

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 3332

(SENATE AUTHORS: LOUREY)

DATE	D-PG	OFFICIAL STATUS
03/30/2016	5376	Introduction and first reading Referred to Health, Human Services and Housing
04/04/2016	5502a	Comm report: To pass as amended and re-refer to Finance

A bill for an act

1.1 relating to state government; making supplemental appropriations for human
1.2 services, health, health licensing boards, and the ombudsman for mental health
1.3 and developmental disabilities; making forecast adjustments; modifying
1.4 provisions governing health care, children and family services, continuing care,
1.5 mental health services, operations, direct care and treatment, Department of
1.6 Health programs, and health-related licensing boards; making technical changes;
1.7 modifying fees; requiring reports; making changes to medical assistance,
1.8 MinnesotaCare, child care assistance, and home and community-based waiver
1.9 services programs; making changes to electronic health information technology;
1.10 allowing health care practitioners access to patient registry information under
1.11 certain conditions; providing criminal penalties for improper access to patient
1.12 registry information; requiring a cost/benefit analysis of health care system
1.13 proposals; changing certain public health priority points for health risk limits and
1.14 contaminated private wells; amending Minnesota Statutes 2014, sections 13.3806,
1.15 subdivision 22; 62J.495, subdivision 4; 62J.496, subdivision 1; 119B.011,
1.16 subdivisions 6, 19, 20, 20a, by adding subdivisions; 119B.02, subdivisions
1.17 1, 5, by adding a subdivision; 119B.025, by adding subdivisions; 119B.03,
1.18 subdivisions 3, 9; 119B.09, subdivisions 1, 6, 7; 119B.10; 119B.11, subdivision
1.19 2a; 119B.12, subdivision 2; 119B.125, subdivision 1b, by adding subdivisions;
1.20 119B.13, subdivisions 1, 1a, 4; 152.27, subdivision 2, by adding a subdivision;
1.21 152.33, by adding a subdivision; 214.075, subdivision 3; 245.99, subdivision 2;
1.22 245A.02, by adding subdivisions; 245A.03, subdivision 7; 245A.04, subdivision
1.23 4; 245A.09, subdivision 7; 245A.10, subdivisions 2, 4, 8; 245A.14, by adding a
1.24 subdivision; 245A.151; 245A.16, by adding a subdivision; 245A.40, subdivisions
1.25 1, 7; 245A.50, subdivision 9; 245A.66, subdivision 2; 245C.03, by adding a
1.26 subdivision; 245C.04, subdivision 1; 245C.05, subdivisions 2b, 4, 7; 245C.08,
1.27 subdivisions 2, 4; 245C.11, subdivision 3; 245C.17, subdivision 6; 245C.23,
1.28 subdivision 2; 246.54, as amended; 246B.01, subdivision 2b; 246B.035;
1.29 246B.10; 253B.15, subdivision 1; 253B.18, subdivision 4b; 253D.14, subdivision
1.30 3; 253D.27, subdivision 2; 253D.28, as amended; 253D.29, subdivisions 2, 3;
1.31 253D.30, subdivisions 3, 4, 5, 6; 253D.31; 254B.01, subdivision 4a; 256.01,
1.32 by adding a subdivision; 256.98, subdivision 8; 256B.04, subdivision 14;
1.33 256B.059, subdivisions 1, 2, 3, by adding a subdivision; 256B.0622, by adding a
1.34 subdivision; 256B.0625, by adding a subdivision; 256B.0915, subdivision 3b;
1.35 256B.092, subdivision 13; 256B.4912, by adding a subdivision; 256B.4914,
1.36 subdivision 11; 256B.493, subdivisions 3, 4; 256B.76, by adding a subdivision;
1.37 256B.761; 256D.051; 256J.24, subdivision 5; 256L.01, subdivision 1a;
1.38 256L.04, subdivisions 1a, 2, 10; 256L.07, subdivision 1; 260C.451, by adding
1.39

2.1 a subdivision; 626.556, subdivision 3e; Minnesota Statutes 2015 Supplement,
 2.2 sections 16A.724, subdivision 2; 119B.025, subdivision 1; 119B.09, subdivision
 2.3 4; 119B.13, subdivision 6; 245.4889, subdivision 1; 245.735, subdivisions 3, 4;
 2.4 245A.16, subdivision 1; 245A.40, subdivisions 3, 4; 245C.08, subdivision 1;
 2.5 245D.03, subdivision 1; 254B.05, subdivision 5; 256.478; 256B.059, subdivision
 2.6 5; 256B.0625, subdivisions 31, 58; 256B.441, subdivision 30; 256B.49,
 2.7 subdivision 24; 256B.4913, subdivision 4a; 256B.4914, subdivisions 10, 14,
 2.8 15; 256L.01, subdivision 5; 256L.04, subdivision 7b; 256L.05, subdivision
 2.9 3a; 256L.06, subdivision 3; 256L.15, subdivision 1; 256M.41, subdivision
 2.10 3; 256P.05, subdivision 1; 256P.06, subdivision 3; 256P.07, subdivisions 3, 6;
 2.11 260C.203; 260C.212, subdivisions 1, 14; 260C.215, subdivision 4; 260C.451,
 2.12 subdivision 6; 260C.521, subdivision 1; 626.556, subdivisions 2, 3c; Laws 2013,
 2.13 chapter 108, article 14, section 2, subdivision 1, as amended; Laws 2015, chapter
 2.14 71, article 14, sections 2, subdivision 1; 4, subdivision 3; proposing coding
 2.15 for new law in Minnesota Statutes, chapters 119B; 245A; 256B; 260C; 260D;
 2.16 repealing Minnesota Statutes 2014, sections 119B.07; 119B.125, subdivision 5;
 2.17 253D.27, subdivisions 3, 4; 256B.059, subdivision 1a; 256B.493, subdivisions 1,
 2.18 2; 256L.04, subdivisions 2a, 8; 256L.22; 256L.24; 256L.26; 256L.28; Minnesota
 2.19 Statutes 2015 Supplement, section 119B.125, subdivision 8; Minnesota Rules,
 2.20 parts 3400.0040, subparts 6a, 6b; 3400.0110, subparts 2a, 10; 3400.0170,
 2.21 subparts 7, 8; 9502.0405, subpart 4, item C; 9502.0425, subpart 18; 9503.0100;
 2.22 9503.0140, subpart 5; 9503.0145, subpart 6; 9503.0155, subpart 11.

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

2.24 **ARTICLE 1**

2.25 **HEALTH CARE**

2.26 Section 1. Minnesota Statutes 2015 Supplement, section 16A.724, subdivision 2,
 2.27 is amended to read:

2.28 Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available
 2.29 resources in the health care access fund exceed expenditures in that fund, effective for
 2.30 the biennium beginning July 1, 2007, the commissioner of management and budget shall
 2.31 transfer the excess funds from the health care access fund to the general fund on June 30
 2.32 of each year, provided that the amount transferred in any fiscal biennium shall not exceed
 2.33 ~~\$96,000,000~~ \$244,000,000. The purpose of this transfer is to meet the rate increase required
 2.34 under Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6.

2.35 (b) For fiscal years 2006 to 2011, MinnesotaCare shall be a forecasted program, and,
 2.36 if necessary, the commissioner shall reduce these transfers from the health care access
 2.37 fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary,
 2.38 transfer sufficient funds from the general fund to the health care access fund to meet
 2.39 annual MinnesotaCare expenditures.

2.40 Sec. 2. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision
 2.41 to read:

3.1 Subd. 41. Federal waiver request. (a) The commissioner shall seek necessary
3.2 federal waiver authority from the United States Department of Health and Human
3.3 Services to design and operate a seamless and sustainable health coverage continuum that
3.4 reduces barriers to care and eases the transition across insurance affordability programs
3.5 for consumers.

3.6 (b) The waiver proposal must incorporate, at a minimum, the following:

3.7 (1) an expansion of MinnesotaCare for persons with incomes up to 275 percent of
3.8 federal poverty guidelines;

3.9 (2) a standardized sliding fee scale for premiums and cost sharing for persons with
3.10 incomes up to 275 percent of federal poverty guidelines;

3.11 (3) alignment of eligibility, benefits, and enrollment requirements across insurance
3.12 affordability programs, including, at a minimum, a common income methodology,
3.13 consistent household composition rules, and a common definition of "American Indian";

3.14 (4) multipayer alignment across insurance affordability programs that promote health
3.15 equity, including consistent payment methodologies across payers and products and similar
3.16 coverage and contracting requirements across insurance affordability programs; and

3.17 (5) innovative reforms to promote cost-neutrality and sustainability of the program,
3.18 including prospective and outcome-based payment for collaborative organizations and
3.19 primary care providers.

3.20 (c) As part of the waiver request, the commissioner shall seek necessary federal
3.21 authority to secure all federal funding available to meet the goals described under
3.22 paragraph (a). This includes available Medicaid funding and all premium tax credits and
3.23 cost-sharing subsidies available under United States Code, title 26, section 36B, and
3.24 United States Code, title 42, section 18071, for a person with income at or below 275
3.25 percent of the federal poverty guidelines who would otherwise be eligible to enroll in
3.26 a qualified health plan through MNsure.

3.27 (d) In developing the request, the commissioner shall consult with appropriate state
3.28 agencies, stakeholder groups, and consumers.

3.29 (e) On March 1, 2017, the commissioner shall report to the chairs and ranking
3.30 minority members of the legislative committees with jurisdiction over health and human
3.31 services on the progress of receiving a federal waiver, including the results of actuarial
3.32 analyses on the broader impact to the health insurance market required for waiver
3.33 submission and recommendations on necessary legislative changes, including the expected
3.34 fiscal impact to the state.

3.35 (f) Implementation of the waiver shall be contingent on necessary federal approval,
3.36 state legislative changes, and state financial contributions.

4.1 Sec. 3. Minnesota Statutes 2014, section 256B.04, subdivision 14, is amended to read:

4.2 Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical,
4.3 and feasible, the commissioner may utilize volume purchase through competitive bidding
4.4 and negotiation under the provisions of chapter 16C, to provide items under the medical
4.5 assistance program including but not limited to the following:

4.6 (1) eyeglasses;

4.7 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency
4.8 situation on a short-term basis, until the vendor can obtain the necessary supply from
4.9 the contract dealer;

4.10 (3) hearing aids and supplies; and

4.11 (4) durable medical equipment, including but not limited to:

4.12 (i) hospital beds;

4.13 (ii) commodes;

4.14 (iii) glide-about chairs;

4.15 (iv) patient lift apparatus;

4.16 (v) wheelchairs and accessories;

4.17 (vi) oxygen administration equipment;

4.18 (vii) respiratory therapy equipment;

4.19 (viii) electronic diagnostic, therapeutic and life-support systems; and

4.20 (ix) allergen-reducing products as described in section 256B.0625, subdivision 65,

4.21 paragraph (c), clause (3);

4.22 (5) nonemergency medical transportation level of need determinations, disbursement
4.23 of public transportation passes and tokens, and volunteer and recipient mileage and
4.24 parking reimbursements; and

4.25 (6) drugs.

4.26 (b) Rate changes and recipient cost-sharing under this chapter and chapters 256D and
4.27 256L do not affect contract payments under this subdivision unless specifically identified.

4.28 (c) The commissioner may not utilize volume purchase through competitive bidding
4.29 and negotiation for special transportation services under the provisions of chapter 16C.

4.30 Sec. 4. Minnesota Statutes 2014, section 256B.059, subdivision 1, is amended to read:

4.31 Subdivision 1. **Definitions.** (a) For purposes of this section and sections 256B.058
4.32 and 256B.0595, the terms defined in this subdivision have the meanings given them.

4.33 (b) "Community spouse" means the spouse of an institutionalized spouse.

5.1 ~~(e) "Spousal share" means one-half of the total value of all assets, to the extent that~~
5.2 ~~either the institutionalized spouse or the community spouse had an ownership interest at~~
5.3 ~~the time of the first continuous period of institutionalization.~~

5.4 ~~(d)~~ (c) "Assets otherwise available to the community spouse" means assets
5.5 individually or jointly owned by the community spouse, other than assets excluded by
5.6 subdivision 5, paragraph (c).

5.7 ~~(e)~~ (d) "Community spouse asset allowance" is the value of assets that can be
5.8 transferred under subdivision 3.

5.9 ~~(f)~~ (e) "Institutionalized spouse" means a person who is:

5.10 (1) in a hospital, nursing facility, or intermediate care facility for persons with
5.11 developmental disabilities, or receiving home and community-based services under
5.12 section 256B.0915, and is expected to remain in the facility or institution or receive the
5.13 home and community-based services for at least 30 consecutive days; and

5.14 (2) married to a person who is not in a hospital, nursing facility, or intermediate
5.15 care facility for persons with developmental disabilities, and is not receiving home and
5.16 community-based services under section 256B.0915, 256B.092, or 256B.49.

5.17 ~~(g)~~ (f) "For the sole benefit of" means no other individual or entity can benefit in any
5.18 way from the assets or income at the time of a transfer or at any time in the future.

5.19 ~~(h)~~ (g) "Continuous period of institutionalization" means a 30-consecutive-day
5.20 period of time in which a person is expected to stay in a medical or long-term care facility,
5.21 or receive home and community-based services that would qualify for coverage under
5.22 the elderly waiver (EW) or alternative care (AC) programs. For a stay in a facility, the
5.23 30-consecutive-day period begins on the date of entry into a medical or long-term care
5.24 facility. For receipt of home and community-based services, the 30-consecutive-day
5.25 period begins on the date that the following conditions are met:

5.26 (1) the person is receiving services that meet the nursing facility level of care
5.27 determined by a long-term care consultation;

5.28 (2) the person has received the long-term care consultation within the past 60 days;

5.29 (3) the services are paid by the EW program under section 256B.0915 or the AC
5.30 program under section 256B.0913 or would qualify for payment under the EW or AC
5.31 programs if the person were otherwise eligible for either program, and but for the receipt
5.32 of such services the person would have resided in a nursing facility; and

5.33 (4) the services are provided by a licensed provider qualified to provide home and
5.34 community-based services.

5.35 **EFFECTIVE DATE.** This section is effective June 1, 2016.

6.1 Sec. 5. Minnesota Statutes 2014, section 256B.059, subdivision 2, is amended to read:

6.2 Subd. 2. **Assessment of spousal-share marital assets.** ~~At the beginning of the~~
 6.3 ~~first continuous period of institutionalization of a person beginning on or after October~~
 6.4 ~~1, 1989, at the request of either the institutionalized spouse or the community spouse, or~~
 6.5 ~~Upon application for medical assistance benefits for an institutionalized spouse, the total~~
 6.6 ~~value of assets in which either the institutionalized spouse or the community spouse had~~
 6.7 ~~have an interest at the time of the first period of institutionalization of 30 days or more~~
 6.8 ~~shall be assessed and documented and the spousal share shall be assessed and documented~~
 6.9 ~~the community spouse asset allowance calculated as required in subdivision 3.~~

6.10 **EFFECTIVE DATE.** This section is effective June 1, 2016.

6.11 Sec. 6. Minnesota Statutes 2014, section 256B.059, subdivision 3, is amended to read:

6.12 Subd. 3. **Community spouse asset allowance.** An institutionalized spouse may
 6.13 transfer assets to the community spouse for the sole benefit of the community spouse.
 6.14 Except for increased amounts allowable under subdivision 4, the maximum amount of
 6.15 assets allowed to be transferred is the amount which, when added to the assets otherwise
 6.16 available to the community spouse, is as follows the greater of:

6.17 ~~(1) prior to July 1, 1994, the greater of:~~

6.18 ~~(i) \$14,148;~~

6.19 ~~(ii) the lesser of the spousal share or \$70,740; or~~

6.20 ~~(iii) the amount required by court order to be paid to the community spouse; and~~

6.21 ~~(2) for persons whose date of initial determination of eligibility for medical~~
 6.22 ~~assistance following their first continuous period of institutionalization occurs on or after~~
 6.23 ~~July 1, 1994, the greater of:~~

6.24 ~~(i) \$20,000;~~

6.25 ~~(ii) the lesser of the spousal share or \$70,740; or~~

6.26 ~~(iii) the amount required by court order to be paid to the community spouse.~~

6.27 (1) \$119,220 subject to an annual adjustment on January 1, 2017, and every January
 6.28 1 thereafter, equal to the percentage increase in the Consumer Price Index for All Urban
 6.29 Consumers (all items; United States city average) between the two previous Septembers; or

6.30 (2) the amount required by court order to be paid to the community spouse.

6.31 If the assets available to the community spouse are already at the limit permissible
 6.32 under this section, or the higher limit attributable to increases under subdivision 4, no assets
 6.33 may be transferred from the institutionalized spouse to the community spouse. The transfer
 6.34 must be made as soon as practicable after the date the institutionalized spouse is determined
 6.35 eligible for medical assistance, or within the amount of time needed for any court order

7.1 required for the transfer. ~~On January 1, 1994, and every January 1 thereafter, the limits in~~
 7.2 ~~this subdivision shall be adjusted by the same percentage change in the Consumer Price~~
 7.3 ~~Index for All Urban Consumers (all items; United States city average) between the two~~
 7.4 ~~previous Septembers. These adjustments shall also be applied to the limits in subdivision 5.~~

7.5 **EFFECTIVE DATE.** This section is effective June 1, 2016.

7.6 Sec. 7. Minnesota Statutes 2015 Supplement, section 256B.059, subdivision 5, is
 7.7 amended to read:

7.8 Subd. 5. **Asset availability.** (a) At the time of initial determination of eligibility for
 7.9 medical assistance benefits ~~following the first continuous period of institutionalization~~
 7.10 ~~on or after October 1, 1989~~ for an institutionalized spouse, assets considered available
 7.11 to the institutionalized spouse shall be the total value of all assets in which either spouse
 7.12 has an ownership interest, reduced by the following amount for the community spouse:
 7.13 available to the community spouse under subdivision 3.

7.14 ~~(1) prior to July 1, 1994, the greater of:~~

7.15 ~~(i) \$14,148;~~

7.16 ~~(ii) the lesser of the spousal share or \$70,740; or~~

7.17 ~~(iii) the amount required by court order to be paid to the community spouse;~~

7.18 ~~(2) for persons whose date of initial determination of eligibility for medical~~
 7.19 ~~assistance following their first continuous period of institutionalization occurs on or after~~
 7.20 ~~July 1, 1994, the greater of:~~

7.21 ~~(i) \$20,000;~~

7.22 ~~(ii) the lesser of the spousal share or \$70,740; or~~

7.23 ~~(iii) the amount required by court order to be paid to the community spouse.~~

7.24 The value of assets transferred for the sole benefit of the community spouse under section
 7.25 256B.0595, subdivision 4, in combination with other assets available to the community
 7.26 spouse under this section, cannot exceed the limit for the community spouse asset
 7.27 allowance determined under subdivision 3 or 4. Assets that exceed this allowance shall
 7.28 be considered available to the institutionalized spouse. If the community spouse asset
 7.29 allowance has been increased under subdivision 4, then the assets considered available to
 7.30 the institutionalized spouse under this subdivision shall be further reduced by the value of
 7.31 additional amounts allowed under subdivision 4.

7.32 (b) An institutionalized spouse may be found eligible for medical assistance even
 7.33 though assets in excess of the allowable amount are found to be available under paragraph
 7.34 (a) if the assets are owned jointly or individually by the community spouse, and the

8.1 institutionalized spouse cannot use those assets to pay for the cost of care without the
8.2 consent of the community spouse, and if: (i) the institutionalized spouse assigns to the
8.3 commissioner the right to support from the community spouse under section 256B.14,
8.4 subdivision 3; (ii) the institutionalized spouse lacks the ability to execute an assignment
8.5 due to a physical or mental impairment; or (iii) the denial of eligibility would cause an
8.6 imminent threat to the institutionalized spouse's health and well-being.

8.7 (c) After the month in which the institutionalized spouse is determined eligible for
8.8 medical assistance, and during the continuous period of institutionalization enrollment, no
8.9 assets of the community spouse are considered available to the institutionalized spouse,
8.10 unless the institutionalized spouse has been found eligible under paragraph (b).

8.11 (d) Assets determined to be available to the institutionalized spouse under this
8.12 section must be used for the health care or personal needs of the institutionalized spouse.

8.13 (e) For purposes of this section, assets do not include assets excluded under the
8.14 Supplemental Security Income program.

8.15 **EFFECTIVE DATE.** This section is effective June 1, 2016.

8.16 Sec. 8. Minnesota Statutes 2014, section 256B.059, is amended by adding a
8.17 subdivision to read:

8.18 **Subd. 6. Temporary application.** (a) During the period in which rules against
8.19 spousal impoverishment are temporarily applied according to section 2404 of the Patient
8.20 Protection Affordable Care Act, Public Law 111-148, as amended by the Health Care and
8.21 Education Reconciliation Act of 2010, Public Law 111-152, this section applies to an
8.22 institutionalized spouse:

8.23 (1) applying for home and community-based waivers under sections 256B.092,
8.24 256B.093, and 256B.49 on or after June 1, 2016;

8.25 (2) enrolled in home and community-based waivers under sections 256B.092,
8.26 256B.093, and 256B.49 before June 1, 2016; or

8.27 (3) applying for services under section 256B.85 upon the effective date of that section.

8.28 (b) During the applicable period of paragraph (a), the definition of "institutionalized
8.29 spouse" in subdivision 1, paragraph (f), also includes an institutionalized spouse
8.30 referenced in paragraph (a).

8.31 **EFFECTIVE DATE.** Paragraph (a), clauses (1) and (3), and paragraph (b) are
8.32 effective June 1, 2016. Paragraph (a), clause (2), is effective March 1, 2017.

9.1 Sec. 9. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 31,
9.2 is amended to read:

9.3 Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical
9.4 supplies and equipment. Separate payment outside of the facility's payment rate shall
9.5 be made for wheelchairs and wheelchair accessories for recipients who are residents
9.6 of intermediate care facilities for the developmentally disabled. Reimbursement for
9.7 wheelchairs and wheelchair accessories for ICF/DD recipients shall be subject to the same
9.8 conditions and limitations as coverage for recipients who do not reside in institutions. A
9.9 wheelchair purchased outside of the facility's payment rate is the property of the recipient.

9.10 (b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies
9.11 must enroll as a Medicare provider.

9.12 (c) When necessary to ensure access to durable medical equipment, prosthetics,
9.13 orthotics, or medical supplies, the commissioner may exempt a vendor from the Medicare
9.14 enrollment requirement if:

9.15 (1) the vendor supplies only one type of durable medical equipment, prosthetic,
9.16 orthotic, or medical supply;

9.17 (2) the vendor serves ten or fewer medical assistance recipients per year;

9.18 (3) the commissioner finds that other vendors are not available to provide same or
9.19 similar durable medical equipment, prosthetics, orthotics, or medical supplies; and

9.20 (4) the vendor complies with all screening requirements in this chapter and Code of
9.21 Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from
9.22 the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare
9.23 and Medicaid Services approved national accreditation organization as complying with
9.24 the Medicare program's supplier and quality standards and the vendor serves primarily
9.25 pediatric patients.

9.26 (d) Durable medical equipment means a device or equipment that:

9.27 (1) can withstand repeated use;

9.28 (2) is generally not useful in the absence of an illness, injury, or disability; and

9.29 (3) is provided to correct or accommodate a physiological disorder or physical
9.30 condition or is generally used primarily for a medical purpose.

9.31 (e) Electronic tablets may be considered durable medical equipment if the electronic
9.32 tablet will be used as an augmentative and alternative communication system as defined
9.33 under subdivision 31a, paragraph (a). To be covered by medical assistance, the device
9.34 must be locked in order to prevent use not related to communication.

9.35 (f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must
9.36 be locked to prevent use not as an augmentative communication device, a recipient of

10.1 waiver services may use an electronic tablet for a use not related to communication when
10.2 the recipient has been authorized under the waiver to receive one or more additional
10.3 applications that can be loaded onto the electronic tablet, such that allowing the additional
10.4 use prevents the purchase of a separate electronic tablet with waiver funds.

10.5 (g) Allergen-reducing products provided according to subdivision 65, paragraph (c),
10.6 clause (3), shall be considered durable medical equipment.

10.7 **EFFECTIVE DATE.** This section is effective upon federal approval, but not before
10.8 January 1, 2017. The commissioner of human services shall notify the revisor of statutes
10.9 when federal approval is obtained.

10.10 Sec. 10. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 58,
10.11 is amended to read:

10.12 Subd. 58. **Early and periodic screening, diagnosis, and treatment services.**
10.13 Medical assistance covers early and periodic screening, diagnosis, and treatment services
10.14 (EPSDT). The payment amount for a complete EPSDT screening shall not include charges
10.15 for health care services and products that are available at no cost to the provider and shall
10.16 not exceed the rate established per Minnesota Rules, part 9505.0445, item M, effective
10.17 October 1, 2010. Payment for a complete EPSDT screening rendered on or after July
10.18 1, 2016, shall be increased by five percent when provided by a physician, advanced
10.19 practice registered nurse, or physician assistant unless otherwise limited by state or
10.20 federal regulations.

10.21 Sec. 11. Minnesota Statutes 2014, section 256B.0625, is amended by adding a
10.22 subdivision to read:

10.23 Subd. 65. **Enhanced asthma care services.** (a) Medical assistance covers enhanced
10.24 asthma care services and related products for children with poorly controlled asthma
10.25 according to paragraph (b), to be provided in the children's homes.

10.26 (b) To be eligible for services and products under this subdivision, a child must:

10.27 (1) be under 21 years of age;

10.28 (2) have poorly controlled asthma;

10.29 (3) have, at least one time in the past year, received health care for the child's asthma
10.30 from a hospital emergency department or been hospitalized for the treatment of asthma; and

10.31 (4) receive a referral for asthma care services and products covered under this
10.32 subdivision from a treating health care provider.

10.33 (c) Covered asthma care services and products include:

11.1 (1) a home assessment for asthma triggers provided by an enrolled healthy homes
11.2 specialist currently credentialed by the National Environmental Health Association;

11.3 (2) targeted asthma education services in the child's home by an enrolled asthma
11.4 educator certified by the National Asthma Educator Certification Board. Asthma
11.5 education services provided under this clause include education on self-management,
11.6 avoiding asthma triggers, identifying worsening asthma symptoms, and medication uses
11.7 and techniques; and

11.8 (3) allergen-reducing products recommended for the child by the healthy homes
11.9 specialist or the certified asthma educator based on the documented allergies for that child
11.10 and proven to reduce asthma triggers identified in the child's home assessment, including:

11.11 (i) encasements for mattresses, box springs, and pillows;

11.12 (ii) a HEPA vacuum cleaner, filters, and bags;

11.13 (iii) a dehumidifier and filters;

11.14 (iv) single-room air cleaners and filters;

11.15 (v) nontoxic pest control systems, including traps and starter packages of food
11.16 storage containers;

11.17 (vi) a damp mopping system;

11.18 (vii) if the child does not have access to a bed, a waterproof hospital-grade mattress;

11.19 and

11.20 (viii) furnace filters, for homeowners only.

