the applicant has had a physical examination from a licensed physician within 12 months prior to initial licensure and is physically able to care for children.

B. The applicant shall supply documentation to the agency with the license application that all adult caregivers who are assisting with care on a regular basis have had a physical examination from a licensed physician within 12 months prior to employment within the residence and are physically able to care for children.

Subp. 3. **Group family day care.** A group family day care applicant shall meet all the requirements listed in subparts 1 and 2 for family day care. A group family day care applicant shall also meet the qualifications in item A, B, or C.

A. A minimum of one years' substantial compliance with parts 9502.0315 to 9502.0445 as a licensed family day care provider; or

B. A minimum of six months' substantial compliance with parts 9502.0315 to 9502.0445 as a licensed family day care provider; and

(1) completion of an accredited competency based family day care training and assessment program offered by an accredited institute; or

(2) thirty hours of child care, health, and nutrition training as specified in part 9502.0385, and a minimum of 520 hours of experience as an assistant teacher, student teacher, or intern in an elementary school or licensed child care center, or as an assistant adult caregiver in a licensed group family day care home; or

(3) thirty hours of child development or early childhood education training, as specified in part 9502.0385, and a minimum of 520 hours of experience as a licensed practical or registered nurse; or

C. Certification or licensure indicating:

(1) completion of a two year child development or early childhood education associate or certificate program at an accredited college or university;

(2) completion of a nine month child development assistant program at an accredited technical college;

(3) a current Level I or Level II prekindergarten license from the Department of Education;

(4) a kindergarten through sixth grade teaching degree from an accredited university or college that includes a minimum of 30 hours of child development training; or

(5) documentation of a minimum of six months satisfactory experience as a full-time teacher at a state licensed group day care center.

Subp. 3a. **Accredited.** For the purposes of this part, "accredited" means a postsecondary institution or technical college recognized and listed by a regional, state, or national group approved by the department. To be approved, a group must meet the following criteria:

A. it must be capable of conducting site visits to evaluate the facilities used by the program;

B. it must be capable of evaluating the quality of the program and its faculty;

C. it must have standards which ensure that persons who complete the program have the knowledge and training to work as group family day care providers; and

D. it must not be affiliated with any individual program, postsecondary institution, or technical college.

Subp. 4. **Day care insurance coverage.** A provider shall have:

A. a certificate of insurance for the residence for general liability coverage for bodily injury in the amount of at least $100,000 per person and $250,000 per occurrence; or

B. if the provider has liability coverage of lesser limits or no liability coverage, the provider shall give a written notice of the level of liability coverage to parents of all children in care prior to admission or when there is a change in the amount of insurance coverage; and

C. the provider shall maintain copies of the notice, signed by the parents to indicate they have read and understood it, in the provider's records on the residence as specified in part 9502.0405.

9502.0365 LICENSED CAPACITY, CHILD/ADULT RATIOS, AGE DISTRIBUTION RESTRICTIONS.

Subpart 1. **Capacity limits.** Family day care and group family day care providers shall comply with part 9502.0367, which limits the total number of children and the number of preschoolers, toddlers, and infants who may be in care at any one time, and provides for the number of adults who are required to be present.

A. Providers shall be licensed for the total number of children, ten years of age or younger, who are present in the residence at any one time. The licensed capacity must include all children of any caregiver when the children are present in the residence.

B. Within the licensed capacity, the age distribution restrictions specify the maximum number of children under school age, infants, and toddlers who are in care at any one time.

Subp. 2. **Specialized infant and toddler group family day care.** In specialized infant and toddler group family day care, the caregivers must be adults.

Subp. 3. **Newborn care.** When a newborn is in care and only one adult caregiver is present, the newborn shall be the only child under 12 months of age and the provider shall not care for more than two other children at the same time unless another adult caregiver is also present or the newborn is the provider's own.

Subp. 4. **Helpers.** A helper may be used in place of a second adult caregiver when there is no more than one infant or toddler present.

Subp. 5. **Supervision and use of substitutes.** A licensed provider must be the primary provider of care in the residence. Children in care must be supervised by a caregiver. The use of a substitute caregiver must be limited to a cumulative total of not more than 30 days in any 12-month period.

9502.0367 CHILD/ADULT RATIOS; AGE DISTRIBUTION RESTRICTIONS.

A. Family Day Care:

Child/Adult Ratio		Age Restrictions	
Licensed Capacity	Adults	Total children under school age	Total infants and toddlers

10	1	6	Of the total children under school age, a combined total of no more than 3 shall be infants and toddlers. Of this total, no more than 2 shall be infants.

B. Specialized Infant and Toddler Family Day Care:

(1) 5	1	3	No more than 3 shall be infants.
(2) 6	1	4	No more than 2 shall be infants.

C. Group Family Day Care:

(1) 10	1	8	Of the total children under school age, a combined total of no more than 3 shall be infants and toddlers. Of this total, no more than 2 shall be infants.
(2) 12	1	10	Of the total children under school age, a combined total of no more than 2 shall be infants and toddlers. Of this total, no more than 1 shall be an infant.
(3) 14	2	10	Of the total children under school age, a combined total of no more than 4 shall be infants and toddlers. Of this total, no more than 3 shall be infants.
A helper may be used in place of a second adult caregiver when there is no more than 1 infant or toddler present.			

D. Specialized Infant and Toddler Group Family Day Care:

9	2	7	Of the total children, no more than 4 shall be infants.
Both caregivers shall be adults.			

9502.0375 REPORTING TO AGENCY.

Subpart 1. **Abuse, neglect reporting.** All caregivers shall report any suspected physical abuse, sexual abuse, or neglect of a child to the agency or police as required by Minnesota Statutes, chapter 260E. If a caregiver has reasonable cause to believe a child has died as a result of physical or sexual abuse or neglect, the caregiver shall report this information to the county medical examiner or coroner.

Subp. 2. **Other reporting.** The provider shall inform the agency:

A. within 30 days of any change in the regular membership of the household within the day care residence or the addition of an employee who will regularly be providing care;

B. immediately of any suspected case of physical or sexual abuse or neglect;

C. within 48 hours after the occurrence of a fire that requires the service of a fire department so the agency may determine continued substantial compliance with parts 9502.0315 to 9502.0445; and

D. immediately after the occurrence of any serious injury or death of a child within the day care residence. A serious injury is one that is treated by a physician.

9502.0395 BEHAVIOR GUIDANCE.

Subpart 1. **Methods.** Caregivers shall give each child guidance which helps the child acquire a positive self-concept, self-control, and teaches acceptable behavior.

A. The provider shall discuss methods of behavior guidance with parents at the time of admission and the parent's standards shall be considered by the provider within the context of this part when guiding the behavior of a child.

B. Behavior guidance used by caregivers must be constructive, positive, and suited to the age of the child. Methods of intervention, guidance, and redirection must be used.

Subp. 2. **Standards.** The following shall apply to all caregivers when guiding behavior in children.

A. No child shall be subject to corporal punishment or emotional abuse. "Corporal punishment" means the nonaccidental infliction of physical pain on a child by a caregiver. Corporal punishment includes, but is not limited to, rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, hitting, and spanking. "Emotional abuse" means the infliction of verbal or psychological abuse on a child by a caregiver. Emotional abuse includes, but is not limited to, name calling, ostracism, shaming, derogatory remarks about the child or child's family, and threats which threaten, humiliate, or frighten the child.

B. Food, light, warmth, clothing, and medical care shall not be withheld from the child.

C. Discipline and punishment shall not be delegated to another child.

D. The separation of a child from a group to guide behavior must be appropriate to the age of the child and circumstances requiring the separation.

E. An infant shall not be separated from the group for disciplinary reasons.

F. A child shall not be separated from the group for a period longer than ten minutes.

G. A child separated from the group must be placed in an area or separate room that is well-lighted, free from hazards, ventilated, and open to the view of caregivers.

H. No child shall be placed in a locked room to separate the child from the group.

Subp. 3. **Toilet training.** If toilet training is undertaken, the provider and parent shall cooperatively develop a plan for the timing and method of training.

A. No child shall be punished for toileting accidents.

B. A child shall be offered opportunity for toileting.

9502.0405 ADMISSIONS; PROVIDER RECORDS; REPORTING.

Subpart 1. **Cooperating with parents.** When admitting a child to day care, the provider and parents shall discuss child rearing, sleeping, feeding, and behavior guidance practices essential for the care of the child.

Subp. 2. **Rule summary for parents.** A descriptive summary of parts 9502.0315 to 9502.0445 shall be distributed to the parent by the provider at the time a child is admitted to care. The summary shall be provided by the department to the agency for distribution to the provider. The summary shall be written in language that is understandable to the general public and:

A. state that parts 9502.0315 to 9502.0445 govern the licensing of day care residences;

B. specify the rule part headings contained in parts 9502.0315 to 9502.0445; and

C. state that a complete copy of parts 9502.0315 to 9502.0445 may be seen at the day care residence, the agency, department, or State Law Library, or purchased from the Print Communications Division, Department of Administration, State of Minnesota, 117 University Avenue, Saint Paul, Minnesota 55155.

Subp. 3. **Provider policies.** The provider shall have the following written information available for discussion with parents or the agency:

A. the ages and numbers of children in care in the residence;

B. the hours and days of operation;

C. meals and snacks to be served;

D. labeling requirements for food brought from the child's home;

E. sleeping and rest arrangements;

F. nondiscrimination practices to comply with subpart 6;

G. policies for the care of ill children, disease notification procedures, immunizations, and medicine permission policies;

H. emergency, fire, and storm plans and the monthly fire drill log;

I. seat belt and transportation plans and field trip and transportation permission requirements;

J. fees;

K. termination and notice procedures;

L. plans for a helper and substitute for emergencies, vacations, or holidays;

M. the presence of pets in the residence;

N. a complete copy of parts 9502.0315 to 9502.0445;

O. insurance coverage; and

P. whether or not smoking is permitted in the residence during the hours children are in care.

Subp. 4. **Records for each child.** The provider shall obtain the information required by items A to C from parents prior to admission of a child. The provider shall keep this information up-to-date and on file for each child.

A. The signed and completed admission and arrangements form of the department must be on file in the provider's home and contain the following information:

(1) Name and birthdate of the child.

(2) Full name of parents.

(3) Home address, work address, and telephone numbers where parents may be reached.

(4) Name, address, and telephone number of physician, dentist, and hospital to be used for emergencies when parents cannot be reached.

(5) Name, address, and telephone number of persons to be notified in case of emergency, when parents cannot be reached.

(6) Names of all persons authorized to remove the child from the residence.

(7) Enrollment dates.

(8) Financial arrangements.

(9) Insurance notification specified in part 9502.0355, subpart 4.

B. Special instructions from the parent shall be obtained in writing and followed about toilet training, eating, sleeping or napping, allergies, and any health problems.

C. Immunization records must be kept in accordance with Minnesota Statutes, section 121A.15. The provider shall request, update, and keep on file the dates of immunizations received by a child in regular attendance at the residence as follows:

(1) for an infant, every six months;

(2) for a toddler, annually;

(3) for a preschool child, every 18 months; and

(4) for a school-age child, every three years.

D. Signed written consent must be obtained in advance from the parent so the provider can obtain emergency medical care or treatment. The consent may be used if the parent cannot be reached or is delayed in arriving.

E. Written permission to transport children must be obtained from parents if the provider will be transporting a child.

F. A provider shall release a child from care only to a parent or a person authorized by the parent.

Subp. 5. **Children with disabilities.** For children with disabilities requiring special therapy, program, or behavior guidance, the parents, physician, or therapist shall provide and the provider shall follow written instructions for any special needs. "Child with a disability" means a child who has been determined by a physician, a school district multidisciplinary team, or other person licensed to identify disabling conditions, to have a hearing, mental, neurological, developmental, serious emotional, social, learning, speech or language, physical, or visual impairment.

Subp. 6. **Nondiscrimination.** No caregiver shall discriminate in relation to admissions on the basis of race, creed, color, national origin, religion, or sex.

9502.0415 ACTIVITIES AND EQUIPMENT.

Subpart 1. **General activities.** Day care activities must provide for the physical, intellectual, emotional, and social development of the child. The environment must facilitate the implementation of the activities. Activities must:

A. be scheduled indoors and outdoors, weather permitting;

B. be appropriate to the developmental stage and age of the child;

C. include active and quiet activity; and

D. contain provider-directed and child-initiated activity.

Subp. 2. [Repealed, 10 SR 2617]

Subp. 3. **Equipment.** The provider must have the equipment specified in this part in adequate quantities for the number and ages of children in care and to carry out the activities specified in this part. Equipment may be new, used, commercial, or homemade, as long as it is appropriate for the ages of the children and activities for which it will be used, safe, and in good repair.

Subp. 4. **Newborn or infant activities.** The provider shall:

A. Hold the infant or newborn during bottle feedings until the child can hold its own bottle. Bottles must not be propped.

B. Respond to the infant or newborn's attempts to communicate.

C. Provide freedom of movement to the infant or newborn during a large part of the waking day to the extent that safety and weather permits. The noncreeping child shall spend part of each day out of a crib or infant seat. The creeping infant or newborn shall have freedom to explore outside of the crib or infant seat.

D. Give the infant or newborn opportunity to stimulate the senses by providing a variety of activities and objects to see, touch, feel, smell, hear, and taste.