11.21 (d)(1) A child is limited to one home assessment and one visit by a certified asthma
11.22 educator to provide education on the use and maintenance of the products listed in
11.23 paragraph (c), clause (3).

11.24 (2) A child may receive an additional home assessment if the child moves to a new
11.25 home; develops a new asthma trigger, including tobacco smoke; or the child's health
11.26 care provider documents a new allergy for the child, including an allergy to mold, pests,
11.27 pets, or dust mites.

11.28 (3) The commissioner shall determine the frequency that a child may receive a product
11.29 listed in paragraph (c), clause (3), based on the reasonable expected lifetime of the product.

11.30 **EFFECTIVE DATE.** This section is effective upon federal approval, but not before
11.31 January 1, 2017. The commissioner of human services shall notify the revisor of statutes
11.32 when federal approval is obtained.

11.33 Sec. 12. Minnesota Statutes 2014, section 256B.76, is amended by adding a
11.34 subdivision to read:

12.1 Subd. 8. Payment for certain preventive medical visits. (a) Payment for certain
12.2 preventive medical visits rendered on or after July 1, 2016, shall be increased by five
12.3 percent, unless otherwise limited by state or federal regulations.

12.4 (b) For purposes of paragraph (a), preventive medical visits shall be limited to
12.5 preventive medicine visits when provided by a physician, advanced practice registered
12.6 nurse, or physician assistant.

12.7 Sec. 13. Minnesota Statutes 2014, section 256B.761, is amended to read:

12.8 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

12.9 (a) Effective for services rendered on or after July 1, 2001, payment for medication
12.10 management provided to psychiatric patients, outpatient mental health services, day
12.11 treatment services, home-based mental health services, and family community support
12.12 services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the
12.13 50th percentile of 1999 charges.

12.14 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health
12.15 services provided by an entity that operates: (1) a Medicare-certified comprehensive
12.16 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1,
12.17 1993, with at least 33 percent of the clients receiving rehabilitation services in the most
12.18 recent calendar year who are medical assistance recipients, will be increased by 38 percent,
12.19 when those services are provided within the comprehensive outpatient rehabilitation
12.20 facility and provided to residents of nursing facilities owned by the entity.

12.21 (c) The commissioner shall establish three levels of payment for mental health
12.22 diagnostic assessment, based on three levels of complexity. The aggregate payment under
12.23 the tiered rates must not exceed the projected aggregate payments for mental health
12.24 diagnostic assessment under the previous single rate. The new rate structure is effective
12.25 January 1, 2011, or upon federal approval, whichever is later.

12.26 (d) In addition to rate increases otherwise provided, the commissioner may
12.27 restructure coverage policy and rates to improve access to adult rehabilitative mental
12.28 health services under section 256B.0623 and related mental health support services under
12.29 section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and
12.30 2016, the projected state share of increased costs due to this paragraph is transferred
12.31 from adult mental health grants under sections 245.4661 and 256E.12. The transfer for
12.32 fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments
12.33 made to managed care plans and county-based purchasing plans under sections 256B.69,
12.34 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.

13.1 (e) Effective for services provided on or after July 1, 2016, payments for outpatient
 13.2 mental health services shall be increased by five percent. This increase is not applicable
 13.3 to federally qualified health centers, rural health centers, Indian health services, other
 13.4 cost-based rates, rates that are negotiated with the county, or rates that are established by
 13.5 the federal government.

13.6 Sec. 14. **[256B.7625] REIMBURSEMENT FOR EVIDENCE-BASED PUBLIC**
 13.7 **HEALTH NURSE HOME VISITS.**

13.8 Effective for services provided on or after January 1, 2017, prenatal and postpartum
 13.9 follow-up home visits provided by public health nurses using evidence-based models
 13.10 shall be paid \$140 per visit. Evidence-based postpartum follow-up home visits must
 13.11 be administered by home visiting programs that meet the United States Department
 13.12 of Health and Human Services criteria for evidence-based models and identified by
 13.13 the commissioner of health as eligible services under the Maternal, Infant, and Early
 13.14 Childhood Home Visiting program. Home visits shall be targeted toward pregnant women
 13.15 and mothers with children up to three years of age.

13.16 Sec. 15. Minnesota Statutes 2014, section 256L.01, subdivision 1a, is amended to read:

13.17 Subd. 1a. **Child.** "Child" means an individual under 21 years of age, ~~including the~~
 13.18 ~~unborn child of a pregnant woman, an emancipated minor, and an emancipated minor's~~
 13.19 ~~spouse.~~

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

13.21 Sec. 16. Minnesota Statutes 2015 Supplement, section 256L.01, subdivision 5, is
 13.22 amended to read:

13.23 Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross
 13.24 income, as defined in Code of Federal Regulations, title 26, section 1.36B-1, and means
 13.25 a household's ~~projected annual income for the applicable tax year~~ current income, or if
 13.26 income fluctuates month to month, the income for the 12-month eligibility period.

13.27 **EFFECTIVE DATE.** This section is effective July 1, 2017.

13.28 Sec. 17. Minnesota Statutes 2014, section 256L.04, subdivision 1a, is amended to read:

13.29 Subd. 1a. **Social Security number required.** (a) Individuals and families applying
 13.30 for MinnesotaCare coverage must provide a Social Security number if required by Code
 13.31 of Federal Regulations, title 45, section 155.310(a)(3).

14.1 ~~(b) The commissioner shall not deny eligibility to an otherwise eligible applicant~~
 14.2 ~~who has applied for a Social Security number and is awaiting issuance of that Social~~
 14.3 ~~Security number.~~

14.4 ~~(c) Newborns enrolled under section 256L.05, subdivision 3, are exempt from the~~
 14.5 ~~requirements of this subdivision.~~

14.6 ~~(d) Individuals who refuse to provide a Social Security number because of~~
 14.7 ~~well-established religious objections are exempt from the requirements of this subdivision.~~
 14.8 ~~The term "well-established religious objections" has the meaning given in Code of Federal~~
 14.9 ~~Regulations, title 42, section 435.910.~~

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

14.11 Sec. 18. Minnesota Statutes 2014, section 256L.04, subdivision 2, is amended to read:

14.12 Subd. 2. **Third-party liability, paternity, and other medical support.** ~~(a) To be~~
 14.13 ~~eligible for MinnesotaCare, Individuals and families must~~ may cooperate with the state
 14.14 agency to identify potentially liable third-party payers and assist the state in obtaining
 14.15 third-party payments. "Cooperation" includes, but is not limited to, complying with
 14.16 the notice requirements in section 256B.056, subdivision 9, identifying any third party
 14.17 who may be liable for care and services provided under MinnesotaCare to the enrollee,
 14.18 providing relevant information to assist the state in pursuing a potentially liable third
 14.19 party, and completing forms necessary to recover third-party payments.

14.20 ~~(b) A parent, guardian, relative caretaker, or child enrolled in the MinnesotaCare~~
 14.21 ~~program must cooperate with the Department of Human Services and the local agency in~~
 14.22 ~~establishing the paternity of an enrolled child and in obtaining medical care support and~~
 14.23 ~~payments for the child and any other person for whom the person can legally assign rights,~~
 14.24 ~~in accordance with applicable laws and rules governing the medical assistance program. A~~
 14.25 ~~child shall not be ineligible for or disenrolled from the MinnesotaCare program solely~~
 14.26 ~~because the child's parent, relative caretaker, or guardian fails to cooperate in establishing~~
 14.27 ~~paternity or obtaining medical support.~~

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

14.29 Sec. 19. Minnesota Statutes 2015 Supplement, section 256L.04, subdivision 7b,
 14.30 is amended to read:

14.31 Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the
 14.32 income limits under this section annually ~~on January~~ each July 1 as ~~provided~~ described in
 14.33 Code of Federal Regulations, title 26, section 1.36B-1(h) section 256B.056, subdivision 1c.

15.1 **EFFECTIVE DATE.** This section is effective July 1, 2017.

15.2 Sec. 20. Minnesota Statutes 2014, section 256L.04, subdivision 10, is amended to read:

15.3 Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is limited
15.4 to citizens or nationals of the United States and lawfully present noncitizens as defined
15.5 in Code of Federal Regulations, title 8 ~~45~~, section ~~103.12~~ 152.2. Undocumented
15.6 noncitizens are ineligible for MinnesotaCare. For purposes of this subdivision, an
15.7 undocumented noncitizen is an individual who resides in the United States without the
15.8 approval or acquiescence of the United States Citizenship and Immigration Services.
15.9 Families with children who are citizens or nationals of the United States must cooperate in
15.10 obtaining satisfactory documentary evidence of citizenship or nationality according to the
15.11 requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

15.12 (b) Notwithstanding subdivisions 1 and 7, eligible persons include families and
15.13 individuals who are lawfully present and ineligible for medical assistance by reason of
15.14 immigration status and who have incomes equal to or less than 200 percent of federal
15.15 poverty guidelines.

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

15.17 Sec. 21. Minnesota Statutes 2015 Supplement, section 256L.05, subdivision 3a,
15.18 is amended to read:

15.19 Subd. 3a. **Redetermination of eligibility.** (a) An enrollee's eligibility must be
15.20 redetermined on an annual basis, in accordance with Code of Federal Regulations, title
15.21 42, section 435.916(a). ~~The period of eligibility is the entire calendar year following the~~
15.22 ~~year in which eligibility is redetermined. Beginning in calendar year 2015, eligibility~~
15.23 ~~redeterminations shall occur during the open enrollment period for qualified health plans as~~
15.24 ~~specified in Code of Federal Regulations, title 45, section 155.410.~~ The 12-month eligibility
15.25 period begins the month of application. Beginning July 1, 2017, the commissioner shall
15.26 adjust the eligibility period for enrollees to implement renewals throughout the year
15.27 according to guidance from the Centers for Medicare and Medicaid Services.

15.28 (b) Each new period of eligibility must take into account any changes in
15.29 circumstances that impact eligibility and premium amount. Coverage begins as provided
15.30 in section 256L.06.

15.31 **EFFECTIVE DATE.** This section is effective July 1, 2017.

16.1 Sec. 22. Minnesota Statutes 2015 Supplement, section 256L.06, subdivision 3, is
16.2 amended to read:

16.3 Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the
16.4 commissioner for MinnesotaCare.

16.5 (b) The commissioner shall develop and implement procedures to: (1) require
16.6 enrollees to report changes in income; (2) adjust sliding scale premium payments, based
16.7 upon both increases and decreases in enrollee income, at the time the change in income
16.8 is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required
16.9 premiums. Failure to pay includes payment with a dishonored check, a returned automatic
16.10 bank withdrawal, or a refused credit card or debit card payment. The commissioner may
16.11 demand a guaranteed form of payment, including a cashier's check or a money order, as
16.12 the only means to replace a dishonored, returned, or refused payment.

16.13 (c) Premiums are calculated on a calendar month basis and may be paid on a
16.14 monthly, quarterly, or semiannual basis, with the first payment due upon notice from the
16.15 commissioner of the premium amount required. The commissioner shall inform applicants
16.16 and enrollees of these premium payment options. Premium payment is required before
16.17 enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments
16.18 received before noon are credited the same day. Premium payments received after noon
16.19 are credited on the next working day.

16.20 (d) Nonpayment of the premium will result in disenrollment from the plan effective
16.21 for the calendar month following the month for which the premium was due. Persons
16.22 disenrolled for nonpayment may not reenroll prior to the first day of the month following
16.23 the payment of an amount equal to two months' premiums.

16.24 (e) The commissioner shall forgive the past-due premium for persons disenrolled
16.25 under paragraph (d) prior to issuing a premium invoice for the fourth month following
16.26 disenrollment.

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

16.28 Sec. 23. Minnesota Statutes 2014, section 256L.07, subdivision 1, is amended to read:

16.29 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare
16.30 under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under
16.31 section 256L.04, subdivision 7, whose income increases above 200 percent of the federal
16.32 poverty guidelines, are no longer eligible for the program and shall be disenrolled
16.33 by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare
16.34 coverage terminates the last day of the calendar month ~~following the month~~ in which the
16.35 commissioner ~~determines that~~ sends advance notice in accordance with Code of Federal

17.1 Regulations, title 42, section 431.211, that indicates the income of a family or individual
17.2 exceeds program income limits.

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

17.4 Sec. 24. Minnesota Statutes 2015 Supplement, section 256L.15, subdivision 1, is
17.5 amended to read:

17.6 Subdivision 1. **Premium determination for MinnesotaCare.** (a) Families with
17.7 children and individuals shall pay a premium determined according to subdivision 2.

17.8 (b) Members of the military and their families who meet the eligibility criteria
17.9 for MinnesotaCare upon eligibility approval made within 24 months following the end
17.10 of the member's tour of active duty shall have their premiums paid by the commissioner.
17.11 The effective date of coverage for an individual or family who meets the criteria of this
17.12 paragraph shall be the first day of the month following the month in which eligibility is
17.13 approved. This exemption applies for 12 months.

17.14 (c) Beginning July 1, 2009, American Indians enrolled in MinnesotaCare and their
17.15 families shall have their premiums waived by the commissioner in accordance with section
17.16 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. An
17.17 individual must ~~document~~ indicate status as an American Indian, as defined under Code of
17.18 Federal Regulations, title 42, section 447.50, to qualify for the waiver of premiums. The
17.19 commissioner shall accept attestation of an individual's status as an American Indian as
17.20 verification until the United States Department of Health and Human Services approves
17.21 an electronic data source for this purpose.

17.22 (d) For premiums effective August 1, 2015, and after, the commissioner, after
17.23 consulting with the chairs and ranking minority members of the legislative committees
17.24 with jurisdiction over human services, shall increase premiums under subdivision 2
17.25 for recipients based on June 2015 program enrollment. Premium increases shall be
17.26 sufficient to increase projected revenue to the fund described in section 16A.724 by at
17.27 least \$27,800,000 for the biennium ending June 30, 2017. The commissioner shall publish
17.28 the revised premium scale on the Department of Human Services Web site and in the State
17.29 Register no later than June 15, 2015. The revised premium scale applies to all premiums
17.30 on or after August 1, 2015, in place of the scale under subdivision 2.

17.31 (e) By July 1, 2015, the commissioner shall provide the chairs and ranking minority
17.32 members of the legislative committees with jurisdiction over human services the revised
17.33 premium scale effective August 1, 2015, and statutory language to codify the revised
17.34 premium schedule.

18.1 (f) Premium changes authorized under paragraph (d) must only apply to enrollees
 18.2 not otherwise excluded from paying premiums under state or federal law. Premium
 18.3 changes authorized under paragraph (d) must satisfy the requirements for premiums for
 18.4 the Basic Health Program under title 42 of Code of Federal Regulations, section 600.505.

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

18.6 Sec. 25. **REPEALER.**

18.7 (a) Minnesota Statutes 2014, section 256B.059, subdivision 1a, is repealed.

18.8 (b) Minnesota Statutes 2014, sections 256L.04, subdivisions 2a and 8; 256L.22;
 18.9 256L.24; 256L.26; and 256L.28, are repealed.

18.10 **EFFECTIVE DATE.** Paragraph (a) is effective June 1, 2016. Paragraph (b) is
 18.11 effective the day following final enactment.

18.12 **ARTICLE 2**

18.13 **CHILDREN AND FAMILIES**

18.14 Section 1. Minnesota Statutes 2014, section 119B.011, subdivision 6, is amended to
 18.15 read:

18.16 Subd. 6. **Child care fund.** "Child care fund" means a program under this chapter
 18.17 providing:

18.18 (1) financial assistance for child care to support: (i) parents engaged in employment,
 18.19 job search, or education and training leading to employment, or an at-home infant child
 18.20 care subsidy⁵,₂ and (ii) the development and school readiness of children; and

18.21 (2) grants to develop, expand, and improve the access and availability of child
 18.22 care services statewide.

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

18.24 Sec. 2. Minnesota Statutes 2014, section 119B.011, is amended by adding a subdivision
 18.25 to read:

18.26 Subd. 13b. **Homeless.** "Homeless" means a self-declared housing status as defined
 18.27 in the McKinney-Vento Homeless Assistance Act, United States Code, title 42, section
 18.28 11302 (section 725 of subtitle VII-B).

18.29 **EFFECTIVE DATE.** This section is effective March 13, 2017.

19.1 Sec. 3. Minnesota Statutes 2014, section 119B.011, is amended by adding a subdivision
19.2 to read:

19.3 Subd. 16a. **Legal nonlicensed related provider.** "Legal nonlicensed related
19.4 provider" means a legal nonlicensed child care provider under subdivision 16 who only
19.5 cares for children related to the provider.

19.6 **EFFECTIVE DATE.** This section is effective December 5, 2016.

19.7 Sec. 4. Minnesota Statutes 2014, section 119B.011, is amended by adding a subdivision
19.8 to read:

19.9 Subd. 16b. **Legal nonlicensed unrelated provider.** "Legal nonlicensed unrelated
19.10 provider" means a legal nonlicensed child care provider under subdivision 16 who cares
19.11 for children from a single unrelated family or both related children and children from a
19.12 single unrelated family.

19.13 **EFFECTIVE DATE.** This section is effective December 5, 2016.

19.14 Sec. 5. Minnesota Statutes 2014, section 119B.011, subdivision 19, is amended to read:

19.15 Subd. 19. **Provider.** (a) "Provider" means:

19.16 (1) an individual or child care center or facility, either licensed under chapter 245A
19.17 or unlicensed certified under section 119B.127, providing legal child care services as
19.18 defined under section 245A.03; ~~or~~

19.19 (2) an individual or child care center or facility holding a valid child care license
19.20 issued by another state or a tribe and providing child care services in the licensing state
19.21 or in the area under the licensing tribe's jurisdiction; or

19.22 (3) a legal nonlicensed child care provider as defined under subdivisions 16, 16a,
19.23 and 16b providing legal child care services.

19.24 (b) A legally unlicensed family legal nonlicensed child care provider must be at least
19.25 18 years of age, and not a member of the MFIP assistance unit or a member of the family
19.26 receiving child care assistance to be authorized under this chapter.

19.27 **EFFECTIVE DATE.** This section is effective December 5, 2016.

19.28 Sec. 6. Minnesota Statutes 2014, section 119B.011, subdivision 20, is amended to read:

19.29 Subd. 20. **Transition year families.** "Transition year families" means families who
19.30 have received MFIP assistance, or who were eligible to receive MFIP assistance after
19.31 choosing to discontinue receipt of the cash portion of MFIP assistance under section
19.32 256J.31, subdivision 12, or families who have received DWP assistance under section

20.1 256J.95 for at least ~~three~~ one of the last six months before losing eligibility for MFIP or
20.2 DWP. Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090,
20.3 subpart 2, transition year child care may be used to support approved employment,
20.4 education or training programs, or a job search. Transition year child care is not available
20.5 to families who have been disqualified from MFIP or DWP due to fraud.

20.6 **EFFECTIVE DATE.** This section is effective January 2, 2017.

20.7 Sec. 7. Minnesota Statutes 2014, section 119B.011, subdivision 20a, is amended to read:

20.8 Subd. 20a. **Transition year extension families.** "Transition year extension
20.9 families" means families who have completed their transition year of child care assistance
20.10 under this subdivision and who are eligible for, but on a waiting list for, services under
20.11 section 119B.03. For purposes of sections 119B.03, subdivision 3, and 119B.05,
20.12 subdivision 1, clause (2), families participating in extended transition year shall not be
20.13 considered transition year families. Notwithstanding Minnesota Rules, parts 3400.0040,
20.14 subpart 10, and 3400.0090, subpart 2, transition year extension child care may be used to
20.15 support approved employment, education or training programs, or a job search that meets
20.16 ~~the requirements of section 119B.10~~ for the length of time necessary for families to be
20.17 moved from the basic sliding fee waiting list into the basic sliding fee program.

20.18 **EFFECTIVE DATE.** This section is effective January 2, 2017.

20.19 Sec. 8. Minnesota Statutes 2014, section 119B.02, subdivision 1, is amended to read:

20.20 Subdivision 1. **Child care services.** The commissioner shall develop standards for
20.21 county and human services boards to provide child care services to enable eligible families
20.22 to participate in employment, training, or education programs. Within the limits of
20.23 available appropriations, the commissioner shall distribute money to counties to reduce the
20.24 costs of child care for eligible families. The commissioner shall adopt rules to govern the
20.25 program in accordance with this section. The rules must establish a sliding schedule of fees
20.26 for parents receiving child care services. The rules shall provide that funds received as a
20.27 lump-sum payment of child support arrearages shall not be counted as income to a family in
20.28 the month received but shall be prorated over the 12 months following receipt and added to
20.29 the family income during those months. The commissioner may establish how frequently
20.30 expedited application processing timelines are used for an applicant who declares they
20.31 are homeless. The commissioner shall maximize the use of federal money under title I
20.32 and title IV of Public Law 104-193, the Personal Responsibility and Work Opportunity
20.33 Reconciliation Act of 1996, and other programs that provide federal or state reimbursement

21.1 for child care services for low-income families who are in education, training, job search,
 21.2 or other activities allowed under those programs. Money appropriated under this section
 21.3 must be coordinated with the programs that provide federal reimbursement for child care
 21.4 services to accomplish this purpose. Federal reimbursement obtained must be allocated to
 21.5 the county that spent money for child care that is federally reimbursable under programs
 21.6 that provide federal reimbursement for child care services. The counties shall use the
 21.7 federal money to expand child care services. The commissioner may adopt rules under
 21.8 chapter 14 to implement and coordinate federal program requirements.

21.9 **EFFECTIVE DATE.** This section is effective March 13, 2017.

21.10 Sec. 9. Minnesota Statutes 2014, section 119B.02, subdivision 5, is amended to read:

21.11 Subd. 5. **Program integrity.** For child care assistance programs under this
 21.12 chapter, the commissioner shall enforce the requirements for program integrity and fraud
 21.13 prevention investigations under chapter 245E and sections 256.046, 256.98, and 256.983.

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

21.15 Sec. 10. Minnesota Statutes 2014, section 119B.02, is amended by adding a subdivision
 21.16 to read:

21.17 Subd. 8. **Contracts with child care providers.** The commissioner may enter
 21.18 into contractual agreements with child care providers as defined in section 119B.011,
 21.19 subdivision 19. The commissioner may determine alternative payment policies for
 21.20 providers who have entered into a contractual agreement in order to support the costs of
 21.21 providing high-quality care. The commissioner may determine alternative eligibility
 21.22 policies for families using a provider who has entered into a contractual agreement in
 21.23 order to reach underserved populations.

21.24 **EFFECTIVE DATE.** This section is effective January 1, 2018.

21.25 Sec. 11. Minnesota Statutes 2015 Supplement, section 119B.025, subdivision 1,
 21.26 is amended to read:

21.27 Subdivision 1. ~~Factors which must be verified~~ **Applications.** (a) The county shall
 21.28 verify the following at all initial child care applications using the universal application:

21.29 (1) identity of adults;

21.30 (2) presence of the minor child in the home, if questionable;

21.31 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible
 21.32 relative caretaker, or the spouses of any of the foregoing;

- 22.1 (4) age;
- 22.2 (5) immigration status, if related to eligibility;
- 22.3 (6) Social Security number, if given;
- 22.4 (7) income;
- 22.5 (8) spousal support and child support payments made to persons outside the
- 22.6 household;
- 22.7 (9) residence; and
- 22.8 (10) inconsistent information, if related to eligibility.

22.9 (b) ~~If a family did not use the universal application or child care addendum to apply~~

22.10 ~~for child care assistance, the family must complete the universal application or child care~~

22.11 ~~addendum at its next eligibility redetermination and the county must verify the factors~~

22.12 ~~listed in paragraph (a) as part of that redetermination. Once a family has completed a~~

22.13 ~~universal application or child care addendum, the county shall use the redetermination~~

22.14 ~~form described in paragraph (c) for that family's subsequent redeterminations. Eligibility~~

22.15 ~~must be redetermined at least every six months. A family is considered to have met the~~

22.16 ~~eligibility redetermination requirement if a complete redetermination form and all required~~

22.17 ~~verifications are received within 30 days after the date the form was due. When the 30th~~

22.18 ~~day after the date the form was due falls on a Saturday, Sunday, or legal holiday, the 30-day~~

22.19 ~~time period is extended to include the next succeeding day that is not a Saturday, Sunday,~~

22.20 ~~or legal holiday. Assistance shall be payable retroactively from the redetermination due~~

22.21 ~~date. For a family where at least one parent is under the age of 21, does not have a high~~

22.22 ~~school or general equivalency diploma, and is a student in a school district or another~~

22.23 ~~similar program that provides or arranges for child care, as well as parenting, social~~

22.24 ~~services, career and employment supports, and academic support to achieve high school~~

22.25 ~~graduation, the redetermination of eligibility shall be deferred beyond six months, but not~~

22.26 ~~to exceed 12 months, to the end of the student's school year. If a family reports a change~~

22.27 ~~in an eligibility factor before the family's next regularly scheduled redetermination, the~~

22.28 ~~county must recalculate eligibility without requiring verification of any eligibility factor~~

22.29 ~~that did not change. Changes must be reported as required by section 256P.07. A change~~

22.30 ~~in income occurs on the day the participant received the first payment reflecting the~~

22.31 ~~change in income. The county must mail a notice of approval or denial of assistance to the~~

22.32 ~~applicant within 30 calendar days after receiving the application. The county may extend~~

22.33 ~~the response time by 15 calendar days if the applicant is informed of the extension.~~

22.34 (c) ~~The commissioner shall develop a redetermination form to redetermine eligibility~~

22.35 ~~and a change report form to report changes that minimize paperwork for the county and~~

22.36 ~~the participant. The county must provide a notice of approval or denial of assistance to~~

23.1 the applicant who declares that the applicant is homeless and who meets the definition
 23.2 of homeless under this chapter within five working days after receiving the application.
 23.3 Verifications required by paragraph (a) are not due prior to issuing the notice of approval
 23.4 or denial. Proof of eligibility must be submitted within three months of the date the
 23.5 application was received. If proof of eligibility is not submitted within three months,
 23.6 eligibility ends. A 15-day adverse action notice is required to end eligibility.

23.7 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective January 2, 2017.
 23.8 Paragraph (c) is effective March 13, 2017.

23.9 Sec. 12. Minnesota Statutes 2014, section 119B.025, is amended by adding a
 23.10 subdivision to read:

23.11 Subd. 3. **Redeterminations.** (a) Notwithstanding Minnesota Rules, part 3400.0180,
 23.12 item A, the county shall redetermine eligibility according to paragraphs (b) to (f).

23.13 (b) If a family did not use the universal application or child care addendum to apply
 23.14 for child care assistance, the family must complete the universal application or child care
 23.15 addendum at the family's next eligibility redetermination and the county must verify the
 23.16 factors listed in subdivision 1, paragraph (a), as part of that redetermination.

23.17 (c) Once a family has completed a universal application or child care addendum, the
 23.18 county shall use the redetermination form for the family's subsequent redeterminations.

23.19 (d) Eligibility must be redetermined no more frequently than every 12 months.

23.20 The following apply:

23.21 (1) a county must receive a family's complete redetermination form and required
 23.22 verifications within 30 days after the date the form was due. When the 30th day after the
 23.23 date the form was due falls on a Saturday, Sunday, or legal holiday, the 30-day time period is
 23.24 extended to include the next succeeding day that is not a Saturday, Sunday, or legal holiday.
 23.25 Assistance shall be payable retroactively from the redetermination due date. If the county
 23.26 does not timely receive the completed redetermination form and required verifications, the
 23.27 family is not eligible for child care assistance. Eligibility ends on the day the form was due;

23.28 (2) for a family where at least one parent is under 21 years of age and who does not
 23.29 have a high school or general equivalency diploma and is a student in a school district
 23.30 or another similar program that provides or arranges for child care, parenting, social
 23.31 services, career and employment supports, and academic support to achieve high school
 23.32 graduation, eligibility redetermination may be deferred beyond 12 months, to the end
 23.33 of the student's school year; and

24.1 (3) a family and the family's providers must be notified that the family's
24.2 redetermination is due at least 45 days before the end of the family's 12-month eligibility
24.3 period.

24.4 (e) At redetermination, if a family's income is greater than 67 percent and less
24.5 than or equal to 85 percent of the state median income, adjusted for family size, the
24.6 family remains eligible for child care assistance for 12 additional months. The family's
24.7 co-payment fee after redetermination is the largest co-payment fee for their family size.

24.8 (f) At redetermination, if a family's income is greater than 85 percent of the state
24.9 median income, adjusted for family size, the family is not eligible for child care assistance.
24.10 Eligibility ends following the 15-day adverse action notice requirements.

24.11 **EFFECTIVE DATE.** This section is effective January 2, 2017.

24.12 Sec. 13. Minnesota Statutes 2014, section 119B.025, is amended by adding a
24.13 subdivision to read:

24.14 Subd. 4. **Changes in eligibility.** (a) The county shall process changes in eligibility
24.15 factors according to the following standards:

24.16 (1) changes in eligibility factors must be reported according to section 256P.07;

24.17 (2) if a family reports a change or change is known to the agency before the family's
24.18 next scheduled redetermination, the county must determine whether the change affects the
24.19 family's eligibility or benefits and whether changes need to be verified;

24.20 (3) a change in income occurs on the day the participant received the first payment
24.21 reflecting the income change;

24.22 (4) during a family's 12-month eligibility period, if the family's income remains at
24.23 or below 85 percent of the state median income, adjusted for family size, the family's
24.24 eligibility does not change. Verification of the change shall not be requested. A family's
24.25 co-payment fee shall not increase during the remaining portion of the 12-month eligibility
24.26 period; and

24.27 (5) during a family's 12-month eligibility period, if the family's income exceeds 85
24.28 percent of the state median income, adjusted for family size, the family is not eligible for
24.29 child care assistance. The family must be given 15 calendar days to provide verification
24.30 of the change before action is taken regarding the family's eligibility. If the required
24.31 verification is not returned or confirms ineligibility, the family's eligibility ends following
24.32 the 15-day adverse action notice requirements.

24.33 (b) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170,
24.34 subpart 1, when an applicant or participant reports their employment ended, the agency may
24.35 accept a signed statement from the individual as verification that their employment ended.

25.1 **EFFECTIVE DATE.** Paragraph (a), clauses (1) to (3), are effective retroactively
25.2 from August 1, 2016. Paragraphs (a), clauses (4) and (5), and (b), are effective January
25.3 2, 2017.

25.4 Sec. 14. Minnesota Statutes 2014, section 119B.025, is amended by adding a
25.5 subdivision to read:

25.6 Subd. 5. **Forms.** The commissioner shall develop a form to redetermine eligibility
25.7 and a form to report changes in eligibility factors to minimize paperwork for the county
25.8 and the participant.

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

25.10 Sec. 15. Minnesota Statutes 2014, section 119B.03, subdivision 3, is amended to read:

25.11 Subd. 3. **Eligible participants.** Families that meet the eligibility requirements
25.12 under sections ~~119B.07~~, 119B.09, and 119B.10, except MFIP participants, diversionary
25.13 work program, and transition year families, are eligible for child care assistance under
25.14 the basic sliding fee program. Families enrolled in the basic sliding fee program shall be
25.15 continued until they are no longer eligible. Child care assistance provided through the
25.16 child care fund is considered assistance to the parent.

25.17 Sec. 16. Minnesota Statutes 2014, section 119B.03, subdivision 9, is amended to read:

25.18 Subd. 9. **Portability pool.** (a) The commissioner shall establish a pool of up to five
25.19 percent of the annual appropriation for the basic sliding fee program to provide continuous
25.20 child care assistance for eligible families who move between Minnesota counties. At the
25.21 end of each allocation period, any unspent funds in the portability pool must be used for
25.22 assistance under the basic sliding fee program. If expenditures from the portability pool
25.23 exceed the amount of money available, the reallocation pool must be reduced to cover
25.24 these shortages.

25.25 (b) To be eligible for portable basic sliding fee assistance, a family that has moved
25.26 from a county in which it was receiving basic sliding fee assistance to a county with a
25.27 waiting list for the basic sliding fee program must:

25.28 (1) meet the income and eligibility guidelines for the basic sliding fee program; and

25.29 (2) notify the new county of residence within 60 days of moving and submit
25.30 information to the new county of residence to verify eligibility for the basic sliding fee
25.31 program.

25.32 (c) The receiving county must:

26.1 (1) accept administrative responsibility for applicants for portable basic sliding fee
26.2 assistance at the end of the two months of assistance under the Unitary Residency Act;

26.3 (2) continue portability pool basic sliding fee assistance ~~for the lesser of six months~~
26.4 ~~or~~ until the family is able to receive assistance under the county's regular basic sliding
26.5 program; and

26.6 (3) notify the commissioner through the quarterly reporting process of any family
26.7 that meets the criteria of the portable basic sliding fee assistance pool.

26.8 **EFFECTIVE DATE.** This section is effective January 2, 2017.

26.9 Sec. 17. Minnesota Statutes 2014, section 119B.09, subdivision 1, is amended to read:

26.10 Subdivision 1. **General eligibility requirements for all applicants for child**
26.11 **care assistance.** (a) Child care services must be available to families who need child
26.12 care to find or keep employment or to obtain the training or education necessary to find
26.13 employment and who:

26.14 (1) have household income less than or equal to 67 percent of the state median
26.15 income, adjusted for family size, at application and redetermination, and meet the
26.16 requirements of section 119B.05; receive MFIP assistance; and are participating in
26.17 employment and training services under chapter 256J; or

26.18 (2) have household income less than or equal to 47 percent of the state median income,
26.19 adjusted for family size, at program entry application and less than or equal to 67 percent
26.20 of the state median income, adjusted for family size, at program exit redetermination.

26.21 (b) Child care services must be made available as in-kind services.

26.22 (c) All applicants for child care assistance and families currently receiving child care
26.23 assistance must be assisted and required to cooperate in establishment of paternity and
26.24 enforcement of child support obligations for all children in the family as a condition
26.25 of program eligibility. For purposes of this section, a family is considered to meet the
26.26 requirement for cooperation when the family complies with the requirements of section
26.27 256.741.

26.28 (d) At application and redetermination, a family must self-certify that the family's
26.29 assets are less than or equal to \$1,000,000.

26.30 **EFFECTIVE DATE.** Paragraph (a) is effective January 2, 2017. Paragraph (d) is
26.31 effective March 13, 2017.

26.32 Sec. 18. Minnesota Statutes 2015 Supplement, section 119B.09, subdivision 4, is
26.33 amended to read:

27.1 Subd. 4. **Eligibility; annual income; calculation.** Annual income of the applicant
 27.2 family is the current monthly income of the family multiplied by 12 or the income for
 27.3 the 12-month period immediately preceding the date of application, or income calculated
 27.4 by the method which provides the most accurate assessment of income available to the
 27.5 family. Self-employment income must be calculated based on ~~gross receipts less operating~~
 27.6 ~~expenses. Income must be recalculated when the family's income changes, but no less~~
 27.7 ~~often than every six months. For a family where at least one parent is under the age of~~
 27.8 ~~21, does not have a high school or general equivalency diploma, and is a student in a~~
 27.9 ~~school district or another similar program that provides or arranges for child care, as well~~
 27.10 ~~as parenting, social services, career and employment supports, and academic support to~~
 27.11 ~~achieve high school graduation, income must be recalculated when the family's income~~
 27.12 ~~changes, but otherwise shall be deferred beyond six months, but not to exceed 12 months,~~
 27.13 ~~to the end of the student's school year~~ section 256P.05. Income changes are processed
 27.14 under section 119B.025, subdivision 4. Included lump sums counted as income under
 27.15 section 256P.06, subdivision 3, must be annualized over 12 months. Income must be
 27.16 verified with documentary evidence. If the applicant does not have sufficient evidence of
 27.17 income, verification must be obtained from the source of the income.

27.18 **EFFECTIVE DATE.** This section is effective January 2, 2017.

27.19 Sec. 19. Minnesota Statutes 2014, section 119B.09, subdivision 6, is amended to read:

27.20 Subd. 6. **Maximum child care assistance.** (a) The maximum amount of child care
 27.21 assistance a local agency may pay for in a two-week period is 120 hours per child.

27.22 (b) Parents may choose one primary provider and one secondary provider per child.
 27.23 The amount of care authorized for and paid to a child's secondary provider is limited under
 27.24 sections 119B.10, subdivision 7, and 119B.13, subdivisions 1 and 1a. The commissioner
 27.25 shall develop guidelines to allow for a change of providers during a service period.

27.26 **EFFECTIVE DATE.** This section is effective June 5, 2017.

27.27 Sec. 20. Minnesota Statutes 2014, section 119B.09, subdivision 7, is amended to read:

27.28 Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child care
 27.29 assistance under this chapter is the later of the date the application was received by the
 27.30 county; the beginning date of employment, education, or training; the date the infant is
 27.31 born for applicants to the at-home infant care program; or the date a determination has
 27.32 been made that the applicant is a participant in employment and training services under
 27.33 Minnesota Rules, part 3400.0080, or chapter 256J.

28.1 (b) Payment ceases for a family under the at-home infant child care program when a
 28.2 family has used a total of 12 months of assistance as specified under section 119B.035.
 28.3 Payment of child care assistance for employed persons on MFIP is effective the date of
 28.4 employment or the date of MFIP eligibility, whichever is later. Payment of child care
 28.5 assistance for MFIP or DWP participants in employment and training services is effective
 28.6 the date of commencement of the services or the date of MFIP or DWP eligibility,
 28.7 whichever is later. Payment of child care assistance for transition year child care must be
 28.8 made retroactive to the date of eligibility for transition year child care.

28.9 (c) Notwithstanding paragraph (b), payment of child care assistance for participants
 28.10 eligible under section 119B.05 may only be made retroactive for a maximum of ~~six~~ three
 28.11 months from the date of application for child care assistance.

28.12 **EFFECTIVE DATE.** This section is effective May 22, 2017.

28.13 Sec. 21. Minnesota Statutes 2014, section 119B.10, is amended to read:

28.14 **119B.10 EMPLOYMENT, EDUCATION, OR TRAINING ELIGIBILITY.**

28.15 Subdivision 1. **Assistance for persons seeking and retaining employment.** (a)
 28.16 Applicants who are job searching and eligible for child care assistance under this chapter
 28.17 are eligible for 60 hours of child care assistance per service period for three months from
 28.18 the date of eligibility. Job searching at initial application is allowed one time per 12-month
 28.19 period. The parent must meet employment requirements under paragraph (c), or education
 28.20 requirements under subdivision 3, or have an MFIP or DWP employment plan to continue
 28.21 receiving child care assistance after the initial three months.

28.22 ~~Persons who are seeking employment~~ (b) Participants who meet the employment
 28.23 requirements of paragraph (c) or who are attending an approved education or training
 28.24 program and who are eligible for receiving child care assistance under this section chapter
 28.25 are eligible to receive up to 240 an additional ten hours of child care assistance per
 28.26 calendar year service period for job searching.

28.27 ~~(b)~~ (c) At application and redetermination, employed persons who work at least an
 28.28 average of 20 hours and full-time students who work at least an average of ten hours a week
 28.29 and receive at least a minimum wage for all hours worked are eligible for ~~continued~~ child
 28.30 care assistance for employment. For purposes of this section, work-study programs must be
 28.31 counted as employment. Employed persons with an MFIP or DWP employment plan shall
 28.32 receive child care assistance as specified in their employment plan. Child care assistance
 28.33 during employment must be authorized as provided in paragraphs ~~(e) and (d)~~ (i).

29.1 ~~(e)~~ (d) When the person works for an hourly wage and the hourly wage is equal to or
 29.2 greater than the applicable minimum wage, child care assistance shall be provided for the
 29.3 ~~actual~~ hours of employment, break, and mealtime during the employment and travel time
 29.4 up to two hours per day.

29.5 ~~(d)~~ (e) When the person does not work for an hourly wage, child care assistance
 29.6 must be provided for the lesser of:

29.7 (1) the amount of child care determined by dividing gross earned income or for a
 29.8 self-employed person the self-employment income determined under section 256P.05,
 29.9 subdivision 2, by the applicable minimum wage, up to one hour every eight hours for
 29.10 meals and break time, plus up to two hours per day for travel time; or

29.11 (2) the amount of child care equal to the actual amount of child care used during
 29.12 employment, including break and mealtime during employment, and travel time up to
 29.13 two hours per day.

29.14 (f) When authorizing the amount of care, the county agency must consider the
 29.15 amount of time the parent reports on the application or redetermination form that the
 29.16 child attends preschool, a Head Start program, or school while the parent is participating
 29.17 in an authorized activity.

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

29.20 (1) the family requests care from more than one provider per child; or

29.21 (2) the family requests a legal nonlicensed provider.

29.22 (h) When the conditions in paragraph (g) do not apply, the applicant's or participant's
 29.23 activity schedule does not need to be verified and the amount of child care assistance
 29.24 authorized can be used at times determined by the family.

29.25 (i) If the family remains eligible at redetermination, a new authorization with fewer
 29.26 hours, the same hours, or increased hours may be determined.

29.27 Subd. 2. **Financial eligibility required.** Persons participating in employment
 29.28 programs, training programs, or education programs are eligible for continued assistance
 29.29 from the child care fund, if they are financially eligible under the sliding fee scale set
 29.30 by the commissioner in section 119B.12.

29.31 Subd. 3. **Assistance for persons attending an approved education or training**
 29.32 **program.** (a) Money for eligible persons according to sections 119B.03, subdivision
 29.33 3, and 119B.05, subdivision 1, shall be used to reduce child care costs for students,
 29.34 including child care costs for students who are employed if also enrolled in an eligible
 29.35 education program and making satisfactory progress toward completion of the program.

29.36 Counties shall not limit the duration of child care subsidies for a person in an employment

30.1 or educational program unless the person is ineligible for child care funds. Any other
30.2 limitation must be based on county policies included in the approved child care plan.

30.3 (b) To be eligible, the student must be in good standing and making satisfactory
30.4 progress toward the degree. The maximum length of time a student is eligible for child
30.5 care assistance under the child care fund for education and training is no more than the
30.6 time necessary to complete the credit requirements for an associate or baccalaureate degree
30.7 as determined by the educational institution. Time limitations for child care assistance do
30.8 not apply to basic or remedial educational programs needed for postsecondary education
30.9 or employment. These programs include high school, general equivalency diploma,
30.10 and English as a second language. Programs exempt from this time limit must not run
30.11 concurrently with a postsecondary program.

30.12 (c) If a student meets the conditions of paragraphs (a) and (b), child care assistance
30.13 must be authorized for all hours of class time and credit hours, including independent
30.14 study and internships, and up to two hours of travel time per day. Postsecondary students
30.15 shall receive four hours of child care assistance per credit hour for study time and
30.16 academic appointments per service period.

30.17 (d) For an MFIP or DWP participant, child care assistance must be authorized
30.18 according to the person's employment plan. If an MFIP or DWP participant receiving
30.19 MFIP or DWP child care assistance under this chapter moves to another county, continues
30.20 to participate in authorized educational or training programs, and remains eligible for
30.21 MFIP or DWP child care assistance, the participant must receive continued child care
30.22 assistance from the county responsible for the participant's current employment plan
30.23 under section 256G.07.

30.24 (e) When authorizing the amount of care, the county agency must consider the
30.25 amount of time the parent reports on the application or redetermination form that the
30.26 child attends preschool, a Head Start program, or school while the parent is participating
30.27 in an authorized activity.

30.28 (f) Care must be authorized and scheduled with a provider based on the applicant's
30.29 or participant's verified activity schedule when the family requests:

30.30 (1) care from more than one provider per child; or

30.31 (2) a legal nonlicensed provider.

30.32 (g) When the conditions in paragraph (f) do not apply, the applicant's or participant's
30.33 activity schedule does not need to be verified and the amount of child care assistance
30.34 authorized may be used at times determined by the family.

30.35 (h) If the family remains eligible at redetermination, a new authorization with fewer
30.36 hours, the same hours, or increased hours may be determined.

31.1 Subd. 4. Assistance for persons who are homeless. Applicants who are homeless
31.2 and eligible for child care assistance under this chapter are eligible for 60 hours of child
31.3 care assistance per service period for three months from the date the application is
31.4 received. Additional hours may be authorized as needed based on the parent's participation
31.5 in employment, education, or MFIP or DWP employment plan. To continue receiving
31.6 child care assistance after the initial three months, the parent must meet eligibility
31.7 requirements of this chapter.

31.8 Subd. 5. Maintain steady child care authorizations. (a) Notwithstanding
31.9 Minnesota Rules, chapter 3400, the amount of child care authorized for employment
31.10 under subdivision 1, paragraph (c), education under subdivision 3, or an MFIP or DWP
31.11 employment plan, shall continue at a constant level until redetermination.

31.12 (b) If the other parent moves in and is employed and has an approved education
31.13 or MFIP or DWP employment plan, the amount of care authorized shall continue at a
31.14 constant level until redetermination.

31.15 (c) The amount of child care authorized shall not decrease when a participant's work
31.16 hours are reduced or a participant temporarily stops working or attending an approved
31.17 education program. Temporary changes include, but are not limited to, a medical leave,
31.18 seasonal employment fluctuations, or a school break between semesters. Families subject
31.19 to subdivisions 1, paragraph (g), and 3, paragraph (f), are exempt from this paragraph.

31.20 (d) The amount of child care authorized can increase at any time if the participant
31.21 verifies the need for increased hours for authorized activities.

31.22 (e) The amount of child care authorized can be reduced if a parent requests a
31.23 reduction or due to a change in:

31.24 (1) the child's school schedule;

31.25 (2) the custody schedule; or

31.26 (3) the provider's availability.

31.27 (f) The amount of child care authorized for families subject to subdivisions 1,
31.28 paragraph (g), and 3, paragraph (f), must change when the participant's activity schedule
31.29 changes.

31.30 (g) When a child becomes 13 years of age or a child with a disability becomes 15
31.31 years of age, the amount of child care authorized shall continue at a constant level until
31.32 redetermination.

31.33 (h) If the family remains eligible at redetermination, the amount of child care
31.34 authorized is based on subdivisions 1 and 3.

31.35 Subd. 6. Extended eligibility. (a) A participant whose employment or education
31.36 program ends permanently, and who meets all other eligibility requirements under this

32.1 chapter, shall be eligible for child care assistance authorized at a constant level for up to
32.2 three months until the participant begins another authorized activity or redetermination,
32.3 whichever occurs first. When the other parent moves in and does not participate in an
32.4 authorized activity, and the family meets all other eligibility requirements under this
32.5 chapter, the family shall be eligible for child care assistance authorized at a constant
32.6 level for up to three months until the other parent begins an authorized activity or
32.7 redetermination, whichever occurs first.

32.8 (b) If the family received three months of extended eligibility and redetermination is
32.9 not due, to continue receiving child care assistance the participant must be employed or
32.10 have an approved education or MFIP or DWP employment plan. If child care assistance
32.11 continues, the amount of child care authorized shall continue at a constant level until
32.12 redetermination unless a condition in subdivision 5, paragraph (e), applies. If the
32.13 participant's new activity requires more child care hours be authorized, the increased hours
32.14 of activity participation must be verified. Families subject to subdivision 1, paragraph
32.15 (g), or 3, paragraph (f), shall have child care assistance authorized based on a verified
32.16 activity schedule.

32.17 (c) If the family's redetermination is before the end of the three-month extended
32.18 eligibility period to continue receiving child care assistance, the participant must meet
32.19 all eligibility requirements of this chapter. If child care assistance continues, the amount
32.20 of child care authorized is based on subdivision 1 or 3, or the approved MFIP or DWP
32.21 employment plan. Families subject to subdivision 1, paragraph (g), or 3, paragraph (f),
32.22 shall have child care authorized based on a verified activity schedule.

32.23 Subd. 7. **Authorization with a secondary provider.** Care authorized with a
32.24 secondary provider shall not exceed 20 hours per service period per child. The total
32.25 amount of care authorized with both a primary and a secondary provider shall not exceed
32.26 the amount of care a child is eligible to receive.

32.27 **EFFECTIVE DATE.** (a) Subdivision 1, paragraph (e), clause (1), is effective
32.28 January 2, 2017.

32.29 (b) Subdivisions 1, paragraphs (a) to (d) and (f) to (i); 3; 5, paragraphs (a) to (f)
32.30 and (h); and 6, are effective May 22, 2017.

32.31 (c) Subdivision 4 is effective March 13, 2017.

32.32 (d) Subdivision 5, paragraph (g), is effective October 10, 2016.

32.33 (e) Subdivision 7 is effective June 5, 2017.

32.34 Sec. 22. Minnesota Statutes 2014, section 119B.11, subdivision 2a, is amended to read:

33.1 Subd. 2a. **Recovery of overpayments.** (a) An amount of child care assistance
 33.2 paid to a recipient in excess of the payment due is recoverable by the county agency
 33.3 under paragraphs (b) and (c), even when the overpayment was caused by agency error or
 33.4 circumstances outside the responsibility and control of the family or provider.

33.5 (b)(1) An overpayment must be recouped or recovered from the family if the
 33.6 overpayment benefited the family by causing the family to pay less for child care expenses
 33.7 than the family otherwise would have been required to pay under child care assistance
 33.8 program requirements. Family overpayments must be established and recovered according
 33.9 to clauses (1) to (4), with the following exceptions:

33.10 (i) overpayments estimated to be less than \$500 must not be established or collected;

33.11 (ii) the portion of an overpayment that occurred more than one year before the date
 33.12 of the overpayment determination must not be established or collected;

33.13 (iii) the first three months of an overpayment that occurred because of a failure to
 33.14 report the permanent end to the parent's activity must not be established or collected; or

33.15 (iv) overpayments designated solely as agency error must not be established or
 33.16 collected.

33.17 (2) If the family remains eligible for child care assistance and an overpayment is
 33.18 established, the overpayment must be recovered through recoupment as identified in
 33.19 Minnesota Rules, part 3400.0187, except that the overpayments must be calculated and
 33.20 collected on a service period basis. If the family no longer remains eligible for child
 33.21 care assistance, the county may choose to initiate efforts to recover overpayments from
 33.22 the family for overpayment less than \$50.

33.23 ~~If the overpayment is greater than or equal to \$50~~ (3) If the family is no longer
 33.24 eligible for child care assistance and an overpayment is established, the county shall seek
 33.25 voluntary repayment of the overpayment from the family.

33.26 (4) If the county is unable to recoup the overpayment through voluntary repayment,
 33.27 the county shall initiate civil court proceedings to recover the overpayment unless the
 33.28 county's costs to recover the overpayment will exceed the amount of the overpayment.

33.29 (5) A family with an outstanding debt under this subdivision is not eligible for
 33.30 child care assistance until:

33.31 (1) ~~(i)~~ (i) the debt is paid in full; or

33.32 (2) ~~(ii)~~ (ii) satisfactory arrangements are made with the county to retire the debt
 33.33 consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and
 33.34 the family is in compliance with the arrangements.

33.35 (c) The county must recover an overpayment from a provider if the overpayment did
 33.36 not benefit the family by causing it to receive more child care assistance or to pay less

34.1 for child care expenses than the family otherwise would have been eligible to receive
34.2 or required to pay under child care assistance program requirements, and benefited the
34.3 provider by causing the provider to receive more child care assistance than otherwise
34.4 would have been paid on the family's behalf under child care assistance program
34.5 requirements. If the provider continues to care for children receiving child care assistance,
34.6 the overpayment must be recovered through reductions in child care assistance payments
34.7 for services as described in an agreement with the county. The provider may not charge
34.8 families using that provider more to cover the cost of recouping the overpayment. If the
34.9 provider no longer cares for children receiving child care assistance, the county may
34.10 choose to initiate efforts to recover overpayments of less than \$50 from the provider. If the
34.11 overpayment is greater than or equal to \$50, the county shall seek voluntary repayment of
34.12 the overpayment from the provider. If the county is unable to recoup the overpayment
34.13 through voluntary repayment, the county shall initiate civil court proceedings to recover
34.14 the overpayment unless the county's costs to recover the overpayment will exceed the
34.15 amount of the overpayment. A provider with an outstanding debt under this subdivision is
34.16 not eligible to care for children receiving child care assistance until:

34.17 (1) the debt is paid in full; or

34.18 (2) satisfactory arrangements are made with the county to retire the debt consistent
34.19 with the requirements of this chapter and Minnesota Rules, chapter 3400, and the provider
34.20 is in compliance with the arrangements.

34.21 (d) When both the family and the provider acted together to intentionally cause the
34.22 overpayment, both the family and the provider are jointly liable for the overpayment
34.23 regardless of who benefited from the overpayment. The county must recover the
34.24 overpayment as provided in paragraphs (b) and (c). When the family or the provider is in
34.25 compliance with a repayment agreement, the party in compliance is eligible to receive
34.26 child care assistance or to care for children receiving child care assistance despite the
34.27 other party's noncompliance with repayment arrangements.