E. Provide activities for the infant or newborn that develop the child's manipulative and fine motor skills, self-awareness, and social responsiveness.

Subp. 5. **Newborn or infant equipment.** The following minimum equipment is required for each infant or newborn:

A. an infant seat or high chair; and

B. a crib, portable crib, or playpen with waterproof mattress or pad which meets the requirements in part 9502.0425, subpart 9.

Subp. 6. **Toddler activities.** The provider shall:

A. Provide the toddler with freedom of movement and freedom to explore outside the crib or playpen.

B. Talk to, listen to, and interact with the toddler to encourage language development.

C. Provide the toddler with large muscle activities and activities which develop the child's small muscles and manipulative skills.

D. Develop and stimulate learning by reading stories to the child or looking at picture books together.

E. Give the toddler opportunities to stimulate the senses by providing a variety of age-appropriate activities and objects to see, touch, feel, smell, hear, and taste.

Subp. 7. **Toddler equipment.** Each toddler shall be provided with a mat, crib, cot, bed, sofa, or sleeping bag.

Subp. 8. **Preschooler activities.** The provider shall:

A. Encourage conversation between the child and other children and adults.

B. Provide opportunity to play near and with other children; provide time and space for individual and group play; allow for quiet times to talk or rest; allow for unplanned time and individual play time.

C. Foster understanding of personal and peer feelings and actions and allow for the constructive release of feelings and anger through discussion or play.

D. Give assistance in toileting and provide time to carry out self-help skills and provide opportunity to be responsible for activities like putting away play equipment and helping around the house.

E. Provide opportunity for each child to make decisions about daily activities and to take credit for the consequences of decisions.

F. Provide time and areas for age appropriate large muscle play.

G. Provide learning, small muscle, manipulative, creative or sensory activities.

H. Read stories, look at books together, and talk about new words and ideas with the child.

Subp. 9. **Preschooler equipment.** Each preschooler shall be provided with a mat, bed, cot, sofa, or sleeping bag.

Subp. 10. **School-age activities.** The provider shall:

A. provide opportunities for individual discussion about the happenings of the day and planning for activities;

B. provide space and opportunity for games, activities, or sports using the whole body, outdoors, weather permitting;

C. provide space and opportunity for individual rest and quiet time;

D. allow increased freedom as the child demonstrates increased responsibility;

E. provide opportunities for group experiences with other children;

F. provide opportunities to develop or expand self-help skills or real-life experiences; and

G. provide opportunities for creative and dramatic activity, arts and crafts, or field trips.

Subp. 11. [Repealed, 10 SR 2617]

Subp. 12. **Written permission.** Written permission must be obtained from the parent to allow a school-age child in care to participate in activities away from the residence.

9502.0425 PHYSICAL ENVIRONMENT.

Subpart 1. **Indoor space.** The licensed capacity of the day care residence must be limited by the amount of usable indoor space available to children. A minimum of 35 square feet of usable indoor space is required per child.

A. Bathrooms, closets, space occupied by major appliances, and other space not used by children may not be counted as usable space. Space occupied by adult furniture, if it is used by children, may be counted as usable indoor space.

B. Usable indoor space may include a basement if it has been inspected by a fire marshal, is free of hazard, and meets the minimum exiting standards specified in subpart 4.

Subp. 2. **Outdoor play space.** There must be an outdoor play space of at least 50 square feet per child in attendance, adjacent to the residence, for regular use, or a park, playground, or play space within 1,500 feet of the residence. On-site supervision must be provided by a caregiver for children of less than school age when play space is not adjacent to the residence. Enclosure may be required by the agency to provide protection from rail, traffic, water, or machinery hazard. The area must be free of litter, rubbish, toxic materials, water hazards, machinery, unlocked vehicles, human or animal wastes, and sewage contaminants.

Subp. 3. **Water hazards.** Swimming and wading pools, beaches, or other bodies of water on or adjacent to the site of the residence must be inaccessible to children except during periods of supervised use. Wading pools, as defined in chapter 4717, must be kept clean. When children use a swimming pool, as defined in chapter 4717, or beach, an attendant trained in first aid and resuscitation shall be present. Any public swimming pool, as defined in chapter 4717, used by children must meet the requirements of chapter 4717.

Subp. 4. [Repealed, L 2019 1Sp9 art 2 s 134]

Subp. 5. [Repealed, L 2024 c 115 art 19 s 30]

Subp. 6. **Vertical separations.** For group family day care homes with a licensed capacity of more than ten children, a 1-3/4 inch solid wood core door or a door and frame with at least a 20-minute fire protection rating, must be provided whenever more than two

floors of the residence are connected. These doors must be equipped with self-closing devices.

Subp. 7. **Heating and venting systems.** The following heating and venting guidelines must be met:

A. Stove and heater locations must not block escape in case of a fire.

B. Gas, coal, wood, kerosene, or oil heaters must be vented to the outside in accordance with the State Building Code.

C. Combustible items must not be located within 36 inches of the furnace or other heating sources.

D. Whenever in use, fireplaces, wood-burning stoves, solid fuel appliances, space heaters, steam radiators, and other potentially hot surfaces, such as steam pipes, must be protected by guards to prevent burns. All fireplaces, wood-burning stoves, space heaters, steam radiators, and furnaces must be installed according to the State Building Code.

E. The furnace, hot water heater, and workshop area must be inaccessible to children. Separation may be by a door, partition, or gate. There must be allowance for air circulation to the furnace.

F. Ventilation of usable space must meet the requirements of the State Building Code. Outside doors and windows used for ventilation in summer months must be screened when biting insects are prevalent.

Subp. 8. **Temperature.** A minimum temperature of 62 degrees Fahrenheit must be maintained in indoor areas used by children.

Subp. 9. **Infant and newborn sleeping space.** There must be a safe, comfortable sleeping space for each infant and newborn. A crib, portable crib, or playpen with waterproof mattress or pad must be provided for each infant or newborn in care. The equipment must be of safe and sturdy construction that conforms to volume 16, parts 1508 to 1508.7 and parts 1509 to 1509.9 of the Code of Federal Regulations, its successor, or have a bar or rail pattern such that a 2-3/8 inch diameter sphere cannot pass through. Playpens with mesh sidings must not be used for the care or sleeping of infants or newborns.

Subp. 10. [Repealed, L 2024 c 115 art 19 s 30]

Subp. 11. **Decks.** Decks, balconies, or lofts used by children more than 30 inches above the ground or floor must be surrounded by a protective guardrail and be constructed in accordance with the State Building Code. Wooden decks must be free of splinters and coated with wood preservative, paint, or constructed with treated wood.

Subp. 12. **Locks and latches.** Door locks and latches must meet the following guidelines:

A. a closet door latch must be made so that children can open the door from inside the closet;

B. every bathroom door lock must permit opening of the locked door from the outside and the opening device must be readily accessible to all caregivers; and

C. double cylinder (key required both sides) locks on exit doors are prohibited.

Subp. 13. **Sewage disposal.** Day care residences must have toilet facilities and sewage disposal systems that conform to the State Building Code or local septic system ordinances. The toilets must flush thoroughly. Outdoor toilets are permissible when local ordinances allow.

Subp. 14. **Construction, remodeling.** During construction or remodeling, children shall not have access to dangerous construction or remodeling areas within or around the residence.

Subp. 15. **Interior walls and ceilings.** The interior walls and ceilings within the residence, as well as corridors, stairways, and lobbies must have a flame spread rating of 200 or less.

Subp. 16. [Repealed, L 2019 1Sp9 art 2 s 134]

Subp. 17. [Repealed, L 2019 1Sp9 art 2 s 134]

Subp. 18. **Electrical services.** The following electrical guidelines must be met:

A. all electric receptacles accessible to children under first grade must be tamper-proof or shielded when not in use;

B. all major electrical appliances must be properly installed, grounded in accordance with the state electric code, and in good working order;

C. extension cords shall not be used as a substitute for permanent wiring; extension cords and flexible cords shall not be affixed to structures, extended through walls, ceilings, floors, under doors or floor coverings, nor be subject to environmental damage or physical impact; and

D. electrical wiring must be sized to provide for the load and be in good repair.

Subp. 19. **Smoking prohibited in group family child care home.** Pursuant to Minnesota Statutes, section 144.414, subdivision 2, smoking is prohibited in a group family child care provider's home during hours of operation.

9502.0435 SANITATION AND HEALTH.

Subpart 1. **Sanitation and cleanliness.** The residence must be free from accumulations of dirt, rubbish, or peeling paint.

Subp. 2. **Pest control.** Effective measures must be taken to protect the home against vermin and insects. Chemicals for insect and rodent control must not be applied in areas accessible to children when children are present.

Subp. 3. **Rubbish.** Indoor and outdoor garbage and rubbish containers must not be accessible to infants and toddlers.

Subp. 4. **Toxic substances.** All medicines, chemicals, detergents, poisonous plants, alcoholic beverages, and other toxic substances must be inaccessible to children. They must be stored away from food products. Equipment or toys which are mouthed or may be chewed must be free of lead-based paint. Toys and equipment with chipped, cracked, or peeling paint must be tested to verify the absence of lead or be replaced.

Subp. 5. **Firearms.** All firearms must be unloaded and inaccessible to children. Ammunition and firearms must be stored in separate locked areas.

Subp. 6. **Hazardous activity materials.** Knives, matches, plastic bags, and other potential hazards must be kept out of the reach of infants, toddlers, and preschoolers. The use of potentially hazardous materials and tools must be supervised.

Subp. 7. **First aid kit.** The provider shall have a first aid kit that contains bandages, sterile compresses, scissors, an ice bag or cold pack, an oral or surface thermometer, mild liquid soap, and adhesive tape. A first aid manual must be included. The kit and manual must be accessible and taken on field trips.

Subp. 8. **Emergencies.** The provider shall be prepared for emergencies.

A. An operable telephone must be located within the residence.

B. Emergency phone numbers must be posted by the telephone. The numbers must be those of the local fire department, police department, emergency transportation, and poison control center.

C. The emergency phone numbers of the parents and child's physician and dentist must be readily available within the residence and taken on field trips.

D. Prior arrangements must be made for a substitute to provide care during emergencies.

E. For severe storms and tornadoes, the provider shall have a designated area within the residence that children shall go to for cover, and an operable battery flashlight, and portable radio or TV available.

F. The provider shall have a written fire escape plan and a log of monthly fire and storm drills on file in the residence. The plan must be approved by the agency and specify:

(1) emergency phone numbers;

(2) a place to meet outdoors for roll call;

(3) smoke detector and fire extinguisher locations;

(4) plans for monthly fire and tornado drill sessions; and

(5) escape routes to the outside from all levels used by children. In buildings with three or more dwelling units, enclosed exit stairs must be indicated.

Subp. 9. **Transportation of children.** When transportation is given to children in a motor vehicle other than a bus or school bus operated by a common carrier, the following provisions for their safety must be made.

A. A child may be transported only if the child is fastened in a safety seat, seat belt, or harness appropriate to the child's weight and the restraint is installed and used in accordance with the manufacturer's instructions.

B. A child under the age of four may be transported only if the child is securely fastened in a child passenger restraint system which meets the federal motor vehicle safety standards contained in Code of Federal Regulations, title 49, section 571.213 or its successor.

C. Any vehicle operated by the provider for the transportation of children must be licensed in accordance with the laws of the state and the driver shall hold a current, valid driver's license.

D. Written permission to transport children must be obtained from parents.

E. No child is permitted to remain unattended in any vehicle.

Subp. 10. **Separation of personal articles.** Separate towels, wash cloths, drinking cups, combs, and other personal articles must be used for each child.

Subp. 11. **Bedding.** Clean, separate bedding must be provided for each child in care.

Subp. 12. **Pets.** All pets housed within the residence shall be maintained in good health and limited to dogs, cats, fish, guinea pigs, gerbils, rabbits, hamsters, rats, mice, and birds if the birds are clear of chlamydia psittaci. The provider shall ensure that:

A. parents are notified prior to admission of the presence of pets in the residence;

B. children handle animals only with supervision;

C. rabies shots and tags are current for all dogs and cats;

D. pet cages are located and cleaned away from any food preparation, storage, or serving areas;

E. play areas are free of animal excrement not confined to pet cages;

F. parents of a child whose skin is broken by an animal bite or scratch, are notified of the injury on the day the injury occurs; and

G. the agent of a community health board as authorized under Minnesota Statutes, section 145A.04 is immediately notified whenever a child in care is bitten by an animal, the notification shall be given before any steps are taken to destroy the animal, and the provider shall take reasonable steps to confine the animal.

Subp. 13. **Diapers.** Children in diapers shall be kept clean and dry. The following sanitary procedures must be used to reduce the spread of communicable disease.

A. An adequate supply of clean diapers must be available for each child and stored in a clean place inaccessible to children. If cloth diapers are used, parents must provide a change of the outer plastic pants for each fecally soiled diaper change. Cloth diapers, except those supplied by a commercial diaper service, and plastic pants, if supplied by parents, must be labeled with the child's name.

B. Diapers and clothing must be changed when wet or soiled.

C. For disposable diapers, a covered diaper disposal container must be located in the diaper changing area and lined with a disposable plastic bag. The container must be emptied when full, and at least daily.

D. Diapering must not take place in a food preparation area. The diaper changing area must be covered with a smooth, nonabsorbent surface. If the surface is not disposable and is wet or soiled, it must be washed with soap and water to remove debris and then disinfected with a solution of at least two teaspoons of chlorine bleach to one quart of water. If the surface is not soiled with feces or urine, then it must be disinfected with the solution of chlorine bleach and water after each diapering.

E. Single service disposable wipes or freshly laundered cloths must be used for washing a soiled child. A child who has soiled or wet must be washed with a disposable wipe or a freshly laundered cloth before rediapering.

F. Cloth diapers, except those supplied by a commercial diaper service, plastic pants, and soiled clothing must be placed in the plastic bag after removal and sent home with the parent daily.

Subp. 14. **Toilet training chairs.** Toilet training chairs, chairs, stools, and seats must be washed with soap and water when soiled, and at least daily.

Subp. 15. **Hand washing.** A child's hands must be washed with soap and water when soiled, after the use of a toilet or toilet training chair, and before eating a meal or snack. The provider shall monitor and assist the child who needs help.

A. In sinks and tubs accessible to children, the water temperature must not exceed 120 degrees Fahrenheit to prevent children from scalding themselves while washing.

B. Caregivers shall wash their hands with soap and water after each diaper change, after assisting a child on the toilet, after washing the diapering surface, and before food preparation. Hands must be dried on a single use towel.

Subp. 16. **Care of ill children, medicine administration.** The following provisions must be followed for the care of ill children and the administration of medicine.

A. The provider shall notify the parent immediately when a child in care develops any of the following symptoms:

(1) underarm temperature of 100 degrees Fahrenheit or over, or an oral temperature of 101 degrees Fahrenheit or over;

(2) vomiting;

(3) diarrhea; or

(4) rash, other than mild diaper or heat-related rash.

B. The provider shall follow written instructions from an authorized agent or the physician of an ill child placed in the provider's care if the child has any of the illnesses specified in item E.

C. The provider shall require that a child's parent notify the provider within 24 hours of the diagnosis of a serious contagious illness or parasitic infestation listed in item E so the provider may notify the parents of other children in care.

D. The provider shall inform a parent of each exposed child the same day the provider is notified a positive diagnosis has been made for any of the illnesses or parasitic infestations in item E.

E. The provider shall notify the authorized agent or Minnesota Department of Health of any suspected case of reportable disease as specified in part 4605.7040. The agency shall provide the provider with a copy of part 4605.7040 at the time of initial licensure.

F. The following govern the administration of medicine by the provider to children in care:

(1) The provider shall obtain written permission from the child's parent prior to administering medicine, diapering products, sunscreen lotions, and insect repellents. Nonprescription medicines, diapering products, sunscreen lotions, and insect repellents must be administered according to the manufacturer's instructions unless there are written instructions for their use provided by a licensed physician or dentist.

(2) The provider shall obtain and follow written instructions from a licensed physician or dentist prior to administering each prescription medicine. Medicine with the child's name and current prescription information on the label constitutes instructions.

9502.0445 WATER, FOOD, AND NUTRITION.

Subpart 1. **Water.** There must be a safe water supply in the residence.

A. Water from privately owned wells, must be tested annually by a Minnesota Health Department certified laboratory for coliform bacteria and nitrate nitrogens to verify safety. The provider shall file a record of the test results with the agency. Retesting and corrective measures may be required by the agency if results exceed state drinking water standards or where the supply may be subject to off-site contamination.

B. Drinking water must be available to the children and offered at frequent intervals in separate or single service drinking cups or bottles.

Subp. 2. **Milk.** Milk served to children in care must be pasteurized.

Subp. 3. **Meals and snacks.** Well-balanced meals and snacks must be offered daily.

A. Food served during the day must include servings from each of the basic food groups as defined by the United States Department of Agriculture's Code of Federal Regulations, title 7, section 226.20.

B. The provider shall follow written instructions obtained from the parents, at the time of enrollment, on each child's special diet or food needs. Parents shall be consulted about special food preferences.

C. Flexible feeding schedules must be provided for infants and toddlers, and the infant or toddler's usual diet and feeding schedule must be followed.

D. Food, lunches, and bottles brought from home must be labeled with the child's name and refrigerated when necessary. Bottles must be washed after use.

Subp. 4. **Food safety.** Food must be handled and stored properly to prevent contamination and spoilage.

A. All food and cooking utensils must be stored to protect them from dust, vermin, pipe leakage, or other contamination.

B. Food requiring refrigeration must be maintained at no more than 40 degrees Fahrenheit. Food requiring heating must be maintained at no less than 150 degrees Fahrenheit until ready to serve. Frozen food must be maintained in a solid state until used.

C. Appliances used in food storage and preparation must be safe and clean.

D. No hermetically sealed (canned), nonacid or low-acid food which has been processed in a place other than a commercial food-processing establishment shall be served to children in care. Low-acid food includes meats, fish, and poultry and most vegetables and is required to be steam-pressure canned by the United States Department of Agriculture in Bulletin number 8, "Home Canning of Fruits and Vegetables," 1983 Edition. Fresh and frozen foods, properly canned tomatoes, pickled foods, and canned fruits such as apples, berries, peaches, apricots, jams, and jellies may be served to children in care. The USDA "Home Canning of Fruits and Vegetables," Home and Garden Bulletin number 8, 1983 Edition, is incorporated by reference. It is not subject to frequent change and is available through Minitex interlibrary loan system, or by writing the Superintendent of Documents, U.S. Government Printing Office, Washington D.C., 20402.

9503.0005 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply to parts 9503.0005 to 9503.0170.

Subp. 2. **Age category.** "Age category" means the designation given a child according to the child's age. The age categories are as follows:

A. "Infant" means a child who is at least six weeks old but less than 16 months old.

B. "Toddler" means a child at least 16 months old but less than 33 months old.

C. "Preschooler" means a child who is at least 33 months old but who has not yet attended the first day of kindergarten.

D. "School-age child" has the meaning given in Minnesota Statutes, section 245A.02, subdivision 16.

The age designation given a child may be further modified in accordance with part 9503.0040, subpart 4.

Subp. 3. **Applicant.** "Applicant" means a person, corporation, partnership, voluntary association, or other organization that has applied for licensure under Minnesota Statutes, chapter 245A, and parts 9503.0005 to 9503.0170. The term includes license holders that have applied for a new license to continue operating a child care program after the expiration date of their current license.

Subp. 4. **Building official.** "Building official" means a person appointed according to Minnesota Statutes, section 326B.133, to administer the State Building Code. The term includes the appointee's authorized representative.

Subp. 5. **Center.** "Center" means a facility in which a child care program is operated when the facility is not excluded by Minnesota Statutes, section 245A.03, subdivision 2, and is not required to be licensed under parts 9502.0315 to 9502.0445 as a family or group family day care home.

Subp. 6. **Child.** "Child" means a person 12 years old or younger.

Subp. 7. **Child care program.** "Child care program" means the systematic organization or arrangement of activities, personnel, materials, and equipment in a facility to promote the physical, intellectual, social, and emotional development of a child in the absence of the parent for a period of less than 24 hours a day.

Subp. 8. **Child care program plan.** "Child care program plan" means the written document that states the specific activities that will be provided by the license holder to

promote the physical, intellectual, social, and emotional development of the children enrolled in the center.

Subp. 9. **Clean.** "Clean" means free from dirt or other contaminants that can be detected by sight, smell, or touch.

Subp. 10. **Commissioner.** "Commissioner" means the commissioner of the Department of Human Services or the commissioner's designated representative.

Subp. 11. **Disinfected.** "Disinfected" means treated to reduce microorganism contamination after an object has been cleaned. Disinfection must be done by rinsing or wiping with a solution of one-fourth cup chlorine bleach plus water to equal one gallon, or an equivalent product or process approved by the community health board as defined in Minnesota Statutes, section 145A.02, or its designee.

Subp. 12. **Facility.** "Facility" means the indoor and outdoor space in which the child care program is provided.

Subp. 13. **Fire marshal.** "Fire marshal" means the person designated by Minnesota Statutes, section 299F.011, to administer and enforce the Minnesota Uniform Fire Code. The term includes the fire marshal's authorized representative.

Subp. 14. **Health consultant.** "Health consultant" means a physician licensed to practice medicine under Minnesota Statutes, chapter 147; a public health nurse or registered nurse licensed under Minnesota Statutes, section 148.171; or the community health board as defined in Minnesota Statutes, section 145A.02, or its designee.

Subp. 15. **License.** "License" means a certificate issued by the commissioner authorizing the license holder to operate a child care program in a center for a specified period of time in accordance with the terms of the license, rules of the commissioner, and provisions of Minnesota Statutes, chapter 245A.

Subp. 16. **License holder.** "License holder" means the individual, corporation, partnership, voluntary association, or other organization legally responsible for the operation of the child care program in a center that has been granted a license by the commissioner under Minnesota Statutes, chapter 245A, and parts 9503.0005 to 9503.0170.

Subp. 17. **Licensed capacity.** "Licensed capacity" means the maximum number of children for which the license holder is licensed to operate a child care program in a center at any one time.

Subp. 18. **Medicine.** "Medicine" means a substance used to treat disease or injuries, maintain health, heal, or relieve pain. The term applies to prescription and nonprescription substances taken internally or applied externally.

Subp. 19. **Minnesota Uniform Fire Code.** "Minnesota Uniform Fire Code" means those codes and regulations adopted by the state fire marshal according to Minnesota Statutes, section 299F.011.

Subp. 20. **Parent.** "Parent" means the person or persons with legal custody of the child.

Subp. 21. **Program staff person.** "Program staff person" means a teacher, assistant teacher, or aide, whether paid or unpaid, who carries out the child care program plan in the center and has direct contact with children.

Subp. 21a. **School-age child care program.** "School-age child care program" has the meaning given in Minnesota Statutes, section 245A.02, subdivision 17.

Subp. 22. **Sick child.** "Sick child" means a child with a condition or illness as specified in part 9503.0080.

Subp. 23. **Staff person.** "Staff person" means a person, whether paid or unpaid, who works in the center.

Subp. 24. **State Building Code.** "State Building Code" means those codes and regulations adopted by the commissioner of the Department of Administration according to Minnesota Statutes, section 326B.101, and contained in chapter 1300.

Subp. 25. **Supervision.** "Supervision" has the meaning given in Minnesota Statutes, section 245A.02, subdivision 18.

Subp. 26. **Variance.** "Variance" means time limited written permission by the commissioner for an applicant or license holder to depart from the provisions of parts 9503.0005 to 9503.0170 if equivalent alternative measures are taken to ensure the health, safety, and rights of the children in care.

9503.0010 APPLICABILITY.

Parts 9503.0005 to 9503.0170 govern the licensure of the applicants for and license holders operating a child care program in a center.

9503.0015 OPTIONS FOR CHILD CARE PROGRAMS.

A license holder must provide one or more of the following child care programs:

A. A "day program" means a child care program operated during normal waking hours (approximately 6 a.m. to 6 p.m.). The program:

(1) operates for more than 30 days in any 12 month period and is not excluded by Minnesota Statutes, section 245A.03, subdivision 2; and

(2) provides care to any child for more than 30 days in any 12 month period and 45 hours in any calendar month.

B. A "drop-in child care program" has the meaning given in Minnesota Statutes, section 245A.02, subdivision 6a.

C. A "night care program" means a child care program operated during normal sleeping hours (approximately 6 p.m. to 6 a.m.).

D. A "sick care program" means a child care program that provides care to a sick child.

E. A "school-age child care program" has the meaning given in Minnesota Statutes, section 245A.02, subdivision 17.

9503.0030 QUALIFICATIONS OF APPLICANT AND STAFF.

Subpart 1. **Definitions.** In parts 9503.0030 to 9503.0034:

A. "Accredited course" means a course that is offered for credit by or through an accredited postsecondary institution.

B. [Repealed, L 2025 1Sp3 art 14 s 22]

C. "Experience" means paid or unpaid employment serving children as a teacher, assistant teacher, or aide, in a licensed child care center, or work as a student intern in a licensed center, a school operated by the commissioner of education or by a legally constituted local school board, or a private school approved under rules administered by the commissioner of education.

D. "Student intern" means a student of a postsecondary institution assigned by that institution for a supervised experience with children. The experience must be in a licensed center, an elementary school operated by the commissioner of education or a legally constituted local school board, or a private school approved under rules administered by the commissioner of education. The term includes a person who is practice teaching, student teaching, or carrying out a practicum or internship.

E. "Staff supervision" means responsibility to hire, train, assign duties, and direct staff in day to day activities and evaluate staff performance. A "supervisor" is a person with staff supervision responsibility.

Subp. 2. [Repealed, 18 SR 2748]

Subp. 3. [Repealed, 18 SR 2748]

Subp. 4. [Repealed, 18 SR 2748]

9503.0031 DIRECTORS.

Subpart 1. **General requirements for a director.** A director must:

A. be at least 18 years old;

B. be a graduate of a high school or hold an equivalent diploma attained through successful completion of the commissioner of education-selected high school equivalency test;

C. have at least 1,040 hours of paid or unpaid staff supervision experience; and

D. have at least nine quarter credits or 90 hours earned in any combination of accredited courses in staff supervision, human relations, and child development.