34.28 (e) A provider overpayment designated as an agency error because of the application
34.29 of an incorrect maximum rate must not be established or collected. All other provider
34.30 overpayments designated as agency error must be established and collected.

34.31 (f) Notwithstanding any provision to the contrary in this subdivision, an overpayment
34.32 must be collected if the overpayment was caused in any part by wrongfully obtaining
34.33 assistance under section 256.98 or by benefits paid while an action is pending appeal
34.34 under section 119B.16, when on appeal the commissioner finds that the appellant was not
34.35 eligible for the amount of child care assistance paid.

34.36 **EFFECTIVE DATE.** This section is effective January 2, 2017.

35.1 Sec. 23. Minnesota Statutes 2014, section 119B.12, subdivision 2, is amended to read:

35.2 Subd. 2. **Parent fee.** A family must be assessed a parent fee for each service period.
 35.3 A family's parent fee must be a fixed percentage of its annual gross income. Parent fees
 35.4 must apply to families eligible for child care assistance under sections 119B.03 and
 35.5 119B.05. Income must be as defined in section 119B.011, subdivision 15. The fixed
 35.6 percent is based on the relationship of the family's annual gross income to 100 percent of
 35.7 the annual state median income. Parent fees must begin at 75 percent of the poverty level.
 35.8 The minimum parent fees for families between 75 percent and 100 percent of poverty level
 35.9 must be \$2 per biweekly period. Parent fees must provide for graduated movement to full
 35.10 payment. At initial application, the parent fee is established for the family's 12-month
 35.11 eligibility period. At redetermination, if the family remains eligible, the parent fee is
 35.12 recalculated and is established for the next 12-month eligibility period. Parent fees shall
 35.13 not increase during the 12-month eligibility period. Payment of part or all of a family's
 35.14 parent fee directly to the family's child care provider on behalf of the family by a source
 35.15 other than the family shall not affect the family's eligibility for child care assistance, and
 35.16 the amount paid shall be excluded from the family's income. Child care providers who
 35.17 accept third-party payments must maintain family specific documentation of payment
 35.18 source, amount, and time period covered by the payment.

35.19 **EFFECTIVE DATE.** This section is effective January 2, 2017.

35.20 Sec. 24. Minnesota Statutes 2014, section 119B.125, subdivision 1b, is amended to read:

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

35.24 ~~(1) complete first aid and CPR training and provide the verification of first aid and~~
 35.25 ~~CPR training to the county. provided by an individual approved to administer first aid and~~
 35.26 ~~CPR instruction, including CPR techniques for infants and children; and~~

35.27 ~~The (2) provide and maintain training documentation ~~must have with~~ valid effective~~
 35.28 ~~dates as of the date the registration request is submitted to the county.~~

35.29 ~~The training must have been provided by an individual approved to provide first aid~~
 35.30 ~~and CPR instruction and have included CPR techniques for infants and children.~~

35.31 ~~(b) Legal nonlicensed family child care related providers with an authorization~~
 35.32 ~~effective before November 1, 2011, must be notified of the requirements before October~~
 35.33 ~~1, 2011, or at authorization, and must meet the requirements upon renewal of an~~
 35.34 ~~authorization that occurs on or after January 1, 2012. must:~~

36.1 (1) if caring for a child through four years of age, complete training on abusive head
 36.2 trauma within 90 days after initial authorization;

36.3 (2) if caring for a child less than 12 months old, complete training on reducing the
 36.4 risk of sudden unexpected infant death within 90 days after initial authorization; and

36.5 (3) if authorized to care for children before December 5, 2016, meet the training
 36.6 requirements prior to renewing an authorization on or after February 1, 2017.

36.7 (c) Legal nonlicensed unrelated providers must:

36.8 (1) complete a provider orientation class within 90 days after initial authorization.

36.9 The commissioner must develop the provider orientation class that includes training on
 36.10 maintaining health, safety, and fire standards. The training must include the following
 36.11 components:

36.12 (i) prevention and control of infectious disease;

36.13 (ii) reducing the risk of sudden unexpected infant death;

36.14 (iii) abusive head trauma;

36.15 (iv) administration of medication;

36.16 (v) prevention and response to emergencies due to food and allergic reactions;

36.17 (vi) building and physical premises safety;

36.18 (vii) emergency preparedness;

36.19 (viii) handling and storage of hazardous material and appropriate disposal of
 36.20 biocontaminant;

36.21 (ix) precautions in transporting children;

36.22 (x) recognition and reporting of child abuse and neglect; and

36.23 (xi) developmental needs of a child; and

36.24 (2) if authorized to care for children before December 5, 2016, complete a provider
 36.25 orientation class before renewing an authorization on or after February 1, 2017.

36.26 ~~(d) Upon each reauthorization after the authorization period when the initial first aid~~
 36.27 ~~and CPR training requirements are met, a legal nonlicensed family child care unrelated~~
 36.28 ~~provider must provide verification of at least eight hours of additional training listed in~~
 36.29 ~~the Minnesota Center for Professional Development Registry complete training on the~~
 36.30 ~~topics in paragraph (c), clause (1).~~

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

36.32 (e) Legal nonlicensed providers with an authorization effective before September 1,
 36.33 2016, must be notified of the training requirements before November 1, 2016.

36.34 **EFFECTIVE DATE.** Subdivision 1b, paragraphs (a) to (d), are effective December
 36.35 5, 2016.

37.1 Sec. 25. Minnesota Statutes 2014, section 119B.125, is amended by adding a
37.2 subdivision to read:

37.3 Subd. 10. **Reporting required for child safety.** A legal nonlicensed provider must
37.4 report to the county agency a death, serious injury, or instance of substantiated child
37.5 maltreatment that occurred while a child was in the provider's care. A county agency shall
37.6 report to the commissioner, in a manner prescribed by the commissioner, the number of
37.7 deaths, serious injuries, and instances of substantiated child maltreatment that occurred
37.8 in legal nonlicensed providers.

37.9 **EFFECTIVE DATE.** This section is effective December 5, 2016.

37.10 Sec. 26. Minnesota Statutes 2014, section 119B.125, is amended by adding a
37.11 subdivision to read:

37.12 Subd. 11. **Emergency preparedness plan.** A legal nonlicensed provider must
37.13 have a written emergency preparedness plan. The commissioner shall develop a form for
37.14 providers to create a written emergency plan.

37.15 **EFFECTIVE DATE.** This section is effective December 5, 2016.

37.16 Sec. 27. Minnesota Statutes 2014, section 119B.125, is amended by adding a
37.17 subdivision to read:

37.18 Subd. 12. **Compliance with health and safety requirements.** (a) The county
37.19 agency must inspect at least once annually each legal nonlicensed unrelated provider. The
37.20 results of the inspections shall be available to the public. The county agency shall notify
37.21 a provider of this policy when a provider requests to be an authorized provider. The
37.22 commissioner must establish health, safety, and fire standards specific to legal nonlicensed
37.23 unrelated providers. The commissioner must develop a tool for the county agency to
37.24 conduct inspections of legal nonlicensed unrelated providers.

37.25 (b) The county agency must be given access to the physical facility and grounds
37.26 where care is provided and to persons cared for by the legal nonlicensed unrelated
37.27 provider. The county agency must be given access without prior notice and as often
37.28 as the county agency considers necessary if the county agency is investigating alleged
37.29 maltreatment, a violation of laws or rules, or conducting an inspection. Failure to give
37.30 access to the county agency may result in revocation of the legal nonlicensed unrelated
37.31 provider's authorization to receive payment under this chapter.

37.32 (c) The commissioner must develop a process for a legal nonlicensed unrelated
37.33 provider to correct violations of the health, safety, and fire standards.

38.1 (d) The commissioner must develop a process to revoke a legal nonlicensed
 38.2 unrelated provider's authorization to receive payment under this chapter when the provider
 38.3 fails to correct violations of the health, safety, and fire standards.

38.4 **EFFECTIVE DATE.** This section is effective December 5, 2016.

38.5 Sec. 28. **[119B.127] CERTIFICATION OF LICENSE-EXEMPT CHILD CARE**
 38.6 **CENTERS FOR CHILD CARE ASSISTANCE PAYMENTS.**

38.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
 38.8 subdivision have the meanings given them.

38.9 (b) "Certified license-exempt child care center" means the commissioner's written
 38.10 authorization for a child care center excluded from licensure under section 245A.03,
 38.11 subdivision 2, paragraph (a), clause (5), (6), (11) to (13), (15), (18), or (26), to be
 38.12 authorized to receive child care assistance payments (CCAP) under this chapter.

38.13 (c) "Center operator" or "program operator" means the person or organization
 38.14 exercising supervision or control over the program operations, planning, and functioning.

38.15 Subd. 2. **Application for certification as a certified license-exempt child**
 38.16 **care center.** (a) The certification of license-exempt programs shall be implemented
 38.17 by November 1, 2017. Certification applications shall be received and processed on a
 38.18 phased-in schedule as determined by the commissioner.

38.19 (b) The certification application must be submitted in a manner prescribed by the
 38.20 commissioner. The commissioner shall provide application instructions and information
 38.21 about the rules and requirements of other state agencies that affect the applicant. The
 38.22 commissioner shall respond to the applicant within 90 days of receiving a completed
 38.23 application. An application is not complete until the commissioner receives all of the
 38.24 information required under section 245C.05.

38.25 (c) When the commissioner receives an application for initial certification that is
 38.26 incomplete because the applicant failed to submit required documents or is deficient
 38.27 because the documents submitted do not meet certification requirements, the commissioner
 38.28 shall provide the applicant written notice that the application is incomplete or deficient.
 38.29 In the written notice, the commissioner shall identify documents that are missing or
 38.30 deficient and give the applicant 45 days to resubmit a second application that is complete.
 38.31 An applicant's failure to submit a complete application after receiving notice from the
 38.32 commissioner is basis for certification denial.

38.33 Subd. 2a. **Exemptions.** Programs that are exempt from licensure under section
 38.34 245A.03, subdivision 2, clauses (5), (6), (11) to (13), (15), (18), and (26), must be certified

39.1 as certified license-exempt child care centers according to this section to receive child
39.2 care assistance payments under this chapter.

39.3 Subd. 3. **Commissioner's right of access.** (a) When the commissioner is
39.4 exercising the powers conferred by this chapter, whenever the program is in operation
39.5 and the information is relevant to the commissioner's inspection or investigation, the
39.6 commissioner must be given access to:

- 39.7 (1) the physical facility and grounds where the program is provided;
39.8 (2) documentation and records, including records maintained in electronic format;
39.9 (3) children served by the program; and
39.10 (4) staff and personnel records of current staff.

39.11 (b) The commissioner must be given access without prior notice and as often
39.12 as the commissioner considers necessary if the commissioner is investigating alleged
39.13 maltreatment, or a violation of laws or rules, or conducting an inspection. When
39.14 conducting inspections, the commissioner may request and shall receive assistance from
39.15 other state, county, and municipal governmental agencies and departments. The applicant
39.16 or certification holder shall allow the commissioner to photocopy, photograph, and make
39.17 audio and video recordings during an inspection at the commissioner's expense.

39.18 Subd. 4. **Monitoring and inspections.** (a) The commissioner must conduct an
39.19 on-site inspection of a certified license-exempt child care center at least annually to
39.20 determine compliance with the health, safety, and fire standards specific to certified
39.21 license-exempt child care centers.

39.22 (b) No later than November 1, 2017, the commissioner shall make publicly available
39.23 on the department's Web site the results of inspection reports for all certified centers
39.24 including the number of deaths, serious injuries, and instances of substantiated child
39.25 maltreatment that occurred in certified centers each year.

39.26 Subd. 5. **Correction order.** (a) If the applicant or certification holder failed to
39.27 comply with a law or rule, the commissioner may issue a correction order. The correction
39.28 order must state the:

- 39.29 (1) condition that constitutes a violation of the law or rule;
39.30 (2) specific law or rule violated; and
39.31 (3) time allowed to correct each violation.

39.32 (b) If the applicant or certification holder believes that the commissioner's correction
39.33 order is erroneous, the applicant or certification holder may ask the commissioner to
39.34 reconsider the part of the correction order that is allegedly erroneous. A request for
39.35 reconsideration must be made in writing, postmarked and sent to the commissioner within

40.1 20 calendar days after the applicant or certification holder received the correction order,
 40.2 and:

40.3 (1) specify the part of the correction order that is allegedly erroneous;

40.4 (2) explain why the specified part is erroneous; and

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

40.6 (c) A request for reconsideration does not stay any provision or requirement of
 40.7 the correction order. The commissioner's disposition of a request for reconsideration is
 40.8 final and not subject to appeal.

40.9 (d) If the commissioner finds that the applicant or certification holder failed to
 40.10 correct the violation specified in the correction order, the commissioner may revoke the
 40.11 certification pursuant to subdivision 6.

40.12 (e) Nothing in this section prohibits the commissioner from decertifying a center
 40.13 according to subdivision 6, paragraph (a).

40.14 Subd. 6. **Decertification.** (a) The commissioner may decertify a center if a
 40.15 certification holder:

40.16 (1) fails to comply with an applicable law or rule; or

40.17 (2) knowingly withheld relevant information from or gave false or misleading
 40.18 information to the commissioner for a certification application or the background study
 40.19 status of an individual.

40.20 (b) When considering decertification, the commissioner shall consider the nature,
 40.21 chronicity, or severity of the violation of law or rule.

40.22 (c) When a center is decertified, the center is ineligible to receive CCAP.

40.23 Subd. 7. **Staffing requirements.** During hours of operation, a certified center must
 40.24 have a director or designee on site who is responsible for overseeing written policies
 40.25 relating to the management and control of the daily activities of the program, ensuring the
 40.26 health and safety of program participants, and supervising staff and volunteers.

40.27 Subd. 8. **Ratios and group size.** (a) The minimally acceptable staff-to-child
 40.28 ratios are:

40.29 33 months old through prekindergarten 1:10

40.30 kindergarten through grade 6 1:15

40.31 grades 7 through 9 1:20

40.32 (b) For mixed groups, the ratio for the age group of the youngest child applies.

40.33 (c) For children 33 months old through prekindergarten, a maximum group size
 40.34 shall be no more than 20 children.

40.35 (d) For children in kindergarten through grade 6, a maximum group size shall be
 40.36 no more than 30 children.

41.1 (e) The maximum group size applies at all times except during meals, outdoor
41.2 activities, field trips, naps and rest, and special activities such as films, guest speakers, and
41.3 holiday programs.

41.4 Subd. 9. **Background study.** (a) The applicant or certification holder must submit
41.5 and maintain documentation of a successfully completed background study for:

41.6 (1) each person applying for the certification;

41.7 (2) current or prospective employees of the program who will have direct contact
41.8 with a child served by the program;

41.9 (3) volunteers or contractors who shall have direct contact with a child served by the
41.10 program if the contact is not under the continuous, direct supervision by an individual
41.11 listed in clause (1) or (2); and

41.12 (4) a program director and all managerial staff with oversight and supervision of a
41.13 certified center.

41.14 (b) To be accepted for certification, a background study on every individual in
41.15 paragraph (a) must be completed under chapter 245C and result in a not disqualified
41.16 determination under section 245C.14 or a disqualification that was set aside under section
41.17 245C.22.

41.18 Subd. 10. **Reporting.** (a) The certification holder must comply with the reporting
41.19 requirements for abuse and neglect specified in section 626.556.

41.20 (b) The certification holder must inform the commissioner within 24 hours of:

41.21 (1) the death of a child in the program; and

41.22 (2) any injury to a child in the program that required treatment by a physician.

41.23 Subd. 11. **Fees.** The commissioner shall consult with stakeholders to gather input
41.24 to develop an administrative fee to implement this section. By February 15, 2017,
41.25 the commissioner shall provide recommendations to the legislative committees with
41.26 jurisdiction over health and human services policy and finance.

41.27 Subd. 12. **Health and safety requirements.** (a) A certified center must document
41.28 and follow a health and safety plan. The certification holder must ensure staff are trained
41.29 on the policies and procedures in the health and safety plan at orientation and annually
41.30 thereafter. The certification holder must provide staff with an orientation class within 90
41.31 days of the staff person beginning employment. Before the completion of orientation
41.32 class, the staff person must be supervised while providing direct care to a child. The
41.33 certification holder must document when the training was completed in the personnel
41.34 file for each staff person.

41.35 (b) The plan must include policies:

42.1 (1) for exclusion of sick children and infectious disease outbreak control, requiring
42.2 a program to:

42.3 (i) supervise and isolate a child from other children in the program when a child
42.4 becomes sick and immediately notify the isolated child's parent or legal guardian; and

42.5 (ii) post or give notice to the parent or legal guardian of an exposed child the
42.6 same day the program is notified of a child's contagious reportable disease specified in
42.7 Minnesota Rules, part 4605.7040, or lice, scabies, impetigo, ringworm, or chicken pox;

42.8 (2) to record current immunizations or applicable exemption for each child. By a
42.9 child's first day of attendance, certified license-exempt child care centers must maintain or
42.10 have access to a record detailing the child's current immunizations or applicable exemption;

42.11 (3) requiring training on reducing the risk of sudden, unexpected infant death, in
42.12 compliance with section 245A.1435, for any staff person or volunteer that cares for
42.13 infants, as defined as a child who is at least six weeks old but less than 16 months old,
42.14 before the staff person is permitted to assist in the care of infants. The center must
42.15 document the date of the training in the personnel record for each staff person;

42.16 (4) requiring training on abusive head trauma from shaking infants and young
42.17 children for any staff person that cares for children through four years of age before the
42.18 staff person is permitted to assist in the care of children through four years of age. The
42.19 center must document the date of the training in the personnel record for each staff person;

42.20 (5) for a certification holder who chooses to administer medicine to:

42.21 (i) obtain written permission from the child's parent or legal guardian before
42.22 administering prescription medicine, diapering product, sunscreen lotion, and insect
42.23 repellent;

42.24 (ii) administer nonprescription medicine, diapering product, sunscreen lotion, and
42.25 insect repellent according to the manufacturer's instructions unless there are written
42.26 instructions for their use by a licensed health professional;

42.27 (iii) obtain and follow written instructions, such as medicine with the child's first and
42.28 last name and current prescription information on the label, from the prescribing health
42.29 professional before administering prescription medicine; and

42.30 (iv) ensure all medicine:

42.31 (A) be kept in its original container with a legible label stating the child's first and
42.32 last name;

42.33 (B) be given only to the child whose name is on the label;

42.34 (C) not be given after an expiration date on the label;

42.35 (D) that is unused be returned to the child's parent or legal guardian or be destroyed;

43.1 (E) administration is recorded with the child's first and last name; the name of the
43.2 medication or prescription number; the date, time, and dosage; and the name and signature
43.3 of the person who dispensed the medicine; and

43.4 (F) administration records are maintained in the child's record and available to
43.5 the child's parent or legal guardian; and

43.6 (v) store medicines, insect repellents, and diaper rash control products according to
43.7 directions on the original container;

43.8 (6) to prevent and respond to allergic reactions, requiring the certification holder to:

43.9 (i) train staff on the program's policy, at least annually;

43.10 (ii) obtain, prior to admitting a child for care, documentation of the child's allergies
43.11 from the child's parent or legal guardian, including but not limited to:

43.12 (A) a description of the allergy, specific triggers, avoidance techniques, and
43.13 symptoms of an allergic reaction; and

43.14 (B) procedures for responding to an allergic reaction, including medication, dosages,
43.15 and a doctor's contact information;

43.16 (iii) maintain current information of a child's allergy in the child's record;

43.17 (iv) train staff and volunteers, at least annually or when changes are made to
43.18 allergy-related information in a child's record;

43.19 (v) document the date of all training in this subdivision in the personnel record
43.20 for each staff person; and

43.21 (vi) make information about a child's food allergies readily available to staff in the
43.22 area where food is prepared and served to a child with food allergies;

43.23 (7) to ensure building and physical premises safety, requiring a certification holder to:

43.24 (i) document compliance with applicable State Fire Code by providing

43.25 documentation of a fire marshal inspection completed within the previous three years by a
43.26 state fire marshal or a local fire code inspector trained by the state fire marshal;

43.27 (ii) document the process by which the center addresses physical premise
43.28 maintenance and general repairs in a timely manner;

43.29 (iii) designate indoor and outdoor space used for child care on a facility site plan and
43.30 include the primary and secondary areas used for child care by the center;

43.31 (iv) make a current health and safety plan available on site; and

43.32 (v) ensure the facility is clean with structurally sound and functional furniture and
43.33 equipment that is appropriate to the age and size of a child who uses them;

43.34 (8) for a safe environment free of hazards including, but not limited to:

43.35 (i) items such as sharp objects, medicines, plastic bags, cleaning supplies, poisonous
43.36 plants, and chemicals must be stored out of reach of children; and

- 44.1 (ii) safe handling and disposing of bodily fluids and other potentially infectious
44.2 fluids that requires, at a minimum, the use of gloves, disinfection of appropriate surfaces,
44.3 and fluid disposal in a securely sealed plastic bag;
- 44.4 (9) for transporting a child, requiring:
- 44.5 (i) compliance with all seat belt and child passenger restraint system requirements
44.6 under sections 169.685 and 169.686; and
- 44.7 (ii) the driver of the vehicle holds a valid driver's license, appropriate to the vehicle
44.8 driven;
- 44.9 (10) requiring at least one staff person who completed first aid training and
44.10 cardiopulmonary resuscitation training be present at all times at the program, during field
44.11 trips, and when transporting a child; and
- 44.12 (11) for reporting suspected child maltreatment according to section 626.556 and for
44.13 reporting complaints about the operation of a child care program.
- 44.14 Subd. 13. **Emergency preparedness plan.** (a) A certified center must have a
44.15 written emergency preparedness plan for emergencies that require evacuation, sheltering,
44.16 or other protection of children, such as in the event of fire, natural disaster, intruder, or
44.17 other threatening situations that may pose a health or safety hazard to children. The plan
44.18 must be written on a form developed by the commissioner and updated at least annually.
44.19 The plan must include:
- 44.20 (1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;
44.21 (2) a designated relocation site and evacuation route;
44.22 (3) procedures for notifying a child's parent or legal guardian of the relocation
44.23 and reunification with families;
- 44.24 (4) accommodations for a child with disabilities or a chronic medical condition;
44.25 (5) procedures for storing a child's medically necessary medicine that facilitates easy
44.26 removal during an evacuation or relocation;
- 44.27 (6) procedures for continuing operations in the period during and after a crisis;
44.28 (7) procedures for communicating with local emergency management officials, law
44.29 enforcement officials, or other appropriate state or local authorities; and
- 44.30 (8) procedures for staff and volunteer emergency preparedness training and practice
44.31 drills.
- 44.32 (b) The certification holder must train staff at orientation and annually on the
44.33 emergency preparedness plan and document training attendance in all personnel files. The
44.34 certified center must conduct at least quarterly one evacuation drill and one shelter-in-place
44.35 drill. The drills' date and time must be documented.

45.1 (c) The certification holder must have an emergency preparedness plan available for
 45.2 review upon request by the child's parent or legal guardian.

45.3 Subd. 14. **Personnel record.** The certification holder must maintain a personnel
 45.4 record for each staff person at the program that must contain:

45.5 (1) the staff person's name, home address, and telephone number;

45.6 (2) documentation that the staff person completed required orientation and annual
 45.7 trainings; and

45.8 (3) documentation related to background studies required under subdivision 9.

45.9 Subd. 15. **Certification standards.** The commissioner shall regularly consult with
 45.10 stakeholders for input related to implementing the standards in this section.

45.11 Subd. 16. **Parental access.** An enrolled child's parent or legal guardian may visit
 45.12 the certified center any time during the hours of operation.

45.13 Sec. 29. Minnesota Statutes 2014, section 119B.13, subdivision 1, is amended to read:

45.14 Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~February 3, 2014~~ March 13,
 45.15 2017, the maximum rate paid for child care assistance in any county or county price
 45.16 cluster under the child care fund shall be ~~the greater of the 25th~~ the 50th percentile of the
 45.17 ~~2011 most recent biennial~~ 2014 most recent biennial child care provider rate survey ~~or the maximum rate effective~~
 45.18 ~~November 28, 2011~~ under section 119B.02, subdivision 7. The commissioner may: (1)
 45.19 assign a county with no reported provider prices to a similar price cluster; and (2) consider
 45.20 county level access when determining final price clusters.

45.21 (b) A rate which includes a special needs rate paid under subdivision 3 may be in
 45.22 excess of the maximum rate allowed under this subdivision.

45.23 (c) The department shall monitor the effect of this paragraph on provider rates. The
 45.24 county shall pay the provider's full charges for every child in care up to the maximum
 45.25 established. The commissioner shall determine the maximum rate for each type of care
 45.26 on an hourly, full-day, and weekly basis, including special needs and disability care. ~~The~~
 45.27 ~~maximum payment to a provider for one day of care must not exceed the daily rate. The~~
 45.28 ~~maximum payment to a provider for one week of care must not exceed the weekly rate.~~

45.29 (d) The maximum payment to a licensed provider or license-exempt child care
 45.30 center must not exceed:

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

45.32 (2) the weekly rate for one week of care by a child's primary provider; or

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

46.1 ~~(d)~~ (e) Child care providers receiving reimbursement under this chapter must not
 46.2 be paid activity fees or an additional amount above the maximum rates for care provided
 46.3 during nonstandard hours for families receiving assistance.

46.4 ~~(e)~~ (f) When the provider charge is greater than the maximum provider rate allowed,
 46.5 the parent is responsible for payment of the difference in the rates in addition to any
 46.6 family co-payment fee.

46.7 ~~(f)~~ (g) All maximum provider rates changes shall be implemented on the Monday
 46.8 following the effective date of the maximum provider rate.

46.9 ~~(g)~~ (h) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum
 46.10 registration fees in effect on January 1, 2013, shall remain in effect.

46.11 **EFFECTIVE DATE.** Paragraph (a) is effective March 13, 2017. Paragraphs (c) to
 46.12 (e), (g), and (h) are effective June 5, 2017. Paragraph (f) is effective the day following
 46.13 enactment and expires March 13, 2017.

46.14 Sec. 30. Minnesota Statutes 2014, section 119B.13, subdivision 1a, is amended to read:

46.15 Subd. 1a. **Legal nonlicensed family child care provider rates.** (a) Legal
 46.16 nonlicensed family child care providers receiving reimbursement under this chapter must
 46.17 be paid on an hourly basis for care provided to families receiving assistance.