Subp. 2. **Additional requirements.** If a director functions as a teacher or develops or revises the child care program plan, the director must meet the qualifications of a teacher specified in part 9503.0032.

9503.0032 TEACHERS.

Subpart 1. **Teacher qualifications, general.** A teacher must be at least 18 years old and meet the qualifications in subpart 2 with the following exceptions:

A. A registered nurse or licensed practical nurse is qualified as a teacher for infants only.

B. A registered nurse may be used to meet the staff-to-child ratios for a teacher for sick care in a center licensed to operate a sick care program.

Subp. 2. **Teacher education and experience requirements.** A teacher with the credential listed in column A must have the education and experience listed in column B.

Column A	Column B
(1) A high school diploma or commissioner of education-selected high school equivalency certification	Experience: 4,160 hours as assistant teacher Education: 24 quarter credits
(2) Diploma from Association Montessori Internationale; preprimary credential, primary diploma, or provisional certificate from the American Montessori Society, without a baccalaureate degree	Experience: 2,080 hours as assistant teacher, aide, or student intern Education: 12 quarter credits
(3) Preprimary credential, primary diploma, or provisional certificate from the American Montessori Society; or diploma from the Association Montessori Internationale with a baccalaureate degree	Experience: 1,040 hours as assistant teacher, aide, or student intern Education: no additional required

(4) Minnesota technical institute certificate as a Child Development Assistant	Experience: 2,080 hours as an assistant teacher Education: six quarter credits
(5) Child Development Associate credential (center based or family day care) for preschool or for infants and toddlers from the Council for Early Childhood Professional Recognition	Experience: 1,560 hours as assistant teacher, aide, or student intern Education: no additional required
(6) License from the Minnesota Department of Education for Prekindergarten Associate; or a certificate or credential for a two-year program from an accredited community college or technical college in child development or early childhood education	Experience: 1,040 hours as assistant teacher, aide, or student intern Education: six quarter credits
(7) Baccalaureate degree from an accredited college or university in any field	Experience: 1,040 hours as assistant teacher, aide, or student intern Education: 18 quarter credits
(8) License from the Minnesota Department of Education for elementary education without kindergarten endorsement	Experience: 520 hours as assistant teacher, aide, or student intern if teaching children under school age Education: six quarter credits within one year of initial employment if teaching children under school age
(9) License from the Minnesota Department of Education for prekindergarten/nursery, or a license from the Minnesota Department of Education for elementary education with a kindergarten endorsement	Experience: no additional required Education: no additional required

9503.0033 ASSISTANT TEACHERS.

Subpart 1. **Assistant teacher qualifications, general.** An assistant teacher must work under the supervision of a teacher. An assistant teacher must be at least 18 years old and meet the qualifications in subpart 2 with the following exceptions:

A. A registered nurse or licensed practical nurse is qualified as an assistant teacher for infants only.

B. A registered nurse may be used to meet the staff-to-child ratios for an assistant teacher for sick care in a center licensed to operate a sick care program.

Subp. 2. **Assistant teacher education and experience requirements.** An assistant teacher with the credential listed in column A must have the education and experience listed in column B.

Column A	Column B
(1) High school diploma or commissioner of education-selected high school equivalency certification	Experience: 2,080 hours as an aide or student intern Education: 12 quarter credits
(2) Minnesota license as a family day care or group family day care provider	Experience: 2,080 hours as a licensed family day care or group family day care provider Education: 12 quarter credits
(3) Diploma from Association Montessori Internationale or preprimary credential, primary diploma, or provisional certificate from the American Montessori Society	Experience: 520 hours as an aide or student intern Education: three quarter credits
(4) Minnesota technical institute certificate as a Child Development Assistant	Experience: 520 hours as an aide or student intern Education: no additional required
(5) Two years full-time postsecondary education from a college or university	Experience: 1,040 hours as an aide or student intern Education: nine quarter credits
(6) Child Development Associate credential, center based or for family day care, from the Council for Early Childhood Professional Recognition	Experience: no additional required Education: no additional required
(7) Baccalaureate degree in any field from an accredited college or university	Experience: no additional required Education: nine quarter credits
(8) Certificate or credential for a two year program in child development or early childhood education at a Minnesota community college or technical college	Experience: no additional required Education: no additional required
(9) License from the Minnesota Department of Children, Families, and Learning for Prekindergarten Associate	Experience: no additional required Education: no additional required

9503.0034 AIDES, VOLUNTEERS, SUBSTITUTES.

Subpart 1. **Aide qualifications.** In this part, "aide" means a staff person who carries out child care program activities under the supervision of a teacher or assistant teacher. An aide who is under 18 years old must be directly supervised by a teacher or assistant teacher at all times except when the aide is assisting with the supervision of sleeping children or assisting children with washing, toileting, and diapering. An aide must be at least 16 years old.

Subp. 2. **Volunteers used as staff.** A volunteer who is included in the staff-to-child ratio must meet the requirements for the assigned staff position as specified in parts 9503.0030 to 9503.0034. Volunteers who have direct contact with or access to children must be supervised by a staff person who meets the qualifications for director, teacher, or assistant teacher.

Subp. 3. **Substitute staff.** A person designated as a substitute must meet the qualifications for the assigned staff position as specified in parts 9503.0030 to 9503.0034, except that the license holder may use substitutes who do not meet the qualifications for teacher in part 9503.0032, subpart 2, or assistant teacher in part 9503.0033, subpart 2, only if:

A. the amount of unqualified substitute hours per center per calendar year does not exceed 40 hours multiplied by the number of the center's full-time teacher and assistant teacher positions;

B. unqualified substitutes are not used as teachers or assistant teachers for more than ten consecutive working days for the same group of children per calendar year; and

C. there is always a person qualified as a teacher present within the center except as qualified in part 9503.0040, subpart 2, item B.

9503.0040 STAFF RATIOS AND GROUP SIZE.

Subpart 1. **Staff-to-child ratios and maximum group size.** Except as provided in subpart 2, the minimally acceptable staff-to-child ratios and the maximum group size within each age category are:

Age Category	Minimum Staff:Child Ratio	Maximum Group Size
Infant	1:4	8
Toddler	1:7	14
Preschooler	1:10	20
School-age child	1:15	30

Subp. 2. **Staff distribution.** The license holder must ensure that the following requirements for staff distribution are met and a written staff distribution record is kept in the administrative record.

A. Only a staff person who is qualified as a teacher, assistant teacher, or aide and who works directly with children can be counted in meeting the staff-to-child ratios.

B. An assistant teacher may be substituted for a teacher during morning arrival and afternoon departure times if the total arrival and departure time does not exceed 25 percent of the center's daily hours of operation.

C. The maximum group size applies at all times except during meals, outdoor activities, field trips, naps and rest, and special activities such as films, guest speakers, and holiday programs.

D. Except as provided in item B, staff distribution within each age category must follow the pattern in subitems (1) to (4).

(1) The first staff member needed to meet the required staff-to-child ratio must be a teacher.

(2) The second staff member must have at least the qualifications of a child care aide.

(3) The third staff member must have at least the qualifications of an assistant teacher.

(4) The fourth staff member must have at least the qualifications of a child care aide.

The pattern in subitems (1) to (4) must be repeated until the number of staff needed to meet the staff-to-child ratio for each age category has been achieved.

Subp. 3. **Age category grouping.** Children in different age categories may be grouped as follows:

A. During morning arrival and afternoon departure times, children in different age categories may be grouped together if:

(1) the total arrival and departure time does not exceed 25 percent of the daily hours of operation;

(2) the staff-to-child ratio, group size, and staff distribution applied are for the age category of the youngest child present; and

(3) the group is divided when the number of children present reaches the maximum group size of the youngest child present.

B. During the center's regular hours of operation, children in different age categories may be mixed within a group if:

(1) infants are not grouped with children of other age categories;

(2) there is no more than a 36-month range in age among children in a group;

(3) the staff-to-child ratios, group size, and staff distribution applied are for the youngest child present; and

(4) program staff are qualified to teach the ages of all children present within the group.

The restriction in subitem (2) may be waived if all children in the group are school age.

Subp. 4. **Age designation.** A child must be designated as a member of the age category that is consistent with the child's date of birth with the following exceptions:

A. A child may be designated as an "infant" up to the age of 18 months for purposes of staff ratios, group size, and child care programming, if the parent, teacher, and center director determine that such a designation is in the best interests of the child. A child may be designated as a "toddler" up to the age of 35 months, or as a "preschooler" at the age of 31 months for purposes of staff ratios, group size, and child care programming, if the parent, teacher, and center director determine that the designation is in the best interests of the child.

B. A child attending kindergarten must be designated a school-age child.

9503.0045 CHILD CARE PROGRAM PLAN.

Subpart 1. **General requirement.** The applicant must develop a written child care program plan, and the license holder must see that it is carried out. The child care program plan must:

A. mandate that children have supervision at all times;

B. describe the age categories and number of children to be served by the program;

C. describe the days and hours of operation of the program;

D. describe the general educational methods to be used by the program and the religious, political, or philosophical basis, if any;

E. be developed and evaluated in writing annually by a staff person qualified as a teacher under part 9503.0032;

F. have stated goals and objectives to promote the physical, intellectual, social, and emotional development of the children in each age category in part 9503.0005, subpart 2, for which care is provided;

G. specify activities designed to promote the intellectual, physical, social, and emotional development of a child in a manner consistent with the child's cultural background;

H. specify that the intellectual, physical, social, and emotional progress of each child be documented in the child's record and conveyed to the parent during the conferences specified in part 9503.0090, subpart 2;

I. provide a daily schedule for both indoor and outdoor activities;

J. provide for activities that are both quiet and active, teacher directed and child initiated;

K. provide for a variety of activities that require the use of varied equipment and materials; and

L. be available to parents for review on request.

Subp. 2. **Interest areas.** A child care program that operates for more than three hours a day must provide daily access to interest areas of the center that are supplied with the equipment and materials needed to carry out the activities specified in items A to H, except that a child care program serving only school-age children and operating for less than 90 consecutive calendar days or any program operating for less than three hours a day must provide each child with daily access to indoor or outdoor large muscle activities specified in item G and at least five of the following interest areas:

A. creative arts and crafts;

B. construction;

C. dramatic or practical life activities;

D. science;

E. music;

F. fine motor activities;

G. large muscle activities; or

H. sensory stimulation activities.

9503.0050 NAPS AND REST.

Subpart 1. **Naps and rest policy.** The applicant must develop a policy for naps and rest that is consistent with the developmental level of the children enrolled in the center.

Subp. 2. **Parent consultation.** The parent of each child must be informed at the time the child is enrolled of the center's policy on naps and rest.

Subp. 3. **Confinement limitation.** A child who has completed a nap or rested quietly for 30 minutes must not be required to remain on a cot or mat or in a crib or bed.

Subp. 4. **Placement of equipment.** Naps and rest must be provided in a quiet area that is physically separated from children who are engaged in activity that will disrupt a napping or resting child. Cribs, cots, beds, and mats must be placed so there are clear aisles

and unimpeded access for both adults and children on at least one side of each piece of napping and resting equipment. Cribs, cots, beds, and mats must be placed directly on the floor and must not be stacked when in use.

Subp. 5. **Crib standard.** A crib or portable crib must be provided for each infant for which the center is licensed to provide care. The equipment must be of safe and sturdy construction that conforms to Code of Federal Regulations, title 16, sections 1508 to 1508.7 and 1509 to 1509.9, as amended through October 27, 1982, or have a bar, mesh, or rail pattern such that a 2-3/8 inch diameter sphere cannot pass through.

Subp. 6. **Bedding.** Separate bedding must be provided for each child in care. Bedding must be washed weekly and when soiled or wet. Blankets must be washed or dry cleaned weekly and when soiled or wet.

9503.0055 BEHAVIOR GUIDANCE.

Subpart 1. **General requirements.** The applicant must develop written behavior guidance policies and procedures, and the license holder must see that the policies and procedures are carried out. The policies and procedures must:

A. ensure that each child is provided with a positive model of acceptable behavior;

B. be tailored to the developmental level of the children the center is licensed to serve;

C. redirect children and groups away from problems toward constructive activity in order to reduce conflict;

D. teach children how to use acceptable alternatives to problem behavior in order to reduce conflict;

E. protect the safety of children and staff persons; and

F. provide immediate and directly related consequences for a child's unacceptable behavior.

Subp. 2. **Persistent unacceptable behavior.** The license holder must have written procedures for dealing with persistent unacceptable behavior that requires an increased amount of staff guidance and time. The procedures must specify that staff:

A. observe and record the behavior of the child and staff response to the behavior; and

B. develop a plan to address the behavior documented in item A in consultation with the child's parent and with other staff persons and professionals when appropriate.

Subp. 3. **Prohibited actions.** The license holder must have and enforce a policy that prohibits the following actions by or at the direction of a staff person:

A. Subjection of a child to corporal punishment. Corporal punishment includes, but is not limited to, rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, hitting, and spanking.

B. Subjection of a child to emotional abuse. Emotional abuse includes, but is not limited to, name calling, ostracism, shaming, making derogatory remarks about the child or the child's family, and using language that threatens, humiliates, or frightens the child.