46.18 (b) The maximum rate paid to legal nonlicensed family child care providers must be
 46.19 68 percent of the county maximum hourly rate for licensed family child care providers. In
 46.20 counties or county price clusters where the maximum hourly rate for licensed family child
 46.21 care providers is higher than the maximum weekly rate for those providers divided by 50,
 46.22 the maximum hourly rate that may be paid to legal nonlicensed family child care providers
 46.23 is the rate equal to the maximum weekly rate for licensed family child care providers
 46.24 divided by 50 and then multiplied by 0.68. ~~The maximum payment to a provider for one~~
 46.25 ~~day of care must not exceed the maximum hourly rate times ten. The maximum payment~~
 46.26 ~~to a provider for one week of care must not exceed the maximum hourly rate times 50.~~

46.27 (c) The maximum payment to a legal nonlicensed family provider must not exceed:

46.28 (1) the maximum hourly rate times ten for one day of care;

46.29 (2) the maximum hourly rate for one week of care by a child's primary provider
 46.30 times 50; or

46.31 (3) the maximum hourly rate during two weeks of care by a child's secondary
 46.32 provider times 20.

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

47.1 ~~(d)~~ (e) Legal nonlicensed family child care providers receiving reimbursement under
47.2 this chapter may not be paid registration fees for families receiving assistance.

47.3 **EFFECTIVE DATE.** This section is effective June 5, 2017.

47.4 Sec. 31. Minnesota Statutes 2014, section 119B.13, subdivision 4, is amended to read:

47.5 Subd. 4. **Rates charged to publicly subsidized families.** (a) Child care providers
47.6 receiving reimbursement under this chapter may not charge a rate to clients receiving
47.7 assistance under this chapter that is higher than the private, full-paying client rate.

47.8 (b) A provider shall not charge a family receiving child care assistance the difference
47.9 between the provider's rate and the payment received for child care assistance under
47.10 this chapter.

47.11 **EFFECTIVE DATE.** This section is effective March 13, 2017.

47.12 Sec. 32. Minnesota Statutes 2015 Supplement, section 119B.13, subdivision 6, is
47.13 amended to read:

47.14 Subd. 6. **Provider payments.** (a) The provider shall bill for services provided
47.15 within ten days of the end of the service period. ~~If bills are submitted within ten days of~~
47.16 ~~the end of the service period;~~ Payments under the child care fund shall be made within 30
47.17 21 days of receiving a complete bill from the provider. Counties or the state may establish
47.18 policies that make payments on a more frequent basis.

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

47.26 (c) If a provider provided care for a time period without receiving an authorization
47.27 of care and a billing form for an eligible family, payment of child care assistance may only
47.28 be made retroactively for a maximum of six months from the date the provider is issued
47.29 an authorization of care and billing form.

47.30 (d) A county or the commissioner may refuse to issue a child care authorization
47.31 to a licensed or legal nonlicensed provider, revoke an existing child care authorization
47.32 to a licensed or legal nonlicensed provider, stop payment issued to a licensed or legal

48.1 nonlicensed provider, or refuse to pay a bill submitted by a licensed or legal nonlicensed
48.2 provider if:

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

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

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

48.10 (4) the provider is operating after:

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

48.12 (ii) an order of revocation of the provider's license; or

48.13 (iii) a final order of conditional license issued by the commissioner for as long as the
48.14 conditional license is in effect;

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

48.17 (6) the provider gives false child care price information.

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

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

48.25 **EFFECTIVE DATE.** This section is effective January 2, 2017.

48.26 Sec. 33. Minnesota Statutes 2014, section 245A.04, subdivision 4, is amended to read:

48.27 Subd. 4. **Inspections; waiver.** (a) Before issuing an initial license, the commissioner
48.28 shall conduct an inspection of the program. The inspection must include but is not limited
48.29 to:

48.30 (1) an inspection of the physical plant;

48.31 (2) an inspection of records and documents;

48.32 (3) an evaluation of the program by consumers of the program; ~~and~~

48.33 (4) observation of the program in operation; ~~and~~

48.34 (5) an inspection for the health, safety, and fire standards for a child care license
48.35 holder.

49.1 For the purposes of this subdivision, "consumer" means a person who receives the
49.2 services of a licensed program, the person's legal guardian, or the parent or individual
49.3 having legal custody of a child who receives the services of a licensed program.

49.4 (b) The evaluation required in paragraph (a), clause (3) or the observation in
49.5 paragraph (a), clause (4) is not required prior to issuing an initial license under subdivision
49.6 7. If the commissioner issues an initial license under subdivision 7, these requirements
49.7 must be completed within one year after the issuance of an initial license.

49.8 (c) Beginning January 1, 2017, a child care provider licensed under this chapter
49.9 and Minnesota Rules, chapter 9502 or 9503, shall be inspected at least annually by the
49.10 commissioner or the county for compliance with applicable licensing standards.

49.11 (d) No later than November 1, 2017, the commissioner shall make publicly available
49.12 on the department's Web site, the results of inspection reports for all child care providers
49.13 licensed under this chapter and Minnesota Rules, chapters 9502 and 9503, including the
49.14 number of deaths, serious injuries, and instances of substantiated child maltreatment that
49.15 occurred in licensed child care settings each year.

49.16 Sec. 34. Minnesota Statutes 2014, section 245A.09, subdivision 7, is amended to read:

49.17 Subd. 7. **Regulatory methods.** (a) Where appropriate and feasible the commissioner
49.18 shall identify and implement alternative methods of regulation and enforcement to the
49.19 extent authorized in this subdivision. These methods shall include:

49.20 (1) expansion of the types and categories of licenses that may be granted;

49.21 (2) when the standards of another state or federal governmental agency or an
49.22 independent accreditation body have been shown to require the same standards, methods,
49.23 or alternative methods to achieve substantially the same intended outcomes as the
49.24 licensing standards, the commissioner shall consider compliance with the governmental
49.25 or accreditation standards to be equivalent to partial compliance with the licensing
49.26 standards; and

49.27 (3) use of an abbreviated inspection that employs key standards that have been
49.28 shown to predict full compliance with the rules.

49.29 (b) If the commissioner accepts accreditation as documentation of compliance with a
49.30 licensing standard under paragraph (a), the commissioner shall continue to investigate
49.31 complaints related to noncompliance with all licensing standards. The commissioner
49.32 may take a licensing action for noncompliance under this chapter and shall recognize all
49.33 existing appeal rights regarding any licensing actions taken under this chapter.

49.34 (c) The commissioner shall work with the commissioners of health, public
49.35 safety, administration, and education in consolidating duplicative licensing and

50.1 certification rules and standards if the commissioner determines that consolidation is
 50.2 administratively feasible, would significantly reduce the cost of licensing, and would
 50.3 not reduce the protection given to persons receiving services in licensed programs.

50.4 Where administratively feasible and appropriate, the commissioner shall work with the
 50.5 commissioners of health, public safety, administration, and education in conducting joint
 50.6 agency inspections of programs.

50.7 (d) The commissioner shall work with the commissioners of health, public safety,
 50.8 administration, and education in establishing a single point of application for applicants
 50.9 who are required to obtain concurrent licensure from more than one of the commissioners
 50.10 listed in this clause.

50.11 (e) Unless otherwise specified in statute, the commissioner may conduct routine
 50.12 inspections biennially.

50.13 (f) For a licensed child care center, the commissioner shall conduct at least one
 50.14 unannounced licensing inspection annually.

50.15 Sec. 35. Minnesota Statutes 2014, section 245A.10, subdivision 2, is amended to read:

50.16 Subd. 2. **County fees for background studies and licensing inspections.** (a)
 50.17 Before the implementation of NETStudy 2.0, for purposes of family and group family
 50.18 child care licensing under this chapter, a county agency may charge a fee to an applicant
 50.19 or license holder to recover the actual cost of background studies, but in any case not to
 50.20 exceed \$100 annually. A county agency may also charge a license fee to an applicant or
 50.21 license holder not to exceed \$50 for a one-year license or \$100 for a two-year license.

50.22 (b) Before the implementation of NETStudy 2.0, a county agency may charge a fee
 50.23 to a legal nonlicensed child care provider or applicant for authorization to recover the
 50.24 actual cost of background studies completed under section 119B.125, but in any case not
 50.25 to exceed \$100 annually.

50.26 (c) Counties may elect to reduce or waive the fees in paragraph (a) or (b):

50.27 (1) in cases of financial hardship;

50.28 (2) if the county has a shortage of providers in the county's area;

50.29 (3) for new providers; or

50.30 (4) for providers who have attained at least 16 hours of training before seeking
 50.31 initial licensure.

50.32 (d) Counties may allow providers to pay the applicant fees in paragraph (a) or (b) on
 50.33 an installment basis for up to one year. If the provider is receiving child care assistance
 50.34 payments from the state, the provider may have the fees under paragraph (a) or (b)

51.1 deducted from the child care assistance payments for up to one year and the state shall
51.2 reimburse the county for the county fees collected in this manner.

51.3 (e) For purposes of adult foster care and child foster care licensing, and licensing
51.4 the physical plant of a community residential setting, under this chapter, a county agency
51.5 may charge a fee to a corporate applicant or corporate license holder to recover the actual
51.6 cost of licensing inspections, not to exceed \$500 annually.

51.7 (f) Counties may elect to reduce or waive the fees in paragraph (e) under the
51.8 following circumstances:

51.9 (1) in cases of financial hardship;

51.10 (2) if the county has a shortage of providers in the county's area; or

51.11 (3) for new providers.

51.12 Sec. 36. Minnesota Statutes 2014, section 245A.14, is amended by adding a
51.13 subdivision to read:

51.14 Subd. 15. **Parental access in child care programs.** An enrolled child's parent or
51.15 legal guardian must be allowed to visit the program any time during the hours of operation
51.16 when the child is in the care of the program.

51.17 Sec. 37. **[245A.1492] CHILD CARE EMERGENCY PLANNING AND**
51.18 **RESPONSE.**

51.19 No later than September 30, 2016, the commissioner shall develop and implement a
51.20 statewide child care disaster plan that addresses emergency preparedness, response, and
51.21 recovery efforts specific to child care services and programs licensed under this chapter
51.22 and registered under chapter 119B. The plan shall be published on the department's Web
51.23 site. The plan shall:

51.24 (1) provide specific action the commissioner may take in emergency situations;

51.25 (2) provide for the continuity of county and state CCAP operations during and
51.26 after a disaster;

51.27 (3) administer temporary child care services during and after a disaster;

51.28 (4) implement temporary operating, health, safety, and licensing standards for a child
51.29 care provider during and after a disaster;

51.30 (5) coordinate with emergency management agencies and key partners; and

51.31 (6) provide emergency and disaster preparedness training and technical assistance to
51.32 a child care license holder.

52.1 Sec. 38. Minnesota Statutes 2014, section 245A.151, is amended to read:

52.2 **245A.151 FIRE MARSHAL INSPECTION.**

52.3 When licensure under this chapter requires an inspection by a fire marshal to
 52.4 determine compliance with the State Fire Code under section 299F.011, a local fire code
 52.5 inspector ~~approved~~ trained by the state fire marshal may conduct the inspection. If a
 52.6 community does not have a local fire code inspector or if the local fire code inspector does
 52.7 not perform the inspection, the state fire marshal must conduct the inspection. A local fire
 52.8 code inspector or the state fire marshal may recover the cost of these inspections through a
 52.9 fee of no more than \$50 per inspection charged to the applicant or license holder. The fees
 52.10 collected by the state fire marshal under this section are appropriated to the commissioner
 52.11 of public safety for the purpose of conducting the inspections.

52.12 Sec. 39. Minnesota Statutes 2015 Supplement, section 245A.16, subdivision 1, is
 52.13 amended to read:

52.14 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and
 52.15 private agencies that have been designated or licensed by the commissioner to perform
 52.16 licensing functions and activities under section 245A.04 and background studies for family
 52.17 child care under chapter 245C; to recommend denial of applicants under section 245A.05;
 52.18 to issue correction orders, to issue variances, and recommend a conditional license under
 52.19 section 245A.06; or to recommend suspending or revoking a license or issuing a fine under
 52.20 section 245A.07, shall comply with rules and directives of the commissioner governing
 52.21 those functions and with this section. The following variances are excluded from the
 52.22 delegation of variance authority and may be issued only by the commissioner:

52.23 (1) dual licensure of family child care and child foster care, dual licensure of child
 52.24 and adult foster care, and adult foster care and family child care;

52.25 (2) adult foster care maximum capacity;

52.26 (3) adult foster care minimum age requirement;

52.27 (4) child foster care maximum age requirement;

52.28 (5) variances regarding disqualified individuals except that county agencies may
 52.29 issue variances under section 245C.30 regarding disqualified individuals when the county
 52.30 is responsible for conducting a consolidated reconsideration according to sections 245C.25
 52.31 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination
 52.32 and a disqualification based on serious or recurring maltreatment;

52.33 (6) the required presence of a caregiver in the adult foster care residence during
 52.34 normal sleeping hours; and

53.1 (7) variances to requirements relating to chemical use problems of a license holder
53.2 or a household member of a license holder.

53.3 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency
53.4 must not grant a license holder a variance to exceed the maximum allowable family child
53.5 care license capacity of 14 children.

53.6 (b) County agencies must report information about disqualification reconsiderations
53.7 under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances
53.8 granted under paragraph (a), clause (5), to the commissioner at least monthly in a format
53.9 prescribed by the commissioner.

53.10 (c) For family ~~day~~ child care programs, the commissioner ~~may authorize~~ shall
53.11 require a county agency to conduct at least one unannounced licensing reviews every two
53.12 years after a licensee has had at least one annual review inspection annually.

53.13 (d) For family adult day services programs, the commissioner may authorize
53.14 licensing reviews every two years after a licensee has had at least one annual review.

53.15 (e) A license issued under this section may be issued for up to two years.

53.16 (f) During implementation of chapter 245D, the commissioner shall consider:

53.17 (1) the role of counties in quality assurance;

53.18 (2) the duties of county licensing staff; and

53.19 (3) the possible use of joint powers agreements, according to section 471.59, with
53.20 counties through which some licensing duties under chapter 245D may be delegated by
53.21 the commissioner to the counties.

53.22 Any consideration related to this paragraph must meet all of the requirements of the
53.23 corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

53.24 (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
53.25 successor provisions; and section 245D.061 or successor provisions, for family child
53.26 foster care programs providing out-of-home respite, as identified in section 245D.03,
53.27 subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority
53.28 to county and private agencies.

53.29 (h) A county agency shall report to the commissioner, in a manner prescribed by
53.30 the commissioner, the following information at least monthly for a licensed family child
53.31 care program:

53.32 (1) the results of licensing inspections completed, including the date of the inspection
53.33 and any licensing correction order issued; and

53.34 (2) the number of deaths, serious injuries, and instances of substantiated child
53.35 maltreatment.

54.1 Sec. 40. Minnesota Statutes 2014, section 245A.16, is amended by adding a
54.2 subdivision to read:

54.3 Subd. 7. **Family child care licensing oversight.** (a) Only county staff trained by the
54.4 commissioner on the family child care licensing standards in this chapter and Minnesota
54.5 Rules, chapter 9502, shall conduct licensing inspections to fulfill the requirements of
54.6 subdivision 1, paragraph (c). Training must occur within 90 days of beginning employment.

54.7 (b) The commissioner shall consult with county representatives to develop a formula
54.8 to allocate county family child care licensing administrative aid.

54.9 (c) If a county fails to comply with the child care licensing functions under
54.10 subdivision 1, paragraphs (a), (b), (c), and (h), and paragraph (a) of this subdivision,
54.11 the commissioner shall reduce or delay the state's county family child care licensing
54.12 administrative aid payment by up to 50 percent.

54.13 Sec. 41. Minnesota Statutes 2014, section 245A.40, subdivision 1, is amended to read:

54.14 Subdivision 1. **Orientation.** The child care center license holder must ensure that
54.15 every staff person and volunteer is given orientation training and successfully completes
54.16 the training before starting assigned duties. The orientation training in this subdivision
54.17 applies to volunteers who will have direct contact with or access to children and who are
54.18 not under the direct supervision of a staff person. Completion of the orientation must be
54.19 documented in the individual's personnel record. The orientation training must include
54.20 information about:

54.21 (1) the center's philosophy, child care program, and procedures for maintaining the
54.22 health and₂ safety₂ and fire standards and handling emergencies and accidents;

54.23 (2) specific job responsibilities;

54.24 (3) the behavior guidance standards in Minnesota Rules, part 9503.0055; and

54.25 (4) the reporting responsibilities in section 626.556, and Minnesota Rules, part
54.26 9503.0130.

54.27 Sec. 42. Minnesota Statutes 2015 Supplement, section 245A.40, subdivision 3, is
54.28 amended to read:

54.29 Subd. 3. **First aid.** (a) All teachers and assistant teachers in a child care center
54.30 governed by Minnesota Rules, parts 9503.0005 to 9503.0170, and at least one staff person
54.31 during field trips and when transporting children in care, must satisfactorily complete first
54.32 aid training within 90 days of the start of work, unless the training has been completed
54.33 within the previous ~~three~~ two years.

55.1 (b) Notwithstanding paragraph (a), which allows 90 days to complete training, at
 55.2 least one staff person who has satisfactorily completed first aid training must be present at
 55.3 all times in the center, during field trips, and when transporting children in care.

55.4 (c) The first aid training must be repeated at least every ~~three~~ two years, documented
 55.5 in the person's personnel record and indicated on the center's staffing chart, and provided by
 55.6 an individual approved as a first aid instructor. This training may be less than eight hours.

55.7 Sec. 43. Minnesota Statutes 2015 Supplement, section 245A.40, subdivision 4, is
 55.8 amended to read:

55.9 Subd. 4. **Cardiopulmonary resuscitation.** (a) All teachers and assistant teachers
 55.10 in a child care center governed by Minnesota Rules, parts 9503.0005 to 9503.0170, and
 55.11 at least one staff person during field trips and when transporting children in care, must
 55.12 satisfactorily complete training in cardiopulmonary resuscitation (CPR) that includes CPR
 55.13 techniques for infants and children and in the treatment of obstructed airways. The CPR
 55.14 training must be completed within 90 days of the start of work, unless the training has
 55.15 been completed within the previous ~~three~~ two years. The CPR training must have been
 55.16 provided by an individual approved to provide CPR instruction, must be repeated at least
 55.17 once every ~~three~~ two years, and must be documented in the staff person's records.

55.18 (b) Notwithstanding paragraph (a), which allows 90 days to complete training, at
 55.19 least one staff person who has satisfactorily completed cardiopulmonary resuscitation
 55.20 training must be present at all times in the center, during field trips, and when transporting
 55.21 children in care.

55.22 (c) CPR training may be provided for less than four hours.

55.23 (d) Persons providing CPR training must use CPR training that has been developed:

55.24 (1) by the American Heart Association or the American Red Cross and incorporates
 55.25 psychomotor skills to support the instruction; or

55.26 (2) using nationally recognized, evidence-based guidelines for CPR and incorporates
 55.27 psychomotor skills to support the instruction.

55.28 Sec. 44. Minnesota Statutes 2014, section 245A.40, subdivision 7, is amended to read:

55.29 Subd. 7. **In-service.** (a) A license holder must ensure that ~~an annual in-service~~
 55.30 ~~training plan is developed and carried out and that it meets the requirements in clauses (1)~~
 55.31 ~~to (7). The in-service training plan must:~~ the center director and all staff who have direct
 55.32 contact with a child complete annual in-service training.

55.33 (1) ~~be consistent with the center's child care program plan;~~

56.1 ~~(2) meet the training needs of individual staff persons as specified in each staff~~
 56.2 ~~person's annual evaluation report;~~

56.3 ~~(3) provide training, at least one-fourth of which is by a resource not affiliated~~
 56.4 ~~with the license holder;~~

56.5 ~~(4) include Minnesota Rules, parts 9503.0005 to 9503.0170, relevant to the staff~~
 56.6 ~~person's position and must occur within two weeks of initial employment;~~

56.7 ~~(5) provide that at least one-half of the annual in-service training completed by a staff~~
 56.8 ~~person each year pertains to the age of children for which the person is providing care;~~

56.9 ~~(6) provide that no more than four hours of each annual in-service training~~
 56.10 ~~requirement relate to administration, finances, and records training for a teacher, assistant~~
 56.11 ~~teacher, or aide; and~~

56.12 ~~(7) provide that the remainder of The in-service training requirement must be met~~
 56.13 ~~by participation in training in child growth and development; learning environment and~~
 56.14 ~~curriculum; assessment and planning for individual needs; interactions with children;~~
 56.15 ~~families and communities; health, safety, and nutrition; and program planning and~~
 56.16 ~~evaluation.~~

56.17 (b) For purposes of this subdivision, the following terms have the meanings given
 56.18 them.

56.19 (1) "Child growth and development training" has the meaning given it in subdivision
 56.20 2, paragraph (a).

56.21 (2) "Learning environment and curriculum" means training in establishing an
 56.22 environment that provides learning experiences to meet each child's needs, capabilities,
 56.23 and interests, including early childhood education methods or theory, recreation, sports,
 56.24 promoting creativity in the arts, arts and crafts methods or theory, and early childhood
 56.25 special education methods or theory.

56.26 (3) "Assessment and planning for individual needs" means training in observing and
 56.27 assessing what children know and can do ~~in order~~ to provide curriculum and instruction that
 56.28 addresses their developmental and learning needs, including children with special needs.

56.29 (4) "Interactions with children" means training in establishing supportive
 56.30 relationships with children and guiding them as individuals and as part of a group,
 56.31 including child study techniques and behavior guidance.

56.32 (5) "Families and communities" means training in working collaboratively with
 56.33 families, agencies, and organizations to meet children's needs and to encourage the
 56.34 community's involvement, including family studies and parent involvement.

57.1 (6) "Health, safety, and nutrition" means training in establishing and maintaining an
57.2 environment that ensures children's health, safety, and nourishment, including first aid,
57.3 cardiopulmonary resuscitation, child nutrition, and child abuse and neglect prevention.

57.4 (7) "Program planning and evaluation" means training in establishing, implementing,
57.5 evaluating, and enhancing program operations.

57.6 (c) The director and all program staff persons must annually complete a number of
57.7 hours of in-service training equal to at least two percent of the hours for which the director
57.8 or program staff person is annually paid, unless one of the following is applicable.

57.9 (1) A teacher at a child care center must complete one percent of working hours of
57.10 in-service training annually if the teacher:

57.11 (i) possesses a baccalaureate or master's degree in early childhood education or
57.12 school-age care;

57.13 (ii) is licensed in Minnesota as a prekindergarten teacher, an early childhood educator,
57.14 a kindergarten to sixth grade teacher with a prekindergarten specialty, an early childhood
57.15 special education teacher, or an elementary teacher with a kindergarten endorsement; or

57.16 (iii) possesses a baccalaureate degree with a Montessori certificate.

57.17 (2) A teacher or assistant teacher at a child care center must complete one and
57.18 one-half percent of working hours of in-service training annually if the individual is:

57.19 (i) a registered nurse or licensed practical nurse with experience working with infants;

57.20 (ii) possesses a Montessori certificate, a technical college certificate in early
57.21 childhood development, or a child development associate certificate; or

57.22 (iii) possesses an associate of arts degree in early childhood education, a
57.23 baccalaureate degree in child development, or a technical college diploma in early
57.24 childhood development.

57.25 (d) The number of required training hours may be prorated for individuals not
57.26 employed full time or for an entire year.

57.27 (e) The annual in-service training must be completed within the calendar year for
57.28 which it was required. In-service training completed by staff persons is transferable upon
57.29 a staff person's change in employment to another child care program.

57.30 (f) The license holder must ensure that, when a staff person completes in-service
57.31 training, the training is documented in the staff person's personnel record. The
57.32 documentation must include the date training was completed, the goal of the training and
57.33 topics covered, trainer's name and organizational affiliation, trainer's signed statement that
57.34 training was successfully completed, and the director's approval of the training.

58.1 Sec. 45. **[245A.41] CHILD CARE CENTER HEALTH AND SAFETY**
58.2 **REQUIREMENTS.**

58.3 Subdivision 1. **Immunization records maintained.** By a child's date of enrollment,
58.4 a licensed child care center must establish and maintain a record detailing current
58.5 immunizations or applicable exemption for each child according to section 121A.15.

58.6 Subd. 2. **Allergy prevention and response plan.** (a) A licensed child care center
58.7 must develop written policies and procedures for preventing and responding to allergic
58.8 reactions. The license holder must train staff on the program's policy at orientation and at
58.9 least annually.

58.10 (b) Prior to admitting a child for care, the license holder must obtain documentation
58.11 of the child's allergy, if any, from the child's parent or legal guardian. The license holder
58.12 must maintain current information of a child's allergy in the child's record. The allergy
58.13 information must include but not be limited to a description of the allergy, specific triggers,
58.14 avoidance techniques, symptoms of an allergic reaction, and procedures for responding to
58.15 an allergic reaction, including medication, dosages, and a doctor's contact information.
58.16 At least annually or when changes are made to allergy-related information in the child's
58.17 record, the license holder must train staff and volunteers on the allergy prevention and
58.18 response information. The license holder must document the date of the training in the
58.19 personnel record for each staff member.

58.20 (c) The child's food allergy information must be readily available to staff in the area
58.21 where food is prepared and served to the child.

58.22 Subd. 3. **Child care center emergency preparedness plan.** (a) No later than
58.23 September 30, 2016, a licensed child care center must have a written emergency
58.24 preparedness plan for emergencies that require evacuation, sheltering, or other protection
58.25 of children, such as in the event of fire, natural disaster, intruder, or other threatening
58.26 situations that may pose a health or safety hazard to the children. The plan must be
58.27 written on a form developed by the commissioner and must be updated at least annually.
58.28 The plan must include:

58.29 (1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

58.30 (2) a designated relocation site and evacuation route;

58.31 (3) procedures for notifying a child's parent or legal guardian of the relocation
58.32 and reunification with families;

58.33 (4) accommodations for a child with disabilities or a chronic medical condition;

58.34 (5) procedures for storing a child's medically necessary medicine that facilitates easy
58.35 removal during an evacuation or relocation;

58.36 (6) procedures for continuing operations in the period during and after a crisis;

59.1 (7) procedures for communicating with local emergency management officials, law
 59.2 enforcement officials, or other appropriate state or local authorities; and

59.3 (8) procedures for staff and volunteer emergency preparedness training and practice
 59.4 drills.

59.5 (b) The license holder must train staff at orientation and at least annually on the
 59.6 emergency preparedness plan and document training attendance in all personnel files. The
 59.7 license holder must conduct drills according to the requirements in Minnesota Rules, part
 59.8 9503.0110, subpart 3. The drills' date and time must be documented.