C. Separation of a child from the group except as provided in subpart 4.

D. Punishment for lapses in toilet habits.

E. Withholding food, light, warmth, clothing, or medical care as a punishment for unacceptable behavior.

F. The use of physical restraint other than to physically hold a child when containment is necessary to protect a child or others from harm.

G. The use of mechanical restraints, such as tying.

For children with developmental disabilities or children under the age of five, as specified in parts 9525.0004 to 9525.0036, physical and mechanical restraints may be permitted if they are implemented in accordance with the aversive and deprivation procedures governed by parts 9525.2700 to 9525.2810.

Subp. 4. **Separation from the group.** No child may be separated from the group unless the license holder has tried less intrusive methods of guiding the child's behavior which have been ineffective and the child's behavior threatens the well being of the child or other children in the center. A child who requires separation from the group must remain within an unenclosed part of the classroom where the child can be continuously seen and heard by a program staff person. When separation from the group is used as a behavior guidance technique, the child's return to the group must be contingent on the child's stopping or bringing under control the behavior that precipitated the separation, and the child must be returned to the group as soon as the behavior that precipitated the separation abates or stops. A child between the ages of six weeks and 16 months must not be separated from the group as a means of behavior guidance.

Subp. 5. **Separation report.** All separations from the group must be noted on a daily log. The license holder must ensure that notation in the log includes the child's name, staff person's name, time, date, and information indicating what less intrusive methods were used to guide the child's behavior and how the child's behavior continued to threaten the well being of the child or other children in care. If a child is separated from the group three times or more in one day, the child's parent shall be notified and notation of the parent notification shall be indicated on the daily log. If a child is separated five times or more in one week or eight times or more in two weeks, the procedure in subpart 2 must be followed.

Subp. 6. **Children with developmental disabilities.** For children with developmental disabilities or children under the age of five, as specified in parts 9525.0004 to 9525.0036, the standards governing the use of aversive and deprivation procedures in parts 9525.2700 to 9525.2810 apply.

9503.0060 FURNISHINGS, EQUIPMENT, MATERIALS, AND SUPPLIES.

Subpart 1. **General requirements.** Each child care program must have the quantity and type of equipment specified in subparts 3 to 6 for the age categories of children served. Equipment must be appropriate to the age categories and any special needs of the children served. A center must have enough equipment for the number of children for which the center is licensed unless the use of equipment is rotated among groups of children. If the equipment is rotated among groups of children, the center must have enough for the maximum group size of the age category scheduled to use the equipment at times shown on the child care program plan. When the term "group" is used in this part it means the maximum group size for the age category specified in part 9503.0040, subpart 1. The minimum equipment specified for an age category in subparts 3 to 6 must be accessible every day to the children of that age category and arranged as specified in the child care program plan. Centers operating for less than three hours a day do not have to provide the outdoor equipment required in subpart 4, item B, subitem (9); subpart 5, item B, subitem (9); and subpart 6, item B, subitem (7).

Subp. 2. **Definitions.** For the purpose of this part, the following terms have the meanings given them.

A. "Cognitive development equipment and materials" means equipment and materials designed to enhance components of intellectual development, such as problem solving abilities, observation skills, group skills, and symbol recognition.

B. "Dramatic play equipment" or "practical life activity equipment" means equipment, such as dress up clothes, large or miniature play sets, figures, and small and large building blocks that can be used to design a setting or space that stimulates the child's imagination and encourages role playing and the learning of practical life skills.

C. "Large muscle equipment" means equipment that is designed to enhance large muscle development and coordination, such as playground equipment, large boxes and pillows, large wheel toys, pull toys, balls, jump ropes, climbers, and rocking boats.

D. "Manipulative equipment" means equipment that is designed to enhance fine motor development and coordination, such as pegs and peg boards, puzzles, beads and strings, interlocking plastic forms, and carpentry materials.

E. "Sensory stimulation materials" means equipment, other than pictures, that has different shapes, colors, and textures that stimulate the child's visual and tactile senses. Examples of sensory stimulation materials include mobiles, crib attached activity boxes, sand and water activity materials, swatches of different textures of cloth, and wooden or plastic items of different shapes and colors.

Subp. 3. **Equipment and materials for infants.** The minimum equipment and materials required for a center serving infants are as follows:

A. Furnishings:

(1) one area rug or carpet per group;

(2) a variety of nonfolding child size chairs including infant seats and high chairs, one per child, or a minimum of four per group;

(3) one changing table for every group of 12 infants and succeeding group of 12 or fewer infants;

(4) one foot operated, covered diaper container per changing table;

(5) one crib or portacrib and waterproof mattress per child; and

(6) one linear foot of low, open shelving per child.

B. Program equipment and materials:

(1) one book per child;

(2) two large, soft building blocks per child;

(3) two pieces of infant mobility equipment, such as strollers and wagons per group;

(4) two pieces of manipulative equipment per child such as shape toys and clutch balls;

(5) one mirror at least 12 inches by 36 inches in size made of Plexiglas or a similar plastic or of safety glass per group;

(6) one music source such as a tape player or record player per group and music selections appropriate for the music source;

(7) one noise or music making toy per child;

(8) visual and tactile sensory stimulation materials as needed to provide visual and tactile stimulation; and

(9) one soft washable toy per child.

C. Supplies:

(1) two sets of blankets and sheets for each crib;

(2) an adequate amount of disposable paper for the changing table;

(3) an adequate amount of diapers;

(4) an adequate amount of facial tissue;

(5) an adequate amount of single service towels; and

(6) an adequate amount of liquid hand soap.

Subp. 4. **Equipment and materials for toddlers.** The minimum equipment required for a center serving toddlers is as follows:

A. Furnishings:

(1) one area rug or carpet per group;

(2) one nonfolding child size chair, including high chairs, per child;

(3) one changing table for every group of 14 toddlers and succeeding group of 14 or fewer toddlers;

(4) one foot operated, covered diaper container per changing table;

(5) one cot per child (mats are acceptable for programs operating during the day for less than five hours);

(6) one partially enclosed space equipped for quiet activity per group;

(7) one linear foot of low open shelving per child; and

(8) 20 linear inches of child size table edge per child.

B. Program equipment and materials:

(1) arts and crafts supplies, such as clay or playdough, tempera or finger paints, colored and white paper, paste, collage materials, paint brushes, washable felt type markers, crayons, blunt scissors, and smocks;

(2) one book per child;

(3) 24 large building blocks per group;

(4) 100 small building blocks per group;

(5) three pieces of dramatic play equipment or sets of Montessori Practical Life equipment per group;

(6) materials and accessories required for subitem (5) as needed to carry out the theme of the activity, or six Montessori Practical Life exercises;

(7) one double easel per group;

(8) three pieces of durable, indoor, large muscle equipment per group;

(9) three pieces of durable, outdoor, large muscle equipment per group;

(10) one mirror, at least 12 inches by 36 inches, made of Plexiglas or a similar plastic or safety glass, per group;

(11) one music source such as a tape recorder or record player per group and music selections appropriate for the source;

(12) one set of cognitive developmental equipment and materials, such as puzzles and matching games, per child;

(13) two sets of manipulative equipment, such as interlocking plastic forms or beads and string, per child;

(14) one music making toy per child;

(15) one soft washable toy per child; and

(16) sensory stimulation materials as needed to provide visual and tactile stimulation.

C. Supplies:

(1) an adequate amount of disposable paper for the changing table;

(2) an adequate amount of diapers;

(3) an adequate amount of facial tissue;

(4) an adequate amount of single service towels; and

(5) an adequate amount of liquid hand soap.

Subp. 5. **Equipment and materials for preschoolers.** The minimum equipment required for a center serving preschoolers is as follows:

A. Furnishings:

(1) one area rug or carpet per group;

(2) one nonfolding child size chair per child;

(3) one cot or bed and waterproof mattress per child (mats are acceptable for programs operating during the day for less than five hours). This subitem is not required for preschoolers in programs operating for less than five hours per day if rest is not indicated as part of the center's child care program;

(4) two square feet of wall or bulletin board display space per child, one-half at child's eye level;

(5) one partially enclosed space equipped for quiet activity per group;

(6) one linear foot of open shelving per child; and

(7) 20 linear inches of child size table edge per child.

B. Program equipment and materials:

(1) arts and crafts supplies, such as clay or playdough, tempera or fingerpaints, white or colored paper, paste, collage materials, paint brushes, washable felt type markers, crayons, scissors, and smocks;

(2) two books per child;

(3) 48 large building blocks per group;

(4) 200 small building blocks per group;

(5) five pieces of dramatic play equipment or sets of Montessori Practical Life equipment per group;

(6) materials and accessories required for subitem (5) to carry out the theme of the activity;

(7) one double easel per group;

(8) three pieces of durable, indoor, large muscle equipment per group;

(9) three pieces of durable, outdoor, large muscle equipment per group;

(10) one mirror, at least 12 inches by 36 inches, made of Plexiglas or a similar plastic or safety glass, per group;

(11) one music source such as a tape recorder or record player per group and music selections appropriate for the source;

(12) one set of cognitive developmental equipment and materials, such as puzzles and number and letter games, per child;

(13) two sets of manipulative equipment, such as interlocking plastic forms, per child;

(14) pictures at child's eye level, mobiles, and other items as needed to create a pleasant environment and provide sensory stimulation; and

(15) one rhythm instrument per child.

C. Supplies:

(1) an adequate amount of facial tissue;

(2) an adequate amount of single service towels; and

(3) an adequate amount of liquid hand soap.

Subp. 6. **Equipment and materials for school-age children.** The minimum equipment and materials required for a program serving school-age children are as follows:

A. Furnishings:

(1) one area rug or carpet per group;

(2) two square feet of wall or bulletin board display space per child;

(3) one nonfolding child size chair per child;

(4) one partially enclosed space equipped for quiet activity per group;

(5) one linear foot of open shelving per child; and

(6) 20 linear inches of table edge space per child.

B. Program equipment and materials:

(1) arts and crafts supplies, such as clay or playdough, tempera or fingerpaints, white or colored paper, paste, collage materials, paint brushes, felt type markers, crayons, and scissors;

(2) two books per child;

(3) three sets of dramatic play equipment or Montessori Practical Life area equipment per group;

(4) materials and accessories for subitem (3) as required to carry out the theme of the activity;

(5) one music source such as a tape recorder or record player per group and music selections appropriate for the source;

(6) five musical or rhythm instruments per group;

(7) three pieces of durable, outdoor, large muscle equipment per group;

(8) pictures at child's level, mobiles, and other items as needed to create a pleasant environment and provide sensory stimulation;

(9) one set of cognitive developmental equipment and materials, such as puzzles and games, per child;

(10) five sets of manipulative equipment, such as interlocking plastic forms, per group; and

(11) ten pieces of sports or recreational equipment, such as bats, balls, hoops, and jump ropes, per group.

C. Supplies:

(1) an adequate amount of facial tissue;

(2) an adequate amount of single service towels; and

(3) an adequate amount of liquid hand soap.

9503.0065 CHILD CARE FOR CHILDREN WITH SPECIAL NEEDS.

Subpart 1. **Definition.** "Child with special needs" for purposes of this part means a child at least six weeks old but younger than 13 years old who:

A. has developmental disabilities or is otherwise eligible for case management as specified in parts 9525.0004 to 9525.0036 and has an individual service plan specifying child care to be provided by the center;

B. has been identified by the local school district as a child with a disability as specified in Minnesota Statutes, section 125A.02, subdivision 1, and has an individualized education program specifying child care to be provided by the center according to Minnesota Statutes, section 125A.05; or

C. has been determined by a licensed physician, psychiatrist, licensed psychologist, or licensed consulting psychologist as having a special need relating to physical, social, or emotional development.

Subp. 2. **Report to parent.** The license holder must inform the parent of any diagnosed or identified special need of a child that was not reported by the parent at the time of admission.

Subp. 3. **Individual child care program plan.** When a license holder admits a child with special needs, the license holder must ensure that an individual child care program plan is developed to meet the child's individual needs. The individual child care program plan must be in writing and specify methods of implementation and be reviewed and followed by all staff who interact with the child.

If the child has developmental disabilities or is otherwise eligible for case management as specified in subpart 1, item A, then the individual child care plan must be coordinated with the child's individual service plan developed under parts 9525.0004 to 9525.0036.

If the child has a disability as specified in subpart 1, item B, then the individual child care plan must be coordinated with the child's individualized education program developed under Minnesota Statutes, chapter 125A.

If the child has a special need determined under subpart 1, item C, the individual child care plan must be coordinated with reports from the licensed physician, licensed psychiatrist, licensed psychologist, or licensed consulting psychologist. The individual child care plan must be evaluated at least annually by the licensed physician, licensed psychiatrist, licensed psychologist, or licensed consulting psychologist and with the child's parent to determine if the needs of the child are being met.

Subp. 4. **Service contracts.** The license holder must have copies of all service contracts with the center for care or services provided under parts 9525.0004 to 9525.0036 and Minnesota Statutes, chapter 125A, when the care or service is provided to a child while at the center.

Subp. 5. **Additional staff, staff qualifications, or training.** The license holder must ensure that any additional staff, staff qualifications, or training required by the child's individual child care plan in subpart 3 are provided.

9503.0070 NIGHT CARE PROGRAM.

Subpart 1. **Applicability.** A license holder operating a night care program must comply with this part as well as with all other requirements of parts 9503.0005 to 9503.0170.