59.9 (c) The license holder must have an emergency preparedness plan available for
 59.10 review upon request and posted in each room used for child care. The license holder must
 59.11 provide a copy of the plan to the child's parent or legal guardian upon enrollment.

59.12 Sec. 46. Minnesota Statutes 2014, section 245A.50, subdivision 9, is amended to read:

59.13 Subd. 9. **Supervising for safety; training requirement.** Effective July 1, 2014,
 59.14 all family child care license holders and each adult caregiver who provides care in the
 59.15 licensed family child care home for more than 30 days in any 12-month period shall
 59.16 complete and document at least six hours of approved training on supervising for safety
 59.17 prior to initial licensure, and before caring for children. At least two hours of training
 59.18 on supervising for safety must be repeated annually. For purposes of this subdivision,
 59.19 "supervising for safety" includes supervision basics;~~;~~ supervision outdoors,~~equipment and~~
 59.20 ~~materials, illness, injuries, and disaster;~~ building and physical premise safety; prevention
 59.21 and control of infectious disease, including immunization; administration of medication;
 59.22 prevention and response to food allergies; emergency preparedness and response planning;
 59.23 storage of hazardous material and biocontaminant; and procedures for maintaining health
 59.24 and safety. The commissioner shall develop the supervising for safety curriculum by
 59.25 January 1, ~~2014~~ 2017.

59.26 Sec. 47. **[245A.51] FAMILY CHILD CARE HEALTH AND SAFETY**
 59.27 **REQUIREMENTS.**

59.28 Subdivision 1. **Immunization records maintained.** A licensed family child care
 59.29 provider shall obtain, update, and maintain the dates of immunizations or applicable
 59.30 exemption, provided in section 121A.15, for a child in regular attendance as follows:

59.31 (1) for an infant, every six months;

59.32 (2) for a toddler, annually;

59.33 (3) for a child of preschool age, every 18 months; and

59.34 (4) for a child of school age, every three years.

60.1 Subd. 2. Allergy prevention and response plan. (a) The licensed family child care
60.2 provider must develop written policies and procedures for preventing and responding to
60.3 an allergic reaction. The license holder must train caregivers on the program's policies and
60.4 procedures at orientation and at least annually.

60.5 (b) Before admitting a child for care, the license holder must obtain documentation
60.6 of the child's allergy, if any, from the child's parent or legal guardian. The license holder
60.7 must maintain current information of a child's allergy in the child's record. The allergy
60.8 information must include but not be limited to a description of the allergy, specific triggers,
60.9 avoidance techniques, symptoms of an allergic reaction, and procedures for responding to
60.10 an allergic reaction, including medication, dosages, and a doctor's contact information.
60.11 At least annually or when changes are made to the child's allergy information, the
60.12 license holder must train all staff and volunteers on the allergy prevention and response
60.13 information. The license holder must document the date of training in the personnel
60.14 record of each staff member.

60.15 (c) The child's food allergy information must be readily available to staff in the area
60.16 where food is prepared and served to the child.

60.17 Subd. 3. Handling and disposal of biocontaminants. The licensed family child
60.18 care provider must develop written policies and procedures for safely handling and
60.19 disposing of bodily fluids.

60.20 Subd. 4. Family child care emergency preparedness plan. (a) No later than
60.21 September 30, 2016, a licensed family child care provider must have a written emergency
60.22 preparedness plan for emergencies that require evacuation, sheltering or other protection
60.23 of children, such as in the event of fire, natural disaster, intruder, or other threatening
60.24 situations that may pose a health or safety hazard to children. The plan must be written on a
60.25 form developed by the commissioner and updated at least annually. The plan must include:

60.26 (1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

60.27 (2) a designated relocation site and evacuation route;

60.28 (3) procedures for notifying a child's parent or legal guardian of the relocation
60.29 and reunification with families;

60.30 (4) accommodations for a child with disabilities or a chronic medical condition;

60.31 (5) procedures for storing a child's medically necessary medicine that facilitate easy
60.32 removal during an evacuation or relocation;

60.33 (6) procedures for continuing operations in the period during and after a crisis;

60.34 (7) procedures for communicating with local emergency management officials, law
60.35 enforcement officials, or other appropriate state or local authorities; and

61.1 (8) procedures for staff and volunteer emergency preparedness training and practice
 61.2 drills.

61.3 (b) The license holder must train caregivers at orientation and at least annually on
 61.4 the emergency preparedness plan and document completion of this training. The license
 61.5 holder must conduct annual evacuation, relocation, shelter-in-place, and lockdown drills,
 61.6 and conduct the drills according to the requirements in Minnesota Rules, part 9502.0435,
 61.7 subpart 8. The drills' date and time must be documented.

61.8 (c) The license holder must have an emergency preparedness plan available for
 61.9 review and posted in a prominent location. The license holder must provide a copy of the
 61.10 plan to the child's parent or legal guardian upon enrollment.

61.11 Sec. 48. Minnesota Statutes 2014, section 245A.66, subdivision 2, is amended to read:

61.12 Subd. 2. **Child care centers; risk reduction plan.** (a) Child care centers licensed
 61.13 under this chapter and Minnesota Rules, chapter 9503, must develop a risk reduction plan
 61.14 that identifies the general risks to children served by the child care center. The license
 61.15 holder must establish procedures to minimize identified risks, train staff on the procedures,
 61.16 and annually review the procedures.

61.17 (b) The risk reduction plan must include an assessment of risk to children the
 61.18 center serves or intends to serve and identify specific risks based on the outcome of the
 61.19 assessment. The assessment of risk must be based on the following:

61.20 (1) an assessment of the risks presented by the physical plant where the licensed
 61.21 services are provided, including an evaluation of the following factors: the condition and
 61.22 design of the facility and its outdoor space, bathrooms, storage areas, and accessibility
 61.23 of medications and cleaning products that are harmful to children when children are not
 61.24 supervised and the existence of areas that are difficult to supervise; and

61.25 (2) an assessment of the risks presented by the environment for each facility and
 61.26 for each site, including an evaluation of the following factors: the type of grounds and
 61.27 terrain surrounding the building and the proximity to hazards, busy roads, and publicly
 61.28 accessed businesses.

61.29 (c) The risk reduction plan must include a statement of measures that ~~will~~ shall be
 61.30 taken to minimize the risk of harm presented to children for each risk identified in the
 61.31 assessment required under paragraph (b) related to the physical plant and environment.
 61.32 At a minimum, the stated measures must include the development and implementation
 61.33 of specific policies and procedures or reference to existing policies and procedures that
 61.34 minimize the risks identified.

62.1 (d) In addition to any program-specific risks identified in paragraph (b), the plan
62.2 must include development and implementation of specific policies and procedures or refer
62.3 to existing policies and procedures that minimize the risk of harm or injury to children,
62.4 including:

62.5 (1) closing children's fingers in doors, including cabinet doors;

62.6 (2) leaving children in the community without supervision;

62.7 (3) children leaving the facility without supervision;

62.8 (4) caregiver dislocation of children's elbows;

62.9 (5) burns from hot food or beverages, whether served to children or being consumed
62.10 by caregivers, and the devices used to warm food and beverages;

62.11 (6) injuries from equipment, such as scissors and glue guns;

62.12 (7) sunburn;

62.13 (8) ~~feeding children foods to which they are allergic~~ preventing and responding to
62.14 allergic reactions;

62.15 (9) children falling from changing tables; and

62.16 (10) children accessing dangerous items or chemicals or coming into contact with
62.17 residue from harmful cleaning products.

62.18 (e) The plan shall prohibit the accessibility of hazardous items to children.

62.19 (f) The plan must include specific procedures and policies for safely handling and
62.20 disposing of bodily fluids. The license holder's health consultant must certify that the
62.21 procedures and policies are adequate to protect the health of a child.

62.22 ~~(f)~~ (g) The plan must include specific policies and procedures to ensure adequate
62.23 supervision of children at all times as defined under section 245A.02, subdivision 18, with
62.24 particular emphasis on:

62.25 (1) times when children are transitioned from one area within the facility to another;

62.26 (2) nap-time supervision, including infant crib rooms as specified under section
62.27 245A.02, subdivision 18, which requires that when an infant is placed in a crib to sleep,
62.28 supervision occurs when a staff person is within sight or hearing of the infant. When
62.29 supervision of a crib room is provided by sight or hearing, the center must have a plan to
62.30 address the other supervision components;

62.31 (3) child drop-off and pick-up times;

62.32 (4) supervision during outdoor play and on community activities, including but not
62.33 limited to field trips and neighborhood walks; and

62.34 (5) supervision of children in hallways.

63.1 Sec. 49. Minnesota Statutes 2014, section 245C.03, is amended by adding a
63.2 subdivision to read:

63.3 Subd. 6a. **Nonlicensed child care programs.** Beginning October 1, 2017, the
63.4 commissioner shall conduct background studies on any individual required under section
63.5 119B.125 to have a background study completed under this chapter.

63.6 Sec. 50. Minnesota Statutes 2014, section 245C.04, subdivision 1, is amended to read:

63.7 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a
63.8 background study of an individual required to be studied under section 245C.03,
63.9 subdivision 1, at least upon application for initial license for all license types.

63.10 (b) Effective October 1, 2017, the commissioner shall conduct a background study
63.11 of an individual required to be studied specified under section 245C.03, subdivision 1,
63.12 who is newly affiliated with the license holder. at reapplication for a license for family
63.13 child care. From October 1, 2017, to September 30, 2019, the commissioner shall conduct
63.14 a background study of individuals required to be studied under section 245C.03, at the
63.15 time of reapplication for a family child care license.

63.16 (1) The individual shall provide information required under section 245C.05,
63.17 subdivision 1, paragraphs (a), (b), and (d), to the county agency.

63.18 (2) The county agency shall provide the commissioner with the information received
63.19 under clause (1) to complete the background study.

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

63.22 (c) The commissioner is not required to conduct a study of an individual at the time
63.23 of reapplication for a license if the individual's background study was completed by the
63.24 commissioner of human services and the following conditions are met:

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

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

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

63.30 (d) The commissioner of human services shall conduct a background study of an
63.31 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2)
63.32 to (6), who is newly affiliated with a child foster care license holder. The county or
63.33 private agency shall collect and forward to the commissioner the information required
63.34 under section 245C.05, subdivisions 1 and 5. The background study conducted by the

64.1 commissioner of human services under this paragraph must include a review of the
64.2 information required under section 245C.08, subdivisions 1, 3, and 4.

64.3 (e) The commissioner shall conduct a background study of an individual specified
64.4 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly
64.5 affiliated with an adult foster care or family adult day services and effective October 1,
64.6 2017, with a family child care license holder or a legal nonlicensed child care provider
64.7 authorized under chapter 119B: (1) the county shall collect and forward to the commissioner
64.8 the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and
64.9 subdivision 5, paragraphs (a) and (b), and (d), for background studies conducted by the
64.10 commissioner for all family adult day services and for adult foster care when the adult
64.11 foster care license holder resides in the adult foster care residence, and for family child care
64.12 and legal nonlicensed child care authorized under chapter 119B; (2) the license holder shall
64.13 collect and forward to the commissioner the information required under section 245C.05,
64.14 subdivisions 1, paragraphs (a) and (b); and 5, paragraphs (a) and (b), for background
64.15 studies conducted by the commissioner for adult foster care when the license holder does
64.16 not reside in the adult foster care residence; and (3) the background study conducted by
64.17 the commissioner under this paragraph must include a review of the information required
64.18 under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.

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

64.23 (g) For an individual who is not on the entity's active roster, the entity must initiate a
64.24 new background study through NETStudy when:

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

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

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

65.1 (h) For purposes of this section, a physician licensed under chapter 147 is considered
65.2 to be continuously affiliated upon the license holder's receipt from the commissioner of
65.3 health or human services of the physician's background study results.

65.4 (i) For purposes of family child care, a substitute caregiver must receive repeat
65.5 background studies at the time of each license renewal.

65.6 (j) A repeat background study at the time of license renewal is not required if the
65.7 substitute caregiver's background study was completed by the commissioner on or after
65.8 October 1, 2017, and the substitute caregiver is on the license holder's active roster
65.9 in NETStudy 2.0.

65.10 Sec. 51. Minnesota Statutes 2014, section 245C.05, subdivision 2b, is amended to read:

65.11 Subd. 2b. **County agency to collect and forward information to commissioner.**

65.12 (a) For background studies related to all family adult day services and to adult foster care
65.13 when the adult foster care license holder resides in the adult foster care residence, the
65.14 county agency must collect the information required under subdivision 1 and forward it to
65.15 the commissioner.

65.16 (b) Effective October 1, 2017, for background studies related to family child care
65.17 and legal nonlicensed child care authorized under chapter 119B, the county agency must
65.18 collect the information required under subdivision 1 and provide it to the commissioner.

65.19 Sec. 52. Minnesota Statutes 2014, section 245C.05, subdivision 4, is amended to read:

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

65.23 (1) background study information to the commissioner;

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

65.25 (3) background study results to county and private agencies for background studies
65.26 conducted by the commissioner for child foster care; and

65.27 (4) background study results to county agencies for background studies conducted by
65.28 the commissioner for adult foster care and family adult day services and, effective October
65.29 1, 2017, family child care and legal nonlicensed child care authorized under chapter 119B.

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

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

66.4 Sec. 53. Minnesota Statutes 2014, section 245C.05, subdivision 7, is amended to read:

66.5 Subd. 7. **Probation officer and corrections agent.** (a) A probation officer or
66.6 corrections agent shall notify the commissioner of an individual's conviction if the
66.7 individual:

66.8 (1) has been affiliated with a program or facility regulated by the Department of
66.9 Human Services or Department of Health, a facility serving children or youth licensed by
66.10 the Department of Corrections, or any type of home care agency or provider of personal
66.11 care assistance services within the preceding year; and

66.12 (2) has been convicted of a crime constituting a disqualification under section
66.13 245C.14.

66.14 (b) For the purpose of this subdivision, "conviction" has the meaning given it
66.15 in section 609.02, subdivision 5.

66.16 (c) The commissioner, in consultation with the commissioner of corrections, shall
66.17 develop forms and information necessary to implement this subdivision and shall provide
66.18 the forms and information to the commissioner of corrections for distribution to local
66.19 probation officers and corrections agents.

66.20 (d) The commissioner shall inform individuals subject to a background study that
66.21 criminal convictions for disqualifying crimes ~~will~~ shall be reported to the commissioner
66.22 by the corrections system.

66.23 (e) A probation officer, corrections agent, or corrections agency is not civilly or
66.24 criminally liable for disclosing or failing to disclose the information required by this
66.25 subdivision.

66.26 (f) Upon receipt of disqualifying information, the commissioner shall provide the
66.27 notice required under section 245C.17, as appropriate, to agencies on record as having
66.28 initiated a background study or making a request for documentation of the background
66.29 study status of the individual.

66.30 (g) This subdivision does not apply to family child care programs for individuals
66.31 whose background study was completed in NETStudy 2.0.

66.32 Sec. 54. Minnesota Statutes 2015 Supplement, section 245C.08, subdivision 1, is
66.33 amended to read:

67.1 Subdivision 1. **Background studies conducted by Department of Human**
67.2 **Services.** (a) For a background study conducted by the Department of Human Services,
67.3 including background studies conducted effective October 1, 2017, on legal nonlicensed
67.4 child care providers authorized under chapter 119B, the commissioner shall review:

67.5 (1) information related to names of substantiated perpetrators of maltreatment of
67.6 vulnerable adults that has been received by the commissioner as required under section
67.7 626.557, subdivision 9c, paragraph (j);

67.8 (2) the commissioner's records relating to the maltreatment of minors in licensed
67.9 programs, and from findings of maltreatment of minors as indicated through the social
67.10 service information system;

67.11 (3) information from juvenile courts as required in subdivision 4 for individuals
67.12 listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

67.13 (4) information from the Bureau of Criminal Apprehension, including information
67.14 regarding a background study subject's registration in Minnesota as a predatory offender
67.15 under section 243.166;

67.16 (5) except as provided in clause (6), information from the national crime information
67.17 system when the commissioner has reasonable cause as defined under section 245C.05,
67.18 subdivision 5, or as required under section 144.057, subdivision 1, clause (2); and

67.19 (6) for a background study related to a child foster care application for licensure, a
67.20 transfer of permanent legal and physical custody of a child under sections 260C.503 to
67.21 260C.515, or adoptions, the commissioner shall also review:

67.22 (i) information from the child abuse and neglect registry for any state in which the
67.23 background study subject has resided for the past five years; and

67.24 (ii) information from national crime information databases, when the background
67.25 study subject is 18 years of age or older.

67.26 (b) Notwithstanding expungement by a court, the commissioner may consider
67.27 information obtained under paragraph (a), clauses (3) and (4), unless the commissioner
67.28 received notice of the petition for expungement and the court order for expungement is
67.29 directed specifically to the commissioner.

67.30 (c) The commissioner shall also review criminal case information received according
67.31 to section 245C.04, subdivision 4a, from the Minnesota court information system that
67.32 relates to individuals who have already been studied under this chapter and who remain
67.33 affiliated with the agency that initiated the background study.

67.34 (d) When the commissioner has reasonable cause to believe that the identity of
67.35 a background study subject is uncertain, the commissioner may require the subject to
67.36 provide a set of classifiable fingerprints for purposes of completing a fingerprint-based

68.1 record check with the Bureau of Criminal Apprehension. Fingerprints collected under this
68.2 paragraph shall not be saved by the commissioner after they have been used to verify the
68.3 identity of the background study subject against the particular criminal record in question.

68.4 (e) The commissioner may inform the entity that initiated a background study under
68.5 NETStudy 2.0 of the status of processing of the subject's fingerprints.

68.6 Sec. 55. Minnesota Statutes 2014, section 245C.08, subdivision 2, is amended to read:

68.7 Subd. 2. **Background studies conducted by a county agency for family child**
68.8 **care.** (a) Prior to the implementation of NETStudy 2.0, for a background study studies
68.9 conducted by a county agency for family child care services, including background studies
68.10 conducted in connection with legal nonlicensed child care authorized under chapter 119B,
68.11 the commissioner shall review:

68.12 (1) information from the county agency's record of substantiated maltreatment
68.13 of adults and the maltreatment of minors;

68.14 (2) information from juvenile courts as required in subdivision 4 for:

68.15 (i) individuals listed in section 245C.03, subdivision 1, paragraph (a), who are ages
68.16 13 through 23 living in the household where the licensed services will be provided; and

68.17 (ii) any other individual listed under section 245C.03, subdivision 1, when there
68.18 is reasonable cause; and

68.19 (3) information from the Bureau of Criminal Apprehension.

68.20 (b) If the individual has resided in the county for less than five years, the study shall
68.21 include the records specified under paragraph (a) for the previous county or counties of
68.22 residence for the past five years.

68.23 (c) Notwithstanding expungement by a court, the county agency may consider
68.24 information obtained under paragraph (a), clause (3), unless the commissioner received
68.25 notice of the petition for expungement and the court order for expungement is directed
68.26 specifically to the commissioner.

68.27 Sec. 56. Minnesota Statutes 2014, section 245C.08, subdivision 4, is amended to read:

68.28 Subd. 4. **Juvenile court records.** (a) For a background study conducted by the
68.29 Department of Human Services, the commissioner shall review records from the juvenile
68.30 courts for an individual studied under section 245C.03, subdivision 1, paragraph (a), when
68.31 the commissioner has reasonable cause.

68.32 (b) For a background study conducted by a county agency for family child care prior
68.33 to the implementation of NETStudy 2.0, the commissioner shall review records from the
68.34 juvenile courts for individuals listed in section 245C.03, subdivision 1, who are ages 13

69.1 through 23 living in the household where the licensed services will be provided. The
69.2 commissioner shall also review records from juvenile courts for any other individual listed
69.3 under section 245C.03, subdivision 1, when the commissioner has reasonable cause.

69.4 (c) The juvenile courts shall help with the study by giving the commissioner existing
69.5 juvenile court records relating to delinquency proceedings held on individuals described in
69.6 section 245C.03, subdivision 1, paragraph (a), when requested pursuant to this subdivision.

69.7 (d) For purposes of this chapter, a finding that a delinquency petition is proven in
69.8 juvenile court shall be considered a conviction in state district court.

69.9 (e) Juvenile courts shall provide orders of involuntary and voluntary termination of
69.10 parental rights under section 260C.301 to the commissioner upon request for purposes of
69.11 conducting a background study under this chapter.

69.12 Sec. 57. Minnesota Statutes 2014, section 245C.11, subdivision 3, is amended to read:

69.13 Subd. 3. **Criminal history data.** County agencies shall have access to the criminal
69.14 history data in the same manner as county licensing agencies under this chapter for
69.15 purposes of background studies completed prior to the implementation of NETStudy 2.0
69.16 by county agencies on legal nonlicensed child care providers to determine eligibility
69.17 for child care funds under chapter 119B.

69.18 Sec. 58. Minnesota Statutes 2014, section 245C.17, subdivision 6, is amended to read:

69.19 Subd. 6. **Notice to county agency.** For studies on individuals related to a license to
69.20 provide adult foster care and family adult day services and, effective October 1, 2017,
69.21 family child care and legal nonlicensed child care authorized under chapter 119B, the
69.22 commissioner shall also provide a notice of the background study results to the county
69.23 agency that initiated the background study.

69.24 Sec. 59. Minnesota Statutes 2014, section 245C.23, subdivision 2, is amended to read:

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

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

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

70.1 (3) an individual who has a right to request a hearing under sections 245C.27 and
70.2 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does
70.3 not request a hearing within the specified time; or

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

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

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

70.20 (d) For background studies related to child foster care, the commissioner shall
70.21 also notify the county or private agency that initiated the study of the results of the
70.22 reconsideration.

70.23 (e) For background studies related to family child care, adult foster care₂, and family
70.24 adult day services, the commissioner shall also notify the county that initiated the study of
70.25 the results of the reconsideration.

70.26 Sec. 60. Minnesota Statutes 2014, section 256.98, subdivision 8, is amended to read:

70.27 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of
70.28 wrongfully obtaining assistance by a federal or state court or by an administrative hearing
70.29 determination, or waiver thereof, through a disqualification consent agreement, or as part
70.30 of any approved diversion plan under section 401.065, or any court-ordered stay which
70.31 carries with it any probationary or other conditions, in the Minnesota family investment
70.32 program and any affiliated program to include the diversionary work program and the
70.33 work participation cash benefit program, the food stamp or food support program, the
70.34 general assistance program, the group residential housing program, or the Minnesota
70.35 supplemental aid program shall be disqualified from that program. In addition, any person

71.1 disqualified from the Minnesota family investment program shall also be disqualified from
 71.2 the food stamp or food support program. The needs of that individual shall not be taken
 71.3 into consideration in determining the grant level for that assistance unit:

- 71.4 (1) for one year after the first offense;
- 71.5 (2) for two years after the second offense; and
- 71.6 (3) permanently after the third or subsequent offense.

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

71.19 (b) A family receiving assistance through child care assistance programs
 71.20 under chapter 119B with a family member who is found to be guilty of wrongfully
 71.21 obtaining child care assistance by a federal court, state court, or an administrative
 71.22 hearing determination or waiver, through a disqualification consent agreement, as part
 71.23 of an approved diversion plan under section 401.065, or a court-ordered stay with
 71.24 probationary or other conditions, is disqualified from child care assistance programs. The
 71.25 disqualifications must be for periods of one year and two years for the first and second
 71.26 offenses, respectively. Subsequent violations must result in permanent disqualification.
 71.27 During the disqualification period, disqualification from any child care program must
 71.28 extend to all child care programs and must be immediately applied.

71.29 (c) A provider caring for children receiving assistance through child care assistance
 71.30 programs under chapter 119B is disqualified from receiving payment for child care
 71.31 services from the child care assistance program under chapter 119B when the provider is
 71.32 found to have wrongfully obtained child care assistance by a federal court, state court,
 71.33 or an administrative hearing determination or waiver under section 256.046, through a
 71.34 disqualification consent agreement, as part of an approved diversion plan under section
 71.35 401.065, or a court-ordered stay with probationary or other conditions. The disqualification
 71.36 must be for a period of ~~one year~~ two years for the first offense ~~and two years for the~~

72.1 ~~second offense~~. Any subsequent violation must result in permanent disqualification.
 72.2 The disqualification period must be imposed immediately after a determination is made
 72.3 under this paragraph. During the disqualification period, the provider is disqualified from
 72.4 receiving payment from any child care program under chapter 119B.

72.5 (d) Any person found to be guilty of wrongfully obtaining general assistance
 72.6 medical care, MinnesotaCare for adults without children, and upon federal approval, all
 72.7 categories of medical assistance and remaining categories of MinnesotaCare, except
 72.8 for children through age 18, by a federal or state court or by an administrative hearing
 72.9 determination, or waiver thereof, through a disqualification consent agreement, or as part
 72.10 of any approved diversion plan under section 401.065, or any court-ordered stay which
 72.11 carries with it any probationary or other conditions, is disqualified from that program. The
 72.12 period of disqualification is one year after the first offense, two years after the second
 72.13 offense, and permanently after the third or subsequent offense. The period of program
 72.14 disqualification shall begin on the date stipulated on the advance notice of disqualification
 72.15 without possibility of postponement for administrative stay or administrative hearing
 72.16 and shall continue through completion unless and until the findings upon which the
 72.17 sanctions were imposed are reversed by a court of competent jurisdiction. The period for
 72.18 which sanctions are imposed is not subject to review. The sanctions provided under this
 72.19 subdivision are in addition to, and not in substitution for, any other sanctions that may be
 72.20 provided for by law for the offense involved.

72.21 **EFFECTIVE DATE.** This section is effective June 5, 2017.