Subp. 2. **Furnishings.** Each child enrolled in a night care program must be provided with a crib, a bed, or a cot with a mattress. A crib and two sets of clean linens must be provided for each infant and meet the standards specified in part 9503.0050. A bed or a cot with a mattress, two sets of sheets, a blanket or quilt, and personal towels and washcloths must be provided for each child in all other age categories.

Subp. 3. **Garments for sleeping.** The license holder must ensure that all children are put to bed in garments for sleeping as designated by the child's parent.

Subp. 4. **Personal effects.** The license holder must ensure that all children have the personal effects needed to clean up and prepare for sleep. The effects must include an individual wash cloth, towel, toothbrush, toothpaste, and liquid hand soap.

Subp. 5. **Meals and snacks.** The license holder must ensure that a child who will be present in the center between 6:00 p.m. and 7:00 p.m. has had or will be provided with an evening meal. A bedtime snack must be available for all children in attendance. Eating times and schedules for the individual child must be consistent with patterns established in consultation with the child's parents.

Subp. 6. **Staffing.** At least two staff persons, one of whom must qualify as a teacher under part 9503.0032, must be present in the center at all times during the hours the night program is in operation. When more than 80 percent of the children present are asleep, the remaining staff persons needed to meet the required staff-to-child ratio must have at least the qualifications of a child care aide. Program staff must be awake and dressed and provide supervision to children who are sleeping.

Subp. 7. **Wash-up assistance.** The license holder must ensure that children have the opportunity to wash up and cleanse their teeth before bedtime and be assisted by program staff when necessary.

Subp. 8. **Privacy.** To ensure privacy, school-age boys and girls must be separated during bedtime washing and changing activities.

Subp. 9. **Infants.** Infants must have a sleep area separate from the center's play and activity areas.

Subp. 10. **Bedtime.** A child's bedtime must be scheduled in consultation with the child's parent.

Subp. 11. **Light.** In rooms used for sleep during children's bedtime, light must be reduced to no less than one footcandle.

Subp. 12. **Program emphasis.** A license holder operating a night care program must comply with the child care program standards in part 9503.0045. However, the child care program plan must emphasize quiet activities.

Subp. 13. **Exceptions.** The outdoor activity area, outdoor activities, and outdoor equipment required by part 9503.0060 for children enrolled in a night care program need not be provided.

9503.0075 DROP-IN AND SCHOOL-AGE CHILD CARE PROGRAMS.

Subpart 1. **Exemptions for drop-in and school-age child care programs.** A license holder operating a drop-in or school-age child care program as defined in part 9503.0015 must comply with parts 9503.0005 to 9503.0170 with the following exceptions:

A. The staff ratios and group size restrictions in part 9503.0040 do not apply and are replaced by the requirements in subparts 2 to 6.

B. Part 9503.0045, subpart 1, items F and G, of the child care program plan do not apply.

C. The requirement in part 9503.0050, subpart 6, that separate bedding be provided for each child in care applies only to those children in care who are less than 30 months old. The provisions in part 9503.0050, subpart 6, requiring washing and cleaning of bedding and blankets remain in effect and apply to all bedding or blankets used by the drop-in child care program.

D. Half the furnishings, equipment, materials, or supplies specified by the following subparts of part 9503.0060 are required:

(1) subpart 4, item A, subitems (2), (5), and (8);

(2) subpart 5, item A, subitems (2), (3), and (7); and

(3) subpart 6, item A, subitems (3) and (6).

E. Part 9503.0070, regarding night care programs, does not apply.

F. Part 9503.0090, subpart 2, regarding parent conferences and daily reports, does not apply.

Subp. 2. **Supervision.** A drop-in and school-age child care program must:

A. be operated under the supervision of a person who qualifies both as a director under part 9503.0031 and as a teacher under part 9503.0032; and

B. have at least two staff persons present at the center whenever the program is operating even when the ages and numbers of children present are such that the staff-to-child ratio requirements established in subpart 3 could be met by having only one staff person.

Subp. 3. **Staff ratios; drop-in programs.** The minimum ratio of staff persons to children that a license holder may maintain in a drop-in program is:

A. for infants ages six weeks through 16 months, one staff person for every four infants;

B. for children ages 17 months through 29 months, one staff person for every seven children; and

C. for children ages 30 months through 12 years, one staff person for every ten children.

Subp. 3a. **Staff ratios; school-age programs.** A school age program must maintain a minimum staff ratio as provided in Minnesota Statutes, section 245A.14, subdivision 6, paragraph (f).

Subp. 4. **Exception to staff ratio for ages 30 months through 12 years in a drop-in program.** The number of children per staff person specified in subpart 3 for a drop-in program may be increased only with children ages 30 months through 12 years, only by a maximum of four children, and only for a time period, not to exceed 20 minutes, required for additional staff to arrive at the center. A center that exceeds the ratio in subpart 3, item C, must be able to document having staff persons who, as a condition of their employment, are on call to come to the center as needed and arrive at the center within 20 minutes after receiving notification to report.

Subp. 5. **Age category grouping; drop-in programs.** Whenever the total number of children present to be cared for at a drop-in child care center is more than 20, the center shall comply with Minnesota Statutes, section 245A.14, subdivision 6, paragraph (e).

Subp. 5a. **Care provided to siblings.** A drop-in child care program may group siblings together as provided in Minnesota Statutes, section 245A.14, subdivision 6, paragraph (k).

Subp. 6. **Staff distribution.** Staff distributions for drop-in child care programs must meet the requirements in items A and B.

A. If a drop-in child care program serves both infants and older children, the following minimum staff distribution pattern applies for the supervision of infants ages six weeks through 16 months and children ages 17 months through 29 months:

(1) The first staff person needed to meet the staff-to-child ratios required in subpart 3, items A and B, must have at least the qualifications of an assistant teacher as specified in part 9503.0033.

(2) The second staff person needed to meet the staff-to-child ratios required in subpart 3, items A and B, must have at least the qualifications of an aide as specified in part 9503.0034, subpart 1.

(3) The third staff person needed to meet the staff-to-child ratios required in subpart 3, items A and B, must have at least the qualifications of an assistant teacher as specified in part 9503.0033.

(4) The fourth staff person needed to meet the staff-to-child ratios required in subpart 3, items A and B, must have at least the qualifications of an aide as specified in part 9503.0034, subpart 1.

(5) The fifth staff person needed to meet the staff-to-child ratios required in subpart 3, items A and B, must have at least the qualifications of an assistant teacher as specified in part 9503.0033.

(6) The sixth staff person needed to meet the staff-to-child ratios required in subpart 3, items A and B, must have at least the qualifications of an aide as specified in part 9503.0034, subpart 1.

B. The following minimum staff distribution pattern applies for the supervision of children 30 months and older.

(1) The first staff person needed to meet the required staff-to-child ratio specified in subpart 3, item C, must meet the qualifications for teachers specified in part 9503.0032.

(2) The second, third, and fourth staff persons needed to meet the required staff-to-child ratio specified in subpart 3, item C, must have at least the qualifications of an aide as specified in part 9503.0034, subpart 1.

(3) The fifth staff person needed to meet the staff-to-child ratio required in subpart 3, item C, must have at least the qualifications of an assistant teacher as specified in part 9503.0033.

(4) The sixth, seventh, and eighth staff persons needed to meet the staff-to-child ratio required in subpart 3, item C, must have at least the qualifications of an aide as specified in part 9503.0034, subpart 1.

(5) For any additional staff persons needed after the eighth staff person to meet ratio requirements, the pattern of required staff qualifications established in subitems (3) and (4) applies.

9503.0080 EXCLUSION OF SICK CHILDREN.

A child with any of the following conditions or behaviors is a sick child and must be excluded from a center not licensed to operate a sick care program. If the child becomes sick while at the center, the child must be isolated from other children in care and the parent called immediately. A sick child must be supervised at all times. The license holder must exclude a child:

A. with a reportable illness or condition as specified in part 4605.7040 that the commissioner of health determines to be contagious and a physician determines has not had sufficient treatment to reduce the health risk to others;

B. with chicken pox until the child is no longer infectious or until the lesions are crusted over;

C. who has vomited two or more times since admission that day;

D. who has had three or more abnormally loose stools since admission that day;

E. who has contagious conjunctivitis or pus draining from the eye;

F. who has a bacterial infection such as streptococcal pharyngitis or impetigo and has not completed 24 hours of antimicrobial therapy;

G. who has unexplained lethargy;

H. who has lice, ringworm, or scabies that is untreated and contagious to others;

I. who has a 100 degree Fahrenheit axillary or higher temperature of undiagnosed origin before fever reducing medication is given;

J. who has an undiagnosed rash or a rash attributable to a contagious illness or condition;

K. who has significant respiratory distress;

L. who is not able to participate in child care program activities with reasonable comfort; or

M. who requires more care than the program staff can provide without compromising the health and safety of other children in care.

9503.0085 SICK CARE PROGRAM.

Subpart 1. **Licensure of sick care programs.** If a license holder chooses to care for a sick child, then the license holder must operate a sick care program that complies with the standards specified by this part and with all other applicable provisions of parts 9503.0005 to 9503.0170, and any standards of the commissioner of health governing the group care of children.

Subp. 2. **Review of admission and health policies and practices.** At the time of initial license application, after the first six months of initial operation, and annually after that time, a sick care program's admission policies must be reviewed and approved by a licensed physician with a specialization in pediatric care. The physician's review must include consultation with the licensed registered nurse or physician responsible for admissions. A report of the physician's findings must be sent to the commissioner with the initial application for licensure, and subsequent reports must be placed in the center's administrative record.

The license holder operating a sick care program must ensure that the program's health policies and practices are reviewed quarterly by a health consultant.

Subp. 3. **Evaluation of a sick child.** A license holder who operates a sick care program must provide for the evaluation of the condition of a sick child before admitting the child to the center. The evaluation must be based on the physical symptoms of the child each day of admission, the probable contagion and risk to the health of others present, and the ability of the program to provide the care the child requires. A physician or registered nurse affiliated with the center must perform the evaluations specified in items A to C.

A. A preliminary evaluation must be made before the parent brings the child to the center. The preliminary evaluation must consist of the parent's reporting the child's symptoms to the center's physician or registered nurse by phone. The physician or registered nurse must tell the parent whether the parent may bring the child to the center for further evaluation. Children with a communicable reportable illness or condition as specified in part 4605.7040 must be evaluated by a physician prior to admission to the center.

B. The physician or registered nurse must do a physical assessment of the child and obtain a health history from the parent when the child is brought to the center.

C. The decision of the physician or registered nurse not to admit the child for care is final.

Subp. 3a. **Illness separation.** Children recovering from a noncontagious condition must be cared for in a room separate from children with contagious conditions.

Subp. 4. **Chicken pox.** Children with chicken pox must be excluded from any child care program, including a sick care program, unless care is provided in a room that is separate from other parts of the facility and has its own air circulation system and street entrance.

Subp. 5. **Gastrointestinal illness.** Children with gastrointestinal illness must be at least two years old to be in a sick care program and must be cared for in a separate room used exclusively for the care of gastrointestinal illness.

Subp. 6. **Information to parents.** A summary of the sick care program's health care policies and practices and the center's procedures for notification of parents in the event of an emergency must be given to the parent at the time a child is admitted.

Subp. 7. **Parent conference exception.** Centers licensed to provide child care exclusively to sick children need not provide parent conferences as specified in part 9503.0090, subpart 2, item B.

Subp. 8. **Child care program emphasis.** A sick care program must meet the child care program plan standards in part 9503.0045. However, the child care program plan for the care of sick children must emphasize quiet activities.

Subp. 9. **Group size and age category grouping exceptions.** The maximum group sizes specified in part 9503.0040, subpart 1, and the age category grouping restrictions in part 9503.0040, subpart 3, are not required except that there must be no more than 16 children in care in a room at the same time and the provisions in subparts 5 and 14 apply.

Subp. 10. **Additional staff-to-child ratios and staff distribution requirements.** A one to four staff to child ratio must be maintained at all times in a room used to care for sick children. At least two staff persons must be present in a center operating a sick care program whenever sick children are in care. The first staff person must be a nurse registered by the Board of Nursing to practice professional nursing. The second staff person must meet the qualifications for a teacher in part 9503.0032. The remaining staff persons must at least meet the qualifications and follow the staff distribution pattern specified in part 9503.0040.

Subp. 11. **Limitation on staff assignment.** Staff must not care for well children or prepare food for well children on the same day they care for sick children. Staff caring for sick children must not enter the kitchen used to prepare food for well children.

Subp. 12. **Food preparation.** Food provided by the license holder and prepared at the center must be prepared in a room separate from rooms where sick care is provided and must be delivered to each sick care room in individual servings and in covered containers. Procedures for preparing, handling, and serving food and washing food, utensils, and equipment must comply with the requirements in chapter 4626.

Subp. 13. **Menus.** Menus for sick children must be modified to meet the individual needs of the child.

Subp. 14. **Additional facility requirements.** A license holder operating a sick care program must provide:

A. a room or rooms that are exclusively used to care for sick children and that are not used at any time for any other child care purpose; and

B. toilets and hand sinks that are within or immediately adjacent to the room or rooms used for sick care and are not used by well children in care.