72.22 Sec. 61. Minnesota Statutes 2014, section 256D.051, is amended to read:

72.23 **256D.051 FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.**

72.24 Subdivision 1. **Food stamp employment and training program.** The
 72.25 commissioner shall implement a food stamp employment and training program in order to
 72.26 meet the food stamp employment and training participation requirements of the United
 72.27 States Department of Agriculture. ~~Unless exempt under subdivision 3a, each adult~~
 72.28 ~~recipient in the unit must participate in the food stamp employment and training program~~
 72.29 ~~each month that the person is eligible for food stamps. The person's participation in~~
 72.30 ~~food stamp employment and training services must begin no later than the first day of~~
 72.31 ~~the calendar month following the determination of eligibility for food stamps. With the~~
 72.32 ~~county agency's consent, and To the extent of available resources, the person a recipient~~
 72.33 ~~may voluntarily continue~~ volunteer to participate in food stamp employment and training
 72.34 ~~services for up to three additional consecutive months immediately following termination~~

73.1 ~~of food stamp benefits in order to complete the provisions of the person's employability~~
 73.2 ~~development plan. A recipient who volunteers for employment and training services is~~
 73.3 ~~subject to work requirements found in Code of Federal Regulations, title 7, section 273.7.~~

73.4 Subd. 1a. **Notices and sanctions.** (a) At the time the county agency notifies the
 73.5 household that it is eligible for food stamps, the county agency must inform all ~~mandatory~~
 73.6 ~~employment and training services participants as identified in subdivision 1 in the~~
 73.7 ~~household that they must comply with all food stamp employment and training program~~
 73.8 ~~requirements each month, including the requirement to attend an initial orientation to the~~
 73.9 ~~food stamp employment and training program and that food stamp eligibility will end~~
 73.10 ~~unless the participants comply with the requirements specified in the notice. adults of the~~
 73.11 ~~opportunity to volunteer for and participate in SNAP employment and training activities;~~
 73.12 ~~provide plain language material that explains the benefits of voluntary participation and~~
 73.13 ~~provide the name and address of the county's designated employment and training service~~
 73.14 ~~provider.~~

73.15 (b) The county must inform a recipient who is an able-bodied adult without
 73.16 dependents that their SNAP benefits are limited to three months in a 36-month period
 73.17 from the first full month of application unless the recipient meets the work requirements
 73.18 found in Code of Federal Regulations, title 7, section 273.7.

73.19 ~~(b) A participant who fails without good cause to comply with food stamp~~
 73.20 ~~employment and training program requirements of this section, including attendance at~~
 73.21 ~~orientation, will lose food stamp eligibility for the following periods:~~

73.22 ~~(1) for the first occurrence, for one month or until the person complies with the~~
 73.23 ~~requirements not previously complied with, whichever is longer;~~

73.24 ~~(2) for the second occurrence, for three months or until the person complies with the~~
 73.25 ~~requirements not previously complied with, whichever is longer; or~~

73.26 ~~(3) for the third and any subsequent occurrence, for six months or until the person~~
 73.27 ~~complies with the requirements not previously complied with, whichever is longer.~~

73.28 ~~If the participant is not the food stamp head of household, the person shall be~~
 73.29 ~~considered an ineligible household member for food stamp purposes. If the participant is~~
 73.30 ~~the food stamp head of household, the entire household is ineligible for food stamps as~~
 73.31 ~~provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means~~
 73.32 ~~circumstances beyond the control of the participant, such as illness or injury, illness or~~
 73.33 ~~injury of another household member requiring the participant's presence, a household~~
 73.34 ~~emergency, or the inability to obtain child care for children between the ages of six and~~
 73.35 ~~12 or to obtain transportation needed in order for the participant to meet the food stamp~~
 73.36 ~~employment and training program participation requirements.~~

74.1 ~~(e) The county agency shall mail or hand deliver a notice to the participant not later~~
 74.2 ~~than five days after determining that the participant has failed without good cause to~~
 74.3 ~~comply with food stamp employment and training program requirements which specifies~~
 74.4 ~~the requirements that were not complied with, the factual basis for the determination of~~
 74.5 ~~noncompliance, and the right to reinstate eligibility upon a showing of good cause for~~
 74.6 ~~failure to meet the requirements. The notice must ask the reason for the noncompliance~~
 74.7 ~~and identify the participant's appeal rights. The notice must request that the participant~~
 74.8 ~~inform the county agency if the participant believes that good cause existed for the failure~~
 74.9 ~~to comply and must state that the county agency intends to terminate eligibility for food~~
 74.10 ~~stamp benefits due to failure to comply with food stamp employment and training program~~
 74.11 ~~requirements.~~

74.12 ~~(d) If the county agency determines that the participant did not comply during the~~
 74.13 ~~month with all food stamp employment and training program requirements that were in~~
 74.14 ~~effect, and if the county agency determines that good cause was not present, the county~~
 74.15 ~~must provide a ten-day notice of termination of food stamp benefits. The amount of~~
 74.16 ~~food stamps that are withheld from the household and determination of the impact of~~
 74.17 ~~the sanction on other household members is governed by Code of Federal Regulations,~~
 74.18 ~~title 7, section 273.7.~~

74.19 ~~(e) The participant may appeal the termination of food stamp benefits under the~~
 74.20 ~~provisions of section 256.045.~~

74.21 **Subd. 2. County agency duties.** (a) The county agency shall provide to food stamp
 74.22 recipients a food stamp employment and training program. The program must include:

74.23 (1) orientation to the food stamp employment and training program;

74.24 (2) an individualized employability assessment and an individualized employability
 74.25 development plan that includes assessment of literacy, ability to communicate in the
 74.26 English language, educational and employment history, and that estimates the length of
 74.27 time it will take the participant to obtain employment. The employability assessment and
 74.28 development plan must be completed in consultation with the participant, must assess the
 74.29 participant's assets, barriers, and strengths, and must identify steps necessary to overcome
 74.30 barriers to employment. A copy of the employability development plan must be provided
 74.31 to the registrant;

74.32 (3) referral to available accredited remedial or skills training or career pathways
 74.33 programs designed to address participant's barriers to employment;

74.34 (4) referral to available programs that provide subsidized or unsubsidized
 74.35 employment as necessary;

74.36 (5) a job search program, including job seeking skills training; and

75.1 (6) other activities, to the extent of available resources designed by the county
75.2 agency to prepare the participant for permanent employment.

75.3 ~~In order to allow time for job search, the county agency may not require an individual~~
75.4 ~~to participate in the food stamp employment and training program for more than 32 hours~~
75.5 ~~a week. The county agency shall require an individual to spend at least eight hours a week~~
75.6 ~~in job search or other food stamp employment and training program activities.~~

75.7 (b) The county agency shall prepare an annual plan for the operation of its food
75.8 stamp employment and training program. The plan must be submitted to and approved by
75.9 the commissioner of employment and economic development. The plan must include:

75.10 (1) a description of the services to be offered by the county agency;

75.11 (2) a plan to coordinate the activities of all public and private nonprofit entities
75.12 providing employment-related services in order to avoid duplication of effort and to
75.13 provide a wide range of allowable activities and services more efficiently;

75.14 (3) a description of the factors that will be taken into account when determining a
75.15 client's employability development plan; and

75.16 (4) provisions to ensure that the county agency's employment and training service
75.17 ~~provider provides~~ providers provide each recipient with an orientation, employability
75.18 assessment, and employability development plan as specified in paragraph (a), clauses (1)
75.19 and (2), within 30 days of the recipient's eligibility for assistance request to participate in
75.20 employment and training.

75.21 Subd. 2a. **Duties of commissioner.** In addition to any other duties imposed by law,
75.22 the commissioner shall:

75.23 (1) based on this section and section 256D.052 and Code of Federal Regulations,
75.24 title 7, section 273.7, supervise the administration of food stamp employment and training
75.25 services to county agencies;

75.26 (2) disburse money appropriated for food stamp employment and training services
75.27 to county agencies based upon the county's costs as specified in section 256D.051,
75.28 subdivision 6c;

75.29 (3) accept and supervise the disbursement of any funds that may be provided by the
75.30 federal government or from other sources for use in this state for ~~food stamp~~ employment
75.31 and training services;

75.32 (4) cooperate with other agencies including any agency of the United States or of
75.33 another state in all matters concerning the powers and duties of the commissioner under
75.34 this section and section 256D.052; and

75.35 (5) in cooperation with the commissioner of employment and economic
75.36 development, ensure that each component of an employment and training program carried

76.1 out under this section is delivered through a statewide workforce development system,
76.2 unless the component is not available locally through such a system.

76.3 Subd. 3. **Participant duties.** In order to receive food stamp assistance employment
76.4 and training services, a registrant participant who volunteers shall: (1) cooperate with
76.5 the county agency in all aspects of the food stamp employment and training program;
76.6 and (2) accept any suitable employment, including employment offered through the Job
76.7 Training Partnership Act, and other employment and training options; and (3) participate
76.8 in food stamp employment and training activities assigned by the county agency. The
76.9 county agency may terminate employment and training assistance to a registrant voluntary
76.10 participant who fails to cooperate in the food stamp employment and training program, as
76.11 provided in subdivision 1a unless good cause is provided.

76.12 Subd. 3a. **Requirement to register work.** (a) To the extent required under Code
76.13 of Federal Regulations, title 7, section 273.7(a), each applicant for and recipient of
76.14 food stamps is required to register for work as a condition of eligibility for food stamp
76.15 benefits. Applicants and recipients are registered by signing an application or annual
76.16 reapplication for food stamps, and must be informed that they are registering for work
76.17 by signing the form.

76.18 (b) ~~The commissioner shall determine, within federal requirements, persons required~~
76.19 ~~to participate in the food stamp employment and training (FSET) program.~~

76.20 (c) ~~The following food stamp recipients are exempt from mandatory participation in~~
76.21 ~~food stamp employment and training services:~~

76.22 (1) ~~recipients of benefits under the Minnesota family investment program, Minnesota~~
76.23 ~~supplemental aid program, or the general assistance program;~~

76.24 (2) ~~a child;~~

76.25 (3) ~~a recipient over age 55;~~

76.26 (4) ~~a recipient who has a mental or physical illness, injury, or incapacity which is~~
76.27 ~~expected to continue for at least 30 days and which impairs the recipient's ability to obtain~~
76.28 ~~or retain employment as evidenced by professional certification or the receipt of temporary~~
76.29 ~~or permanent disability benefits issued by a private or government source;~~

76.30 (5) ~~a parent or other household member responsible for the care of either a~~
76.31 ~~dependent child in the household who is under age six or a person in the household who is~~
76.32 ~~professionally certified as having a physical or mental illness, injury, or incapacity. Only~~
76.33 ~~one parent or other household member may claim exemption under this provision;~~

76.34 (6) ~~a recipient receiving unemployment insurance or who has applied for~~
76.35 ~~unemployment insurance and has been required to register for work with the Department~~

77.1 of Employment and Economic Development as part of the unemployment insurance
77.2 application process;

77.3 (7) a recipient participating each week in a drug addiction or alcohol abuse treatment
77.4 and rehabilitation program, provided the operators of the treatment and rehabilitation
77.5 program, in consultation with the county agency, recommend that the recipient not
77.6 participate in the food stamp employment and training program;

77.7 (8) a recipient employed or self-employed for 30 or more hours per week at
77.8 employment paying at least minimum wage, or who earns wages from employment equal
77.9 to or exceeding 30 hours multiplied by the federal minimum wage; or

77.10 (9) a student enrolled at least half time in any school, training program, or institution
77.11 of higher education. When determining if a student meets this criteria, the school's,
77.12 program's or institution's criteria for being enrolled half time shall be used.

77.13 Subd. 3b. **Orientation.** The county agency or its employment and training service
77.14 ~~provider~~ providers must provide an orientation to food stamp employment and training
77.15 services to each ~~nonexempt food stamp recipient within 30 days of the date that food~~
77.16 ~~stamp eligibility is determined~~ recipient within 30 days of the date which they agree to
77.17 volunteer. The orientation must inform the participant of the ~~requirement to participate~~
77.18 benefits of participating in services, the date, time, and address to report to for services,
77.19 the name and telephone number of the food stamp employment and training service
77.20 provider, the consequences for failure without good cause to comply, the services and
77.21 support services available through food stamp employment and training services and other
77.22 providers of similar services, and must encourage the participant to view the food stamp
77.23 program as a temporary means of supplementing the family's food needs until the family
77.24 achieves self-sufficiency through employment. The orientation may be provided through
77.25 audio-visual methods, but the participant must have the opportunity for face-to-face
77.26 interaction with county agency staff.

77.27 Subd. 6b. **Federal reimbursement.** Federal financial participation from the United
77.28 States Department of Agriculture for food stamp employment and training expenditures
77.29 that are eligible for reimbursement through the food stamp employment and training
77.30 program are dedicated funds and are annually appropriated to the commissioner of human
77.31 services for the operation of the food stamp employment and training program. Federal
77.32 financial participation for the nonstate portion of food stamp employment and training
77.33 costs must be paid to the county agency or service provider that incurred the costs at
77.34 a rate to be determined by the Departments of Human Services and Employment and
77.35 Economic Development.

78.1 Subd. 6c. **Program funding.** Within the limits of available resources, the
 78.2 commissioner shall reimburse the actual costs of county agencies and their employment
 78.3 and training service providers for the provision of food stamp employment and training
 78.4 services, including participant support services, direct program services, and program
 78.5 administrative activities. The cost of services for each county's food stamp employment and
 78.6 training program shall not exceed the annual allocated amount. No more than 15 percent of
 78.7 program funds may be used for administrative activities. The county agency may expend
 78.8 county funds in excess of the limits of this subdivision without state reimbursement.

78.9 Program funds shall be allocated based on the county's average number of food
 78.10 stamp cases as compared to the statewide total number of such cases. The average number
 78.11 of cases shall be based on counts of cases as of March 31, June 30, September 30, and
 78.12 December 31 of the previous calendar year. The commissioner may reallocate unexpended
 78.13 money appropriated under this section to those county agencies that demonstrate a need
 78.14 for additional funds.

78.15 Subd. 7. **Registrant status.** A registrant under this section is not an employee for
 78.16 the purposes of workers' compensation, unemployment benefits, retirement, or civil service
 78.17 laws, and shall not perform work ordinarily performed by a regular public employee.

78.18 Subd. 8. **Voluntary quit.** A person who is required to participate in food stamp
 78.19 employment and training services is not eligible for food stamps if, without good cause,
 78.20 the person refuses a legitimate offer of, or quits, suitable employment within ~~60~~ 30 days
 78.21 before the date of application. A person who is required to participate in food stamp
 78.22 employment and training services and, without good cause, voluntarily quits suitable
 78.23 employment or refuses a legitimate offer of suitable employment while receiving food
 78.24 stamps shall be terminated from the food stamp program ~~as specified in subdivision 1a.~~

78.25 Subd. 9. **Subcontractors.** A county agency may, at its option, subcontract any or all
 78.26 of the duties under this section to a public or private entity approved by the commissioner
 78.27 of employment and economic development.

78.28 Subd. 18. ~~Work-experience~~ **Workfare placements.** (a) To the extent of available
 78.29 resources, each county agency ~~must~~ may establish and operate a ~~work-experience~~ workfare
 78.30 component in the food stamp employment and training program for recipients who are
 78.31 subject to a federal limit of three months of food stamp eligibility in any 36-month period.
 78.32 The purpose of the ~~work-experience~~ workfare component is to enhance the participant's
 78.33 employability, self-sufficiency, and to provide meaningful, productive work activities.

78.34 (b) The commissioner shall assist counties in the design and implementation of these
 78.35 components. The commissioner must ensure that job placements under a ~~work-experience~~
 78.36 workfare component comply with section 256J.72. Written or oral concurrence with job

79.1 duties of persons placed under the ~~community work experience~~ workfare program shall be
79.2 obtained from the appropriate exclusive bargaining representative.

79.3 (c) Worksites developed under this section are limited to projects that serve a useful
79.4 public service such as health, social service, environmental protection, education, urban
79.5 and rural development and redevelopment, welfare, recreation, public facilities, public
79.6 safety, community service, services to aged or disabled citizens, and child care. To the
79.7 extent possible, the prior training, skills, and experience of a recipient must be used in
79.8 making appropriate ~~work experience~~ workfare assignments.

79.9 (d) Structured, supervised ~~volunteer~~ uncompensated work with an agency or
79.10 organization that is monitored by the county service provider may, with the approval of
79.11 the county agency, be used as a ~~work experience~~ workfare placement.

79.12 (e) As a condition of placing a person receiving food stamps in a program under this
79.13 subdivision, the county agency shall first provide the recipient the opportunity:

79.14 (1) for placement in suitable subsidized or unsubsidized employment through
79.15 participation in job search under section 256D.051; or

79.16 (2) for placement in suitable employment through participation in ~~on-the-job training~~
79.17 a paid work experience, if such employment is available; or

79.18 (3) for placement in an educational program designed to increase job skills and
79.19 employability.

79.20 (f) The county agency shall limit the maximum monthly number of hours that any
79.21 participant may work in a ~~work experience~~ workfare placement to a number equal to the
79.22 amount of the family's monthly food stamp allotment divided by the greater of the federal
79.23 minimum wage or the applicable state minimum wage.

79.24 After a participant has been assigned to a position for ~~nine~~ six months, the participant
79.25 may not continue in that assignment unless the maximum number of hours a participant
79.26 works is no greater than the amount of the food stamp benefit divided by the rate of pay
79.27 for individuals employed in the same or similar occupations by the same employer at
79.28 the same site.

79.29 (g) The participant's employability development plan must include the length of time
79.30 needed in the ~~work experience~~ workfare program, the need to continue job seeking activities
79.31 while participating in ~~work experience~~ workfare, and the participant's employment goals.

79.32 (h) After each six months of a recipient's participation in a ~~work experience~~ workfare
79.33 job placement, and at the conclusion of each ~~work experience~~ workfare assignment under
79.34 this section, the county agency shall reassess and revise, as appropriate, the participant's
79.35 employability development plan.

80.1 (i) A participant has good cause for failure to cooperate with a ~~work experience~~
 80.2 workfare job placement if, in the judgment of the employment and training service
 80.3 provider, the reason for failure is reasonable and justified. ~~Good cause for purposes of this~~
 80.4 ~~section is defined in subdivision 1a, paragraph (b).~~

80.5 (j) A recipient who has failed without good cause to participate in or comply with the
 80.6 ~~work experience~~ workfare job placement shall be terminated from participation in ~~work~~
 80.7 ~~experience~~ workfare job activities. ~~If the recipient is not exempt from mandatory food~~
 80.8 ~~stamp employment and training program participation under subdivision 3a, the recipient~~
 80.9 ~~will be assigned to other mandatory program activities. If the recipient is exempt from~~
 80.10 ~~mandatory participation but is participating as a volunteer, the person shall be terminated~~
 80.11 ~~from the food stamp employment and training program.~~

80.12 **EFFECTIVE DATE.** This section is effective October 1, 2016.

80.13 Sec. 62. Minnesota Statutes 2014, section 256J.24, subdivision 5, is amended to read:

80.14 Subd. 5. **MFIP transitional standard.** (a) The MFIP transitional standard is based
 80.15 on the number of persons in the assistance unit eligible for both food and cash assistance.
 80.16 The amount of the transitional standard is published annually by the Department of
 80.17 Human Services.

80.18 (b) The commissioner of human services shall increase the cash assistance portion
 80.19 of the transitional standard under paragraph (a) by \$100.

80.20 **EFFECTIVE DATE.** This section is effective October 1, 2016.

80.21 Sec. 63. Minnesota Statutes 2015 Supplement, section 256M.41, subdivision 3,
 80.22 is amended to read:

80.23 Subd. 3. **Payments based on performance.** (a) The commissioner shall make
 80.24 payments under this section to each county board on a calendar year basis in an amount
 80.25 determined under paragraph (b).

80.26 (b) Calendar year allocations under subdivision 1 shall be paid to counties in the
 80.27 following manner:

80.28 (1) 80 percent of the allocation as determined in subdivision 1 must be paid to
 80.29 counties on or before July 10 of each year;

80.30 (2) ten percent of the allocation shall be withheld until the commissioner determines
 80.31 if the county has met the performance outcome threshold of 90 percent based on
 80.32 face-to-face contact with alleged child victims. In order to receive the performance
 80.33 allocation, the county child protection workers must have a timely face-to-face contact

81.1 with at least 90 percent of all alleged child victims of screened-in maltreatment reports.
 81.2 The standard requires that each initial face-to-face contact occur consistent with timelines
 81.3 defined in section 626.556, subdivision 10, paragraph (i). The commissioner shall make
 81.4 threshold determinations in ~~January~~ February of each year and payments to counties
 81.5 meeting the performance outcome threshold shall occur in ~~February~~ March of each year.

81.6 Any withheld funds from this appropriation for counties that do not meet this requirement
 81.7 shall be reallocated by the commissioner to those counties meeting the requirement; and

81.8 (3) ten percent of the allocation shall be withheld until the commissioner determines
 81.9 that the county has met the performance outcome threshold of 90 percent based on
 81.10 face-to-face visits by the case manager. In order to receive the performance allocation, the
 81.11 total number of visits made by caseworkers on a monthly basis to children in foster care
 81.12 ~~and children receiving child protection services while residing in their home~~ must be at
 81.13 least 90 percent of the total number of such visits that would occur if every child were
 81.14 visited once per month. The commissioner shall make such determinations in ~~January~~
 81.15 February of each year and payments to counties meeting the performance outcome
 81.16 threshold shall occur in ~~February~~ March of each year. Any withheld funds from this
 81.17 appropriation for counties that do not meet this requirement shall be reallocated by the
 81.18 commissioner to those counties meeting the requirement. ~~For 2015, the commissioner~~
 81.19 ~~shall only apply the standard for monthly foster care visits.~~

81.20 (c) The commissioner shall work with stakeholders and the Human Services
 81.21 Performance Council under section 402A.16 to develop recommendations for specific
 81.22 outcome measures that counties should meet in order to receive funds withheld under
 81.23 paragraph (b), and include in those recommendations a determination as to whether
 81.24 the performance measures under paragraph (b) should be modified or phased out. The
 81.25 commissioner shall report the recommendations to the legislative committees having
 81.26 jurisdiction over child protection issues by January 1, 2018.

81.27 **EFFECTIVE DATE.** This section is effective July 1, 2016, for allocations made in
 81.28 state fiscal year 2017 using calendar year 2016 data.

81.29 Sec. 64. Minnesota Statutes 2015 Supplement, section 256P.05, subdivision 1, is
 81.30 amended to read:

81.31 Subdivision 1. **Exempted programs.** Participants who qualify for ~~child care~~
 81.32 ~~assistance programs under chapter 119B~~, Minnesota supplemental aid under chapter
 81.33 256D; and group residential housing under chapter 256I on the basis of eligibility for
 81.34 Supplemental Security Income are exempt from this section. A participant who qualifies
 81.35 for CCAP under chapter 119B is subject to subdivision 2.

82.1 **EFFECTIVE DATE.** This section is effective January 2, 2017.

82.2 Sec. 65. Minnesota Statutes 2015 Supplement, section 256P.06, subdivision 3, is
82.3 amended to read:

82.4 Subd. 3. **Income inclusions.** The following must be included in determining the
82.5 income of an assistance unit:

82.6 (1) earned income; and

82.7 (2) unearned income, which includes:

82.8 (i) interest and dividends from investments and savings;

82.9 (ii) capital gains as defined by the Internal Revenue Service from any sale of real
82.10 property;

82.11 (iii) proceeds from rent and contract for deed payments in excess of the principal
82.12 and interest portion owed on property;

82.13 (iv) income from trusts, excluding special needs and supplemental needs trusts;

82.14 (v) interest income from loans made by the participant or household;

82.15 (vi) cash prizes and winnings;

82.16 (vii) unemployment insurance income;

82.17 (viii) retirement, survivors, and disability insurance payments;

82.18 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the
82.19 purpose for which it is intended. Income and use of this income is subject to verification
82.20 requirements under section 256P.04;

82.21 (x) retirement benefits;

82.22 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D,
82.23 256I, and 256J;

82.24 (xii) tribal per capita payments unless excluded by federal and state law;

82.25 (xiii) income and payments from service and rehabilitation programs that meet
82.26 or exceed the state's minimum wage rate;

82.27 (xiv) income from members of the United States armed forces unless excluded from
82.28 income taxes according to federal or state law;

82.29 (xv) all child support payments for programs under chapters 119B, 256D, and 256I;

82.30 (xvi) the amount of ~~current~~ child support received that exceeds \$100 for assistance
82.31 units with one child and \$200 for assistance units with two or more children for programs
82.32 under chapter 256J; and

82.33 (xvii) spousal support.

83.1 Sec. 66. Minnesota Statutes 2015 Supplement, section 256P.07, subdivision 3, is
83.2 amended to read:

83.3 Subd. 3. **Changes that must be reported.** An assistance unit must report the
83.4 changes or anticipated changes specified in clauses (1) to (12) within ten days of the date
83.5 they occur, at the time of recertification of eligibility under section 256P.04, subdivisions
83.6 8 and 9, or within eight calendar days of a reporting period, whichever occurs first. An
83.7 assistance unit must report other changes at the time of recertification of eligibility under
83.8 section 256P.04, subdivisions 8 and 9, or at the end of a reporting period, as applicable.
83.9 When an agency could have reduced or terminated assistance for one or more payment
83.10 months if a delay in reporting a change specified under clauses (1) to (12) had not occurred,
83.11 the agency must determine whether a timely notice could have been issued on the day
83.12 that the change occurred. When a timely notice could have been issued, each month's
83.13 overpayment subsequent to that notice must be considered a client error overpayment
83.14 under section 119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must
83.15 be reported within ten days must also be reported for the reporting period in which those
83.16 changes occurred. Within ten days, an assistance unit must report:

83.17 (1) a change in earned income of \$100 per month or greater, with the exception
83.18 of programs under chapter 119B;

83.19 (2) a change in unearned income of \$50 per month or greater, with the exception
83.20 of programs under chapter 119B;

83.21 (3) a change in employment status and hours, with the exception of programs under
83.22 chapter 119B;

83.23 (4) a change in address or residence;

83.24 (5) a change in household composition₂ with the exception of programs under
83.25 chapter 256I;

83.26 (6) a receipt of a lump-sum payment, with the exception of programs under chapter
83.27 119B;

83.28 (7) an increase in assets if over \$9,000₂ with the exception of programs under
83.29 chapter 119B;

83.30 (8) a change in citizenship or immigration status;

83.31 (9) a change in family status₂ with the exception of programs under chapter 256I;

83.32 (10) a change in disability status of a unit member, with the exception of programs
83.33 under chapter 119B;

83.34 (11) a new rent subsidy or a change in rent subsidy, with the exception of programs
83.35 under chapter 119B; and

84.1 (12) a sale, purchase, or transfer of real property, with the exception of programs
 84.2 under chapter 119B.

84.3 **EFFECTIVE DATE.** Clauses (1) to (3), (6), (11), and (12) are effective May 22,
 84.4 2017.

84.5 Sec. 67. Minnesota Statutes 2015 Supplement, section 256P.07, subdivision 6, is
 84.6 amended to read:

84.7 Subd. 6. **Child care assistance programs-specific reporting.** (a) In addition to
 84.8 subdivision 3, an assistance unit under chapter 119B, within ten days of the change, must
 84.9 report:

84.10 (1) a change in a parentally responsible individual's ~~visitation schedule or custody~~
 84.11 ~~arrangement schedule~~ schedule for any child receiving ~~child care assistance program~~ CCAP
 84.12 benefits; and

84.13 (2) a ~~change in permanent end~~ change in permanent end in a parentally responsible individual's authorized
 84.14 activity status; and

84.15 (3) when the family's annual included income exceeds 85 percent of the state median
 84.16 income, adjusted for family size.