Subp. 15. **Outdoor activity area, activities and equipment exception.** A license holder operating a sick care program that provides care exclusively to sick children need not provide the outdoor activity area required in part 9503.0155, subpart 7; outdoor activities as specified in part 9503.0045, subpart 1, item I; and the outdoor equipment required in part 9503.0060, subpart 4, item B, subitem (9); subpart 5, item B, subitem (9); and subpart 6, item B, subitems (7) and (11).

Subp. 16. **Disinfection.** Walls and floors in rooms where sick care is provided and all linens, furnishings, objects, and equipment used by sick children must be cleaned and disinfected at least daily and as needed.

Subp. 17. **Linens and changes of clothing.** All linens used by a sick child must be washed after each use, and each child must be in clean clothing at all times.

Subp. 18. **Additional equipment.** Each sick child must be provided with a crib, bed, or cot, two sheets, a pillow, a pillowcase, and a blanket or quilt.

9503.0090 INFORMATION FOR PARENTS.

Subpart 1. **Policies given to parents.** At the time of a child's enrollment, the parent must be provided with written notification of the:

A. ages and numbers of children the center is licensed to serve;

B. hours and days of operation;

C. child care program options the center is licensed to operate, including a description of the program's educational methods and religious, political, or philosophical basis, if any, and how parents may review the center's child care program plan;

D. center's policy on parent conferences and notification to a parent of a child's intellectual, physical, social, and emotional development;

E. center's policy requiring a health care summary and immunization record of a child;

F. policies and procedures for the care of children who become sick at the center and parent notification practices for the onset of or exposure to a contagious illness or condition or when there is an emergency or injury requiring medical attention;

G. center's policies and procedures for administering first aid and sources of care to be used in case of emergencies;

H. center's policies on the administration of medicine;

I. procedures for obtaining written parental permission for field trips;

J. procedures for obtaining written parental permission before each occasion of research, experimental procedure, or public relations activity involving a child;

K. center's policies on the provision of meals and snacks;

L. center's behavior guidance policies and procedures;

M. presence of pets;

N. center's policy that parents of enrolled children may visit the center any time during the hours of operation; and

O. telephone number of the Department of Human Services, Division of Licensing.

Subp. 2. **Parent conferences and daily reports.** The license holder must ensure that the parent of a child is informed of the child's progress. The license holder must ensure that:

A. individual parent conferences are planned and offered by program staff at least twice a year;

B. documentation is made in the child's record that individual parent conferences were planned and offered;

C. the status of the child's intellectual, physical, social, and emotional development is reported to the parent during the conference; and

D. daily written reports are made to the parent of an infant or toddler about the child's food intake, elimination, sleeping patterns, and general behavior.

9503.0095 PARENT VISITATION.

Parents of enrolled children may visit the center any time during the hours of operation.

9503.0100 PARTICIPATION IN FIELD TRIPS.

The license holder must ensure that written permission is obtained from each child's parent before taking a child on a field trip. A written permission form must be obtained before each field trip or on a form that annually summarizes all field trips that will be taken. The parent's written permission must state that the parent has been informed of the purpose and destination of the field trip.

On field trips, staff must take emergency phone numbers for the child's parent and the persons to be called if a parent cannot be reached, the phone number of the child's physician, and a first aid kit.

9503.0105 RESEARCH AND PUBLIC RELATIONS PERMISSION.

The license holder must ensure that written permission is obtained from a parent before a child is involved in experimental research or public relations activity involving a child while at the center. A separate written permission form must be obtained before each occasion of experimental research or public relations activity or on a form that annually summarizes all research and public relations activities that will be undertaken. The permission form must be maintained in the child's record.

9503.0110 EMERGENCY AND ACCIDENT POLICIES AND RECORDS.

Subpart 1. **Policies and records.** The applicant must develop written policies governing emergencies, accidents, and injuries. The license holder must ensure that written records are kept about incidents, emergencies, accidents, and injuries that have occurred.

Subp. 2. **Instruction record.** The license holder must keep a record of instruction to all staff persons and, when appropriate, to children and parents, about how to carry out the policies.

Subp. 3. **Policy content.** The policies must contain:

A. Procedures for administering first aid.

B. Safety rules to follow in avoiding injuries, burns, poisoning, choking, suffocation, and traffic and pedestrian accidents.

C. Procedures for the daily inspection of potential hazards.

D. Procedures for fire prevention and procedures to follow in the event of a fire. Fire procedures must:

(1) mandate monthly fire drills and a log of drill times and dates;

(2) identify primary and secondary exits, building evacuation routes, the phone number of the fire department, persons responsible for the evacuation of children, and areas for which they are responsible;

(3) contain instruction on how to use a fire extinguisher and how to close off the fire area; and

(4) provide for the training of staff persons to carry out the fire procedures.

E. Procedures to follow in the event of a blizzard, tornado, or other natural disaster that include the location of emergency shelter, procedures for monthly tornado drills from April to September, and a log of times and dates showing that the drills were held.

F. Procedures to follow when a child is missing.

G. Procedures to follow if an unauthorized person or a person who is incapacitated or suspected of abuse attempts to pick up a child or if no one comes to pick up a child.

H. Sources of emergency medical care.

I. Procedures for recording accidents, injuries, and incidents involving a child enrolled in the center. The written record must contain the name and age of the persons involved; date and place of the accident, injury, or incident; type of injury; action taken by staff; and to whom the accident, injury, or incident was reported.

J. Procedures mandating an annual analysis of the record in item I and any modification of the center's policies based on the analysis.

Subp. 4. **Records.** The following records must be maintained in the center's administrative record:

A. the procedures specified in subpart 3;

B. a log of fire and tornado drills; and

C. a written record of accidents, injuries, emergencies, and incidents.

9503.0115 CENTER ADMINISTRATIVE RECORDS.

The records required by this part must be maintained within the center and be available for inspection at the request of the commissioner. The license holder must ensure that the following are maintained:

A. a record of the information given to parents specified in part 9503.0090;

B. the personnel records specified in part 9503.0120;

C. the children's records specified in part 9503.0125;

D. the child care program plan specified in part 9503.0045;

E. the accident, injury, emergency, and incident records specified in part 9503.0110;

F. the staff distribution schedule specified in part 9503.0040;

G. the separation reports mandated in part 9503.0055; and

H. the report by the health consultant mandated in part 9503.0140.

9503.0120 PERSONNEL RECORDS.

The license holder must ensure that a personnel record for each staff person is maintained at the center. The personnel record for each staff person must contain:

A. the staff person's name, home address, home telephone number, and date of birth;

B. the staff person's documentation indicating that the staff person meets the requirements of the staff person's job position and the education and experience requirements specified in parts 9503.0031 to 9503.0034;

C. documentation that the staff person has completed the orientation to the center required in part 9503.0035, subpart 1;

D. documentation, when applicable, that the staff person has completed the first aid and CPR training required in part 9503.0035, subparts 2 and 3; and

E. documentation of completion of the in-service training required by part 9503.0035, subpart 4, showing the training topic, source of training, number of hours completed, and method used to document mastery of the subject.

9503.0125 CHILDREN'S RECORDS.

At the time of enrollment in the center, the license holder must ensure that a record is maintained on each child. The record must contain:

A. the child's full name, birthdate, and current home address;

B. the name, address, and telephone number of the child's parent;

C. instructions on how the parent can be reached when the child is attending the center;

D. the names and telephone numbers of any persons authorized to take the child from the center;

E. the names, addresses, and telephone numbers of the child's source of regular medical and dental care and the source of medical and dental care to be used in case of an emergency;

F. the names, addresses, and telephone numbers of two persons to be contacted if a parent cannot be reached in an emergency or when there is an injury requiring medical attention;

G. the health form and immunization information required by part 9503.0140;

H. written authorization for the license holder to act in an emergency, or when a parent cannot be reached or is delayed;

I. the hours and days of the week the child will attend the center;

J. for children age six weeks to 36 months, a description of the child's eating, sleeping, toileting, and communication habits, and effective methods for comforting the child;

K. documentation of any dietary or medical needs of the child;

L. documentation of any individual child care program needs for the child; and

M. the date of parent conferences and a summary of the information provided to the parent at the conference.

The license holder shall not disclose a child's record to any person other than the child, the child's parent or guardian, the child's legal representative, employees of the license holder, and the commissioner unless the child's parent or guardian has given written consent or as otherwise required by law.

9503.0130 REPORTING.

Subpart 1. **Abuse; neglect.** The license holder must comply with the reporting requirements for abuse and neglect specified in Minnesota Statutes, chapter 260E.

Subp. 2. **Other reporting.** The license holder must inform the commissioner within:

A. 24 hours of the death of a child in care in the center;

B. 24 hours of any injury to a child in care in the center that required treatment by a physician;

C. 48 hours of the occurrence of a fire during the hours of operation that requires the service of a fire department; and

D. 24 hours of the use of any emergency medical service by a child while in care.

Subp. 3. [Repealed, 18 SR 2748]

Subp. 4. [Repealed, 18 SR 2748]

9503.0140 HEALTH.

Subpart 1. **Health policies.** The license holder must develop written health policies approved by the commissioner and must ensure that they are carried out.

Subp. 2. **Health consultation.** The center must have a health consultant who must review the center's health policies and practices specified in items A to C and certify that they are adequate to protect the health of children in care.

The review must be done before initial licensure, submitted with the application for initial licensure and repeated every year after the date of initial licensure. For programs serving infants, this review must be done initially and monthly thereafter. Additionally, the license holder must request a review by the health consultant of the center's health policies and practices if there is a proposed change in the center's health policies or practices or an outbreak of contagious reportable illness as specified in part 4605.7040. A copy of the consultant's findings must be placed in the center's administrative record.

The consultant must review:

A. The first aid and safety policies and procedures required by part 9503.0110, subpart 3, items A, B, and C.

B. The diapering procedures and practices specified in subpart 12.

C. The sanitation procedures and practices for food not prepared by or provided by the license holder as specified in part 9503.0145, subpart 3, and for infants as specified in part 9503.0145, subpart 7.

Subp. 3. **Health information at admission.** Before a child is admitted to a center or within 30 days of admission, the license holder must obtain a report on a current physical examination of the child signed by the child's source of medical care.

Subp. 4. **Reexamination.** For children already admitted to the center, the license holder shall obtain an updated report of physical examination signed by the child's source of medical care at least annually for children under 24 months of age, and whenever a child 24 months or older advances to an older age category.

Subp. 5. **Immunizations.** When a child is enrolled in the center, the license holder must obtain documentation of current immunization according to Minnesota Statutes, section 121A.15, a signed notarized statement of parental objection to the immunization, or a medical exemption.

Subp. 6. **Notice about a sick child.** Notices about the illness or condition of a child must be given as required in items A to D:

A. The license holder must ensure that a parent is notified immediately when the parent's child becomes sick at the center.

B. The license holder must require a parent to inform the center within 24 hours, exclusive of weekends and holidays, when a child is diagnosed by a child's source of medical or dental care as having a contagious reportable disease specified in part 4605.7040, or lice, scabies, impetigo, ringworm, or chicken pox.

C. The license holder must post or give a notice to the parents of exposed children the same day a parent notifies the center of a child's illness or condition listed in item B.

D. The license holder must ensure that the health authority is notified of any suspected case of reportable disease as specified in part 4605.7040 within 24 hours of receiving the parent's report.

Subp. 7. **Administration of medicine.** A license holder who chooses to administer medicine must ensure that the procedures in items A to E are followed.

A. The license holder must get written permission from the child's parent before administering medicine, diapering products, sunscreen lotions, and insect repellents. Nonprescription medicines, diapering products, sunscreen lotions, and insect repellents must be administered according to the manufacturer's instructions unless there are written instructions for their use provided by a licensed physician or dentist.

B. The license holder must get and follow written instructions from a licensed physician or dentist before administering each prescription medicine. Medicine with the child's name and current prescription information on the label constitutes instructions.

C. All medicine must be kept in its original container and have a legible label stating the child's name. The medicine must be given only to the child whose name is on the label. The medicine must not be given after an expiration date on the label, and any unused portion must be returned to the child's parent or destroyed. The license holder must ensure that the administration of medicine is recorded and give the name of the child, name of the medication or prescription number, date, time, dosage, and the name and signature of the person who dispensed the medicine. The record must be available to the parent and maintained in the child's record.

D. Sunscreen lotions and insect repellents supplied by the license holder may be used on more than one child. A product to control or prevent diaper rash, including premoistened commercial wipes that cannot be dispensed in a manner that prevents cross contamination of the product and container as determined by the health consultant, must be labeled with the child's name and used only for the individual child whose name is written on the label.

E. Medicines, insect repellents, sunscreen lotions, and diaper rash control products must be stored according to directions on the original container and so that they are inaccessible to children.

Subp. 8. [Repealed, 18 SR 2748]

Subp. 9. **Cleanliness.** The indoor and outdoor space and equipment of the center must be clean.

Subp. 10. **Toilet facilities.** The toilet rooms of the center must be cleaned daily. Toilet training chairs must be emptied, washed with soap and water, and disinfected after each use. Toilets and seats must be washed with soap and water and disinfected when soiled or at least daily.

Subp. 11. **Diaper changing area.** A diaper must be changed only in the diaper changing area. The diaper changing area must be separate from areas used for food storage, food preparation, and eating. The area must have a hand sink equipped with hot and cold running water within three feet of the diaper changing surface, a smooth nonabsorbent diaper changing surface and floor covering, and a sanitary container for soiled and wet diapers.

Subp. 12. **Diaper changing procedures.** The center must have and follow diaper changing procedures that have been developed in consultation with a health consultant. The license holder must post the diaper changing procedures in the diaper changing area.

Subp. 13. **Hand washing: child.** A child's hands must be washed with soap and water after a diaper change, after use of a toilet or toilet training chair, and before eating a meal or snack. Staff must monitor hand washing and assist a child who needs help. The use of a common basin or a hand sink filled with standing water is prohibited.

Subp. 14. **Hand washing: staff person.** A staff person must wash his or her hands with soap and water after changing a child's diaper, after using toilet facilities, and before handling food or eating.

Subp. 15. **Toilet articles.** The license holder shall provide the following supplies and make them accessible to children: toilet paper, liquid hand soap, facial tissues, and single use paper towels or warm air hand dryers.

Subp. 16. **First aid kit.** The license holder must ensure that a first aid kit is available within the center. The kit must contain sterile bandages and band-aids, sterile compresses, scissors, an ice bag or cold pack, an oral or surface thermometer, and adhesive tape. A current first aid manual must be included. The first aid kit and manual must be accessible to the staff in the center and taken on field trips.

Subp. 17. **Hazardous objects.** Sharp objects, medicines, plastic bags, and poisonous plants and chemicals, including household supplies, must be stored out of reach of children.

Subp. 18. **Emergency equipment.** The center must have a battery operated flashlight and battery operated portable radio.

Subp. 19. **Condition of equipment and furniture.** Equipment and furniture must be durable, in good repair, structurally sound and stable following assembly and installation. Equipment must be free of sharp edges, dangerous protrusions, points where a child's extremities could be pinched or crushed, and openings or angles that could trap part of a child's body. Tables, chairs, and other furniture must be appropriate to the age and size of children who use them. Toys and equipment that are likely to be mouthed by infants and toddlers must be made of a material that can be disinfected. These must be cleaned and disinfected when mouthed or soiled and at least daily.

Infant rattles must meet the United States consumer product safety standards contained in the Code of Federal Regulations, title 16, sections 1510.1 to 1510.4, as adopted on May 23, 1978. All toys and other articles intended for use by children under three years of age that present choking, aspiration, or ingestion hazards because of small parts must meet the size standards in Code of Federal Regulations, title 16, sections 1501.1 to 1501.5, as adopted on June 15, 1979.

Subp. 20. **Maintenance of areas used by children.** The areas used by children must be free from debris, loose flaking, peeling, or chipped paint, loose wallpaper, or crumbling plaster, litter, and holes in the walls, floors, and ceilings. Rugs must have a nonskid backing or be firmly fastened to the floor and be free from tears, curled or frayed edges, and hazardous wrinkles.

Subp. 21. **Emergencies.** The license holder must ensure that written procedures for emergencies and accidents are posted in a visible place. The procedures must:

A. identify persons responsible for each area;

B. identify primary and secondary exits;

C. identify a tornado shelter area;

D. identify building evacuation routes;

E. describe how to use a fire extinguisher and close off the fire area; and

F. list the phone numbers and sources of emergency medical and dental care, poison control center, fire department, health authority, and licensing division of the Department of Human Services.

Subp. 22. **Pets.** If pets are permitted at the center, parents must be informed at the time of admission that a pet is present.

9503.0145 FOOD AND WATER.

Subpart 1. **Food.** The license holder must see that meals and supplemental snacks are available. Bag lunches provided by the parent are acceptable as specified in subpart 4.

Subp. 2. **Menus.** When food is provided by the license holder, menus must comply with the nutritional requirements of the United States Department of Agriculture, Food and Nutrition Service, Code of Federal Regulations, title 7, section 226.20.

Subp. 3. **Sanitation.** Procedures for preparing, handling, and serving food, and washing food, utensils, and equipment must comply with the requirements for food and beverage establishments in chapter 4626. If the food is prepared off site by another facility or if food service is provided according to a contract with a food service provider, the facility or license holder must ensure that food is prepared in compliance with chapter 4626. The license holder must provide refrigeration for dairy products and other perishable foods, whether supplied by the license holder or supplied by the parent. The refrigeration must have a temperature

of 40 degrees Fahrenheit or less. Tables and highchair trays used for meals must be washed with soap and water before and after each use.

Subp. 4. **Meals and snacks.** Each meal must provide one-third of the child's daily nutritional needs as specified by the United States Department of Agriculture, Food and Nutrition Service, in Code of Federal Regulations, title 7, section 226.20. The license holder must provide or ensure the availability of:

A. a snack for a child in attendance for more than two hours, but fewer than five hours;

B. one meal and two snacks or two meals and one snack for a child in attendance five to ten hours unless four or more of these hours are spent in sleep;

C. a minimum of two meals and two snacks for a child in attendance more than ten hours unless four or more of these hours are spent in sleep; and

D. program staff who are seated with the children during meal and snack times.

Subp. 5. **Prescribed diet needs.** The license holder must provide for a child's dietary needs prescribed by the child's source of medical care or require the parent to provide the prescribed diet items that are not part of the menu plan approved in subpart 2. A license holder serving a child who has a prescribed diet must keep the diet order and its duration specified in the child's record. All staff designated to provide care to the child must be informed of the diet order.

Subp. 6. **Food allergy information.** Information about food allergies of the children in the center must be available in the area where food is prepared or served to children with allergies. All staff providing care to the child must be informed of the allergy.

Subp. 7. **Infant diets.** The diet of an infant must be determined by the infant's parent. The license holder must ensure that sanitary procedures and practices are used to prepare, handle, and store formula, milk, breast milk, solid foods, and supplements. Procedures must be reviewed and certified by a health consultant. A center serving infants must:

A. obtain written dietary instructions from the parent of the child;

B. have the infant's feeding schedule available in the food preparation area;

C. offer the child formula or milk and nutritionally adequate solid foods in prescribed quantities at specified time intervals; and

D. label each child's bottle.

Subp. 8. **Water.** The center must have a safe water supply. A center that uses water from a privately owned well that is not governed by chapter 4720 must be tested annually by a Minnesota Health Department certified laboratory for coliform bacteria and nitrate nitrogens to verify safety. The license holder must ensure that a record of the test results is in the center's administrative record. The commissioner of health may issue an advisory order for retesting and corrective measures.

Drinking water must be available to children throughout the hours of operation and offered at frequent intervals. Drinking water for children must be provided in single service drinking cups or from drinking fountains accessible to children.

9503.0150 TRANSPORTATION.

A license holder who provides transportation for children or contracts to provide transportation must comply with the following transportation policies:

A. The vehicle must be driven by a person who holds a current Minnesota driver's license appropriate to the vehicle driven.

B. Staff ratios must be maintained on all transportation provided on all field trips.

C. When children are driven in a private car or van, a second adult must be present when more than four children under the age of five are being transported.

D. When the license holder provides transportation to and from the center, a second adult must be present in the vehicle and children must not be transported more than one hour per one-way trip. A two-way communication system can be used in lieu of a second adult when ten or fewer children are being transported.

E. When children are transported, they must be restrained in accordance with Minnesota Statutes, section 169.686, and a child under the age of four may be transported only if the child is properly fastened in a child passenger restraint system that meets the federal motor vehicle safety standards contained in Code of Federal Regulations, title 49, section 571.213.

9503.0155 FACILITY.

Subpart 1. **Occupancy designation.** In areas of the state that have adopted the Minnesota State Building Code, the applicant must comply with the standards specified by the code if the application is an initial one. In those areas of the state that have not adopted the Minnesota State Building Code, an applicant for licensure must comply with any applicable local building ordinances if the application is an initial one. The commissioner must not grant an initial license until written verification of compliance with the State Building Code or local building ordinance, when applicable, has been received by the commissioner from the building official with jurisdiction.

Subp. 2. **Fire inspection.** The center must be inspected by a fire marshal within 12 months before initial licensure. The commissioner must not grant an initial license until the commissioner has received written approval of compliance with the Minnesota Uniform Fire Code from the fire marshal with jurisdiction.

Subp. 3. **Reinspection for cause.** If the commissioner has reasonable cause to believe that a potential hazard exists, the commissioner may request another inspection and written report by a fire marshal, building official, or health authority to verify the absence of hazard.

Subp. 4. **Facility floor plan and designated areas.** Indoor and outdoor space to be used for child care must be designated on a facility floor plan. This space must be exclusively used for child care by the center during the hours of operation. The initial application for licensure and the center's administrative record must contain a floor plan of the center. Precise scale drawings are not required. The plan must indicate the:

A. dimensions and location of all areas of the center designated for the provision of child care;

B. planned use of each area; and

C. size and location of areas used for outdoor activity.

Subp. 5. **Child's personal storage space.** A center must have storage space for each child's clothing and personal belongings. The space must be at a height appropriate to the age of the child.

Subp. 6. **Space for children who become sick.** Space must be provided in the center for a child who becomes sick at a center not licensed to operate a sick care program under part 9503.0085. The space must be separate from activity areas used by other children. A cot and blanket must be provided. The space must be within sight and hearing of a staff person and supervised by a staff person when occupied by a sick child.

Subp. 7. **Outdoor activity area.** An outdoor activity area that complies with the following items must be provided or available for all child care programs except those licensed to exclusively provide sick care as specified in part 9503.0085, drop in care as specified in part 9503.0075, and those operating for less than three hours a day.

A. A center must have an outdoor activity area of at least 1,500 square feet, and there must be at least 75 square feet of space per child within the area at any given time during use.

B. An outdoor activity area used daily by children under school age must be within 2,000 feet of the center or transportation must be provided by the license holder. In no case, however, shall the outdoor activity area be farther than one-half mile from the center.

C. The area must be enclosed if it is located adjacent to a traffic, rail, water, machinery, or other environmental hazard, unless the area is a public park or playground.

D. The area must be free of litter, rubbish, toxic materials, water hazard, machinery, animal waste, and sewage contaminants.

E. The area must contain the outdoor large muscle equipment required by part 9503.0060.

Subp. 8. [Repealed, L 2019 1Sp9 art 2 s 134]

Subp. 9. **Indoor space.** The licensed capacity of the center must be limited by the amount of indoor space. A minimum of 35 square feet of indoor space must be available for each child in attendance. Hallways, stairways, closets, utility rooms, lavatories, water closets, kitchens, and space occupied by cribs may not be counted as indoor space. Twenty-five percent of the space occupied by furniture or equipment used by staff or children may be counted as indoor space.

Subp. 10. **Shielding of hot surfaces.** Radiators, fireplaces, hot pipes, and other hot surfaces in areas used by children must be shielded or insulated to prevent burns.

Subp. 11. **Electrical outlets.** Except in a center that serves only school-age children, electrical outlets must be tamper proof or shielded when not in use.

Subp. 12. **Water hazards.** Bodies of water within or adjacent to the center must be inaccessible to children. When using a pool or beach, children must be supervised at all times.

Subp. 13. **Room temperature.** A minimum temperature of 68 degrees Fahrenheit must be maintained in indoor areas used by children.

Subp. 14. [Repealed, 18 SR 2748]

Subp. 15. **Hazardous areas.** Kitchens, stairs, and other hazardous areas must be inaccessible to children except during periods of supervised use.

Subp. 16. **Fire extinguisher inspection.** Fire extinguishers must be serviced annually by a qualified inspector. The name of the inspector and date of the inspection must be written on a tag attached to the extinguisher.

Subp. 17. **Screens.** Outside doors and windows used for ventilation must be screened to provide protection from insects.

Subp. 18. **Toilets and hand sinks.** Toilets and hand sinks must be provided as specified in items A to G:

A. The center must have at least one hand sink and one toilet for each 15 children or portion of 15 children specified in the licensed capacity. One toilet training seat or training chair must be provided for every 15 toddlers specified in the licensed capacity. Any hand sink required for children, other than infants, must be in the toilet area.

B. In newly constructed centers or those undergoing major remodeling to the plumbing system, foot or wrist operated sinks must be provided in the diaper changing area.

C. Hand sinks for children must not be used for custodial work or food preparation.

D. The temperature of hot water in the hand sinks used by children must not exceed 120 degrees Fahrenheit.

E. Single service towels or air dryers must be available to dry hands and designed for easy use by the children.

F. Toilets, sinks, faucets, and hand drying devices in the toilet area used by children under school age other than infants must be placed at a height appropriate to the ages of the children.

G. Portable steps may be used to meet the requirement in item F for toddlers and preschoolers, if the steps are sturdy and washable.

9503.0170 LICENSING PROCESS.

Subpart 1. **License required.** A person, corporation, partnership, voluntary association, or other organization may not operate a child care program in a center unless licensed by the commissioner under parts 9503.0005 to 9503.0170 and Minnesota Statutes, chapter 245A.

Subp. 2. [Repealed, 18 SR 2748]

Subp. 3. **Posting license.** A license holder must post the license in a conspicuous place within the child care center.

Subp. 4. [Repealed, 18 SR 2748]

Subp. 5. [Repealed, 18 SR 2748]

Subp. 6. [Repealed, 18 SR 2748]

Subp. 7. [Repealed, L 1997 c 248 s 51 subd 3]