84.17 (b) An assistance unit subject to section 119B.10, subdivisions 1, paragraph (g), and
 84.18 3, paragraph (f), must report changes in authorized activity status.

84.19 (c) An assistance unit must notify the county when the assistance unit wants to
 84.20 reduce the number of authorized hours for a child.

84.21 **EFFECTIVE DATE.** Paragraph (a), clause (1), is effective August 1, 2016.

84.22 Paragraph (a), clauses (2) and (3), and paragraphs (b) and (c) are effective May 22, 2017.

84.23 Sec. 68. **[260C.125] CASE TRANSFER PROCESS.**

84.24 Subdivision 1. Purpose. This section pertains to the transfer of responsibility for
 84.25 the placement and care of an Indian child in out-of-home placement from the responsible
 84.26 social services agency to a tribal title IV-E agency or an Indian tribe in and outside of
 84.27 Minnesota with a title IV-E agreement.

84.28 Subd. 2. Establishment of transfer procedures. The responsible social services
 84.29 agency shall establish and maintain procedures, in consultation with Indian tribes, for the
 84.30 transfer of responsibility for placement and care of a child to a tribal agency. Transfer of a
 84.31 child's case under this section shall not affect the child's title IV-E and Medicaid eligibility.

85.1 Subd. 3. Title IV-E eligibility. If a child's title IV-E eligibility has not been
 85.2 determined by the responsible social services agency by the time of transfer, it shall be
 85.3 established at the time of the transfer by the responsible social services agency.

85.4 Subd. 4. Documentation and information. Essential documents and information
 85.5 shall be transferred to a tribal agency, including but not limited to:

85.6 (1) district court judicial determinations to the effect that continuation in the home
 85.7 from which the child was removed would be contrary to the welfare of the child and that
 85.8 reasonable efforts were made to ensure placement prevention and family reunification
 85.9 pursuant to section 260.012;

85.10 (2) documentation related to the child's permanency proceeding under sections
 85.11 260C.503 to 260C.521;

85.12 (3) documentation from the responsible social services agency related to the child's
 85.13 title IV-E eligibility;

85.14 (4) documentation regarding the child's eligibility or potential eligibility for other
 85.15 federal benefits;

85.16 (5) the child's case plan, developed pursuant to sections 475(1) and 475A of the
 85.17 Social Security Act, including health and education records of the child pursuant to
 85.18 section 475(1)(c) of the Social Security Act; and section 260C.212, subdivision 1, and
 85.19 information; and

85.20 (6) documentation of the child's placement setting, including a copy of the most
 85.21 recent provider's license.

85.22 Sec. 69. Minnesota Statutes 2015 Supplement, section 260C.203, is amended to read:

85.23 **260C.203 ADMINISTRATIVE OR COURT REVIEW OF PLACEMENTS.**

85.24 (a) Unless the court is conducting the reviews required under section 260C.202,
 85.25 there shall be an administrative review of the out-of-home placement plan of each child
 85.26 placed in foster care no later than 180 days after the initial placement of the child in foster
 85.27 care and at least every six months thereafter if the child is not returned to the home of the
 85.28 parent or parents within that time. The out-of-home placement plan must be monitored and
 85.29 updated at each administrative review. The administrative review shall be conducted by
 85.30 the responsible social services agency using a panel of appropriate persons at least one of
 85.31 whom is not responsible for the case management of, or the delivery of services to, either
 85.32 the child or the parents who are the subject of the review. The administrative review shall
 85.33 be open to participation by the parent or guardian of the child and the child, as appropriate.

85.34 (b) As an alternative to the administrative review required in paragraph (a), the court
 85.35 may, as part of any hearing required under the Minnesota Rules of Juvenile Protection

86.1 Procedure, conduct a hearing to monitor and update the out-of-home placement plan
 86.2 pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph
 86.3 (d). The party requesting review of the out-of-home placement plan shall give parties to
 86.4 the proceeding notice of the request to review and update the out-of-home placement
 86.5 plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193;
 86.6 260C.201, subdivision 1; 260C.202; 260C.204; 260C.317; or 260D.06 shall satisfy the
 86.7 requirement for the review so long as the other requirements of this section are met.

86.8 (c) As appropriate to the stage of the proceedings and relevant court orders, the
 86.9 responsible social services agency or the court shall review:

86.10 (1) the safety, permanency needs, and well-being of the child;

86.11 (2) the continuing necessity for and appropriateness of the placement;

86.12 (3) the extent of compliance with the out-of-home placement plan;

86.13 (4) the extent of progress that has been made toward alleviating or mitigating the
 86.14 causes necessitating placement in foster care;

86.15 (5) the projected date by which the child may be returned to and safely maintained in
 86.16 the home or placed permanently away from the care of the parent or parents or guardian; and

86.17 (6) the appropriateness of the services provided to the child.

86.18 (d) When a child is age 14 or older;

86.19 (1) in addition to any administrative review conducted by the responsible social
 86.20 services agency, at the in-court review required under section 260C.317, subdivision
 86.21 3, clause (3), or 260C.515, subdivision 5 or 6, the court shall review the independent
 86.22 living plan required under section 260C.212, subdivision 1, paragraph (c), clause (12),
 86.23 and the provision of services to the child related to the well-being of the child as the
 86.24 child prepares to leave foster care. The review shall include the actual plans related to
 86.25 each item in the plan necessary to the child's future safety and well-being when the child
 86.26 is no longer in foster care; and

86.27 ~~(e) At the court review required under paragraph (d) for a child age 14 or older,~~
 86.28 ~~the following procedures apply:~~

86.29 ~~(1) six months before the child is expected to be discharged from foster care, the~~
 86.30 ~~responsible social services agency shall give the written notice required under section~~
 86.31 ~~260C.451, subdivision 1, regarding the right to continued access to services for certain~~
 86.32 ~~children in foster care past age 18 and of the right to appeal a denial of social services~~
 86.33 ~~under section 256.045. The agency shall file a copy of the notice, including the right to~~
 86.34 ~~appeal a denial of social services, with the court. If the agency does not file the notice by~~
 86.35 ~~the time the child is age 17-1/2, the court shall require the agency to give it;~~

87.1 (2) consistent with the requirements of the independent living plan, the court shall
87.2 review progress toward or accomplishment of the following goals:

87.3 (i) the child has obtained a high school diploma or its equivalent;

87.4 (ii) the child has completed a driver's education course or has demonstrated the
87.5 ability to use public transportation in the child's community;

87.6 (iii) the child is employed or enrolled in postsecondary education;

87.7 (iv) the child has applied for and obtained postsecondary education financial aid for
87.8 which the child is eligible;

87.9 (v) the child has health care coverage and health care providers to meet the child's
87.10 physical and mental health needs;

87.11 (vi) the child has applied for and obtained disability income assistance for which
87.12 the child is eligible;

87.13 (vii) the child has obtained affordable housing with necessary supports, which does
87.14 not include a homeless shelter;

87.15 (viii) the child has saved sufficient funds to pay for the first month's rent and a
87.16 damage deposit;

87.17 (ix) the child has an alternative affordable housing plan, which does not include a
87.18 homeless shelter, if the original housing plan is unworkable;

87.19 (x) the child, if male, has registered for the Selective Service; and

87.20 (xi) the child has a permanent connection to a caring adult; and.

87.21 ~~(3) the court shall ensure that the responsible agency in conjunction with the~~
87.22 ~~placement provider assists the child in obtaining the following documents prior to the~~
87.23 ~~child's leaving foster care: a Social Security card; the child's birth certificate; a state~~
87.24 ~~identification card or driver's license, tribal enrollment identification card, green card, or~~
87.25 ~~school visa; the child's school, medical, and dental records; a contact list of the child's~~
87.26 ~~medical, dental, and mental health providers; and contact information for the child's~~
87.27 ~~siblings, if the siblings are in foster care.~~

87.28 ~~(f) For a child who will be discharged from foster care at age 18 or older, the~~
87.29 ~~responsible social services agency is required to develop a personalized transition plan as~~
87.30 ~~directed by the youth. The transition plan must be developed during the 90-day period~~
87.31 ~~immediately prior to the expected date of discharge. The transition plan must be as~~
87.32 ~~detailed as the child may elect and include specific options on housing, health insurance,~~
87.33 ~~education, local opportunities for mentors and continuing support services, and work force~~
87.34 ~~supports and employment services. The agency shall ensure that the youth receives, at~~
87.35 ~~no cost to the youth, a copy of the youth's consumer credit report as defined in section~~
87.36 ~~13C.001 and assistance in interpreting and resolving any inaccuracies in the report. The~~

88.1 ~~plan must include information on the importance of designating another individual to~~
88.2 ~~make health care treatment decisions on behalf of the child if the child becomes unable~~
88.3 ~~to participate in these decisions and the child does not have, or does not want, a relative~~
88.4 ~~who would otherwise be authorized to make these decisions. The plan must provide the~~
88.5 ~~child with the option to execute a health care directive as provided under chapter 145C.~~
88.6 ~~The agency shall also provide the youth with appropriate contact information if the youth~~
88.7 ~~needs more information or needs help dealing with a crisis situation through age 21.~~

88.8 Sec. 70. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 1,
88.9 is amended to read:

88.10 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan
88.11 shall be prepared within 30 days after any child is placed in foster care by court order or a
88.12 voluntary placement agreement between the responsible social services agency and the
88.13 child's parent pursuant to section 260C.227 or chapter 260D.

88.14 (b) An out-of-home placement plan means a written document which is prepared
88.15 by the responsible social services agency jointly with the parent or parents or guardian
88.16 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the
88.17 child is an Indian child, the child's foster parent or representative of the foster care facility,
88.18 and, where appropriate, the child. When a child is age 14 or older, the child may include
88.19 two other individuals on the team preparing the child's out-of-home placement plan. The
88.20 child may select one member of the case planning team to be designated as the child's
88.21 adviser and to advocate with respect to the application of the reasonable and prudent
88.22 parenting standards. The responsible social services agency may reject an individual
88.23 selected by the child if the agency has good cause to believe that the individual would
88.24 not act in the best interest of the child. For a child in voluntary foster care for treatment
88.25 under chapter 260D, preparation of the out-of-home placement plan shall additionally
88.26 include the child's mental health treatment provider. For a child 18 years of age or older,
88.27 the responsible social services agency shall involve the child and the child's parents as
88.28 appropriate. As appropriate, the plan shall be:

88.29 (1) submitted to the court for approval under section 260C.178, subdivision 7;

88.30 (2) ordered by the court, either as presented or modified after hearing, under section
88.31 260C.178, subdivision 7, or 260C.201, subdivision 6; and

88.32 (3) signed by the parent or parents or guardian of the child, the child's guardian ad
88.33 litem, a representative of the child's tribe, the responsible social services agency, and, if
88.34 possible, the child.

89.1 (c) The out-of-home placement plan shall be explained to all persons involved in its
89.2 implementation, including the child who has signed the plan, and shall set forth:

89.3 (1) a description of the foster care home or facility selected, including how the
89.4 out-of-home placement plan is designed to achieve a safe placement for the child in the
89.5 least restrictive, most family-like, setting available which is in close proximity to the home
89.6 of the parent or parents or guardian of the child when the case plan goal is reunification,
89.7 and how the placement is consistent with the best interests and special needs of the child
89.8 according to the factors under subdivision 2, paragraph (b);

89.9 (2) the specific reasons for the placement of the child in foster care, and when
89.10 reunification is the plan, a description of the problems or conditions in the home of the
89.11 parent or parents which necessitated removal of the child from home and the changes the
89.12 parent or parents must make ~~in order~~ for the child to safely return home;

89.13 (3) a description of the services offered and provided to prevent removal of the child
89.14 from the home and to reunify the family including:

89.15 (i) the specific actions to be taken by the parent or parents of the child to eliminate
89.16 or correct the problems or conditions identified in clause (2), and the time period during
89.17 which the actions are to be taken; and

89.18 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made
89.19 to achieve a safe and stable home for the child including social and other supportive
89.20 services to be provided or offered to the parent or parents or guardian of the child, the
89.21 child, and the residential facility during the period the child is in the residential facility;

89.22 (4) a description of any services or resources that were requested by the child or the
89.23 child's parent, guardian, foster parent, or custodian since the date of the child's placement
89.24 in the residential facility, and whether those services or resources were provided and if
89.25 not, the basis for the denial of the services or resources;

89.26 (5) the visitation plan for the parent or parents or guardian, other relatives as defined
89.27 in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not
89.28 placed together in foster care, and whether visitation is consistent with the best interest
89.29 of the child, during the period the child is in foster care;

89.30 (6) when a child cannot return to or be in the care of either parent, documentation
89.31 of steps to finalize adoption as the permanency plan for the child through reasonable
89.32 efforts to place the child for adoption. At a minimum, the documentation must include
89.33 consideration of whether adoption is in the best interests of the child, child-specific
89.34 recruitment efforts such as relative search and the use of state, regional, and national
89.35 adoption exchanges to facilitate orderly and timely placements in and outside of the state.

90.1 A copy of this documentation shall be provided to the court in the review required under
90.2 section 260C.317, subdivision 3, paragraph (b);

90.3 (7) when a child cannot return to or be in the care of either parent, documentation
90.4 of steps to finalize the transfer of permanent legal and physical custody to a relative as
90.5 the permanency plan for the child. This documentation must support the requirements of
90.6 the kinship placement agreement under section 256N.22 and must include the reasonable
90.7 efforts used to determine that it is not appropriate for the child to return home or be
90.8 adopted, and reasons why permanent placement with a relative through a Northstar kinship
90.9 assistance arrangement is in the child's best interest; how the child meets the eligibility
90.10 requirements for Northstar kinship assistance payments; agency efforts to discuss adoption
90.11 with the child's relative foster parent and reasons why the relative foster parent chose not
90.12 to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or
90.13 parents the permanent transfer of permanent legal and physical custody or the reasons
90.14 why these efforts were not made;

90.15 (8) efforts to ensure the child's educational stability while in foster care, ~~including~~
90.16 for a child who attained the minimum age for compulsory school attendance under state
90.17 law and is enrolled full time in elementary or secondary school, or instructed in elementary
90.18 or secondary education at home, or instructed in an independent study elementary or
90.19 secondary program, or incapable of attending school on a full-time basis due to a medical
90.20 condition that is documented and supported by regularly updated information in the child's
90.21 case plan. Educational stability efforts include:

90.22 (i) efforts to ensure that the child remains in the same school in which the child was
90.23 enrolled prior to placement or upon the child's move from one placement to another,
90.24 including efforts to work with the local education authorities to ensure the child's
90.25 educational stability and attendance; or

90.26 (ii) if it is not in the child's best interest to remain in the same school that the child
90.27 was enrolled in prior to placement or move from one placement to another, efforts to
90.28 ensure immediate and appropriate enrollment for the child in a new school;

90.29 (9) the educational records of the child including the most recent information
90.30 available regarding:

90.31 (i) the names and addresses of the child's educational providers;

90.32 (ii) the child's grade level performance;

90.33 (iii) the child's school record;

90.34 (iv) a statement about how the child's placement in foster care takes into account
90.35 proximity to the school in which the child is enrolled at the time of placement; and

90.36 (v) any other relevant educational information;

91.1 (10) the efforts by the ~~local~~ responsible social services agency to ensure the oversight
91.2 and continuity of health care services for the foster child, including:

91.3 (i) the plan to schedule the child's initial health screens;

91.4 (ii) how the child's known medical problems and identified needs from the screens,
91.5 including any known communicable diseases, as defined in section 144.4172, subdivision
91.6 2, ~~will~~ shall be monitored and treated while the child is in foster care;

91.7 (iii) how the child's medical information ~~will~~ shall be updated and shared, including
91.8 the child's immunizations;

91.9 (iv) who is responsible to coordinate and respond to the child's health care needs,
91.10 including the role of the parent, the agency, and the foster parent;

91.11 (v) who is responsible for oversight of the child's prescription medications;

91.12 (vi) how physicians or other appropriate medical and nonmedical professionals ~~will~~
91.13 shall be consulted and involved in assessing the health and well-being of the child and
91.14 determine the appropriate medical treatment for the child; and

91.15 (vii) the responsibility to ensure that the child has access to medical care through
91.16 either medical insurance or medical assistance;

91.17 (11) the health records of the child including information available regarding:

91.18 (i) the names and addresses of the child's health care and dental care providers;

91.19 (ii) a record of the child's immunizations;

91.20 (iii) the child's known medical problems, including any known communicable
91.21 diseases as defined in section 144.4172, subdivision 2;

91.22 (iv) the child's medications; and

91.23 (v) any other relevant health care information such as the child's eligibility for
91.24 medical insurance or medical assistance;

91.25 (12) an independent living plan for a child ~~age 14~~ years of age or older, developed in
91.26 consultation with the child. The child may select one member of the case planning team to
91.27 be designated as the child's adviser and to advocate with respect to the application of the
91.28 reasonable and prudent parenting standards in subdivision 14. The plan should include,
91.29 but not be limited to, the following objectives:

91.30 (i) educational, vocational, or employment planning;

91.31 (ii) health care planning and medical coverage;

91.32 (iii) transportation including, where appropriate, assisting the child in obtaining a
91.33 driver's license;

91.34 (iv) money management, including the responsibility of the responsible social
91.35 services agency to ensure that the ~~youth~~ child annually receives, at no cost to the ~~youth~~.

92.1 child, a consumer report as defined under section 13C.001 and assistance in interpreting
92.2 and resolving any inaccuracies in the report;

92.3 (v) planning for housing;

92.4 (vi) social and recreational skills;

92.5 (vii) establishing and maintaining connections with the child's family and
92.6 community; and

92.7 (viii) regular opportunities to engage in age-appropriate or developmentally
92.8 appropriate activities typical for the child's age group, taking into consideration the
92.9 capacities of the individual child; ~~and~~

92.10 (13) for a child in voluntary foster care for treatment under chapter 260D, diagnostic
92.11 and assessment information, specific services relating to meeting the mental health care
92.12 needs of the child, and treatment outcomes; and

92.13 (14) for a child 14 years of age or older, a signed acknowledgment that describes
92.14 the child's rights regarding education, health care, visitation, safety and protection from
92.15 exploitation, and court participation; receipt of the documents identified in section
92.16 260C.45; and receipt of an annual credit report. The acknowledgment shall state that the
92.17 rights were explained in an age-appropriate manner to the child.

92.18 (d) The parent or parents or guardian and the child each shall have the right to legal
92.19 counsel in the preparation of the case plan and shall be informed of the right at the time
92.20 of placement of the child. The child shall also have the right to a guardian ad litem.
92.21 If unable to employ counsel from their own resources, the court shall appoint counsel
92.22 upon the request of the parent or parents or the child or the child's legal guardian. The
92.23 parent or parents may also receive assistance from any person or social services agency
92.24 in preparation of the case plan.

92.25 After the plan has been agreed upon by the parties involved or approved or ordered
92.26 by the court, the foster parents shall be fully informed of the provisions of the case plan
92.27 and shall be provided a copy of the plan.

92.28 Upon discharge from foster care, the parent, adoptive parent, or permanent legal and
92.29 physical custodian, as appropriate, and the child, if appropriate, must be provided with
92.30 a current copy of the child's health and education record.

92.31 Sec. 71. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 14,
92.32 is amended to read:

92.33 Subd. 14. **Support age-appropriate and developmentally appropriate activities**
92.34 **for foster children.** (a) Responsible social services agencies and licensed child-placing
92.35 agencies shall support a foster child's emotional and developmental growth by permitting

93.1 the child to participate in activities or events that are generally accepted as suitable
 93.2 for children of the same chronological age or are developmentally appropriate for the
 93.3 child. "Developmentally appropriate" means based on a child's cognitive, emotional,
 93.4 physical, and behavioral capacities that are typical for an age or age group. Foster
 93.5 parents and residential facility staff are permitted to allow foster children to participate in
 93.6 extracurricular, social, or cultural activities that are typical for the child's age by applying
 93.7 reasonable and prudent parenting standards.

93.8 (b) "Reasonable and prudent parenting" means the standards are characterized
 93.9 by careful and sensible parenting decisions that maintain the child's health and safety,
 93.10 cultural, religious, and are made in the child's tribal values, and best interest interests
 93.11 while encouraging the child's emotional and developmental growth.

93.12 (c) The commissioner shall provide guidance about the childhood activities and
 93.13 factors a foster parent and authorized residential facility staff must consider when applying
 93.14 the reasonable and prudent parenting standards. The factors must include the:

- 93.15 (1) child's age, maturity, and developmental level;
 93.16 (2) risk of activity;
 93.17 (3) best interests of the child;
 93.18 (4) importance of the experience in the child's emotional and developmental growth;
 93.19 (5) importance of a family-like experience;
 93.20 (6) behavioral history of the child; and
 93.21 (7) wishes of the child's parent or legal guardian, as appropriate.

93.22 (d) A residential facility licensed under chapter 2960 must have at least one
 93.23 staff person present on site, who is trained on the standards according to section
 93.24 260C.515, subdivision 4, and authorized to apply the reasonable and prudent parenting
 93.25 standards to decisions involving the approval of a foster child's participation in age and
 93.26 developmentally appropriate extracurricular, social, or cultural activities.

93.27 (e) The foster parent or designated staff at residential facilities demonstrating
 93.28 compliance with the reasonable and prudent parenting standards shall not incur civil
 93.29 liability if a foster child is harmed or injured because of participating in approved
 93.30 extracurricular, enrichment, cultural, and social activities.

93.31 Sec. 72. Minnesota Statutes 2015 Supplement, section 260C.215, subdivision 4,
 93.32 is amended to read:

93.33 Subd. 4. **Duties of commissioner.** The commissioner of human services shall:

94.1 (1) provide practice guidance to responsible social services agencies and licensed
94.2 child-placing agencies that reflect federal and state laws and policy direction on placement
94.3 of children;

94.4 (2) develop criteria for determining whether a prospective adoptive or foster family
94.5 has the ability to understand and validate the child's cultural background;

94.6 (3) provide a standardized training curriculum for adoption and foster care workers
94.7 and administrators who work with children. Training must address the following objectives:

94.8 (i) developing and maintaining sensitivity to all cultures;

94.9 (ii) assessing values and their cultural implications;

94.10 (iii) making individualized placement decisions that advance the best interests of a
94.11 particular child under section 260C.212, subdivision 2; and

94.12 (iv) issues related to cross-cultural placement;

94.13 (4) provide a training curriculum for all prospective adoptive and foster families
94.14 that prepares them to care for the needs of adoptive and foster children taking into
94.15 consideration the needs of children outlined in section 260C.212, subdivision 2, paragraph
94.16 (b), and, as necessary, preparation is continued after placement of the child and includes
94.17 the knowledge and skills related to reasonable and prudent parenting standards for the
94.18 participation of the child in age or developmentally appropriate activities, according to
94.19 section 260C.212, subdivision 14;

94.20 (5) develop and provide to responsible social services agencies and licensed
94.21 child-placing agencies a home study format to assess the capacities and needs of
94.22 prospective adoptive and foster families. The format must address problem-solving skills;
94.23 parenting skills; evaluate the degree to which the prospective family has the ability
94.24 to understand and validate the child's cultural background, and other issues needed to
94.25 provide sufficient information for agencies to make an individualized placement decision
94.26 consistent with section 260C.212, subdivision 2. For a study of a prospective foster parent,
94.27 the format must also address the capacity of the prospective foster parent to provide a
94.28 safe, healthy, smoke-free home environment. If a prospective adoptive parent has also
94.29 been a foster parent, any update necessary to a home study for the purpose of adoption
94.30 may be completed by the licensing authority responsible for the foster parent's license.
94.31 If a prospective adoptive parent with an approved adoptive home study also applies for
94.32 a foster care license, the license application may be made with the same agency which
94.33 provided the adoptive home study; and

94.34 (6) consult with representatives reflecting diverse populations from the councils
94.35 established under sections 3.922 and 15.0145, and other state, local, and community
94.36 organizations.

95.1 Sec. 73. Minnesota Statutes 2015 Supplement, section 260C.451, subdivision 6,
95.2 is amended to read:

95.3 Subd. 6. **Reentering foster care and accessing services after age 18 years of**
95.4 **age and up to 21 years of age.** (a) Upon request of an individual ~~between the ages of~~
95.5 ~~18 and 21~~ who had been under the guardianship of the commissioner and who has left
95.6 foster care without being adopted, the responsible social services agency which had
95.7 been the commissioner's agent for purposes of the guardianship shall develop with the
95.8 individual a plan to increase the individual's ability to live safely and independently using
95.9 the plan requirements of section 260C.212, subdivision 1, paragraph (c), clause (12), and
95.10 to assist the individual to meet one or more of the eligibility criteria in subdivision 4 if
95.11 the individual wants to reenter foster care. The responsible social services agency shall
95.12 provide foster care as required to implement the plan. The responsible social services
95.13 agency shall enter into a voluntary placement agreement under section 260C.229 with the
95.14 individual if the plan includes foster care.

95.15 (b) Individuals who had not been under the guardianship of the commissioner of
95.16 human services prior to 18 years of age ~~18 and are between the ages of 18 and 21~~ may ask
95.17 to reenter foster care after age 18 and, to the extent funds are available, the responsible
95.18 social services agency that had responsibility for planning for the individual before
95.19 discharge from foster care may provide foster care or other services to the individual for
95.20 the purpose of increasing the individual's ability to live safely and independently and to
95.21 meet the eligibility criteria in subdivision 3a, if the individual:

95.22 (1) was in foster care for the six consecutive months prior to the person's 18th
95.23 birthday and was not discharged home, adopted, or received into a relative's home under a
95.24 transfer of permanent legal and physical custody under section 260C.515, subdivision 4; or
95.25 (2) was discharged from foster care while on runaway status after age 15.

95.26 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and
95.27 other appropriate persons, the responsible social services agency shall develop a specific
95.28 plan related to that individual's vocational, educational, social, or maturational needs and,
95.29 to the extent funds are available, provide foster care as required to implement the plan.
95.30 The responsible social services agency shall enter into a voluntary placement agreement
95.31 with the individual if the plan includes foster care.

95.32 (d) ~~Youth~~ A child who left foster care while under guardianship of the commissioner
95.33 of human services ~~retain~~ retains eligibility for foster care for placement at any time
95.34 ~~between the ages of 18 and~~ prior to 21 years of age.

96.1 Sec. 74. Minnesota Statutes 2014, section 260C.451, is amended by adding a
96.2 subdivision to read:

96.3 Subd. 9. **Administrative or court review of placements.** (a) The court shall
96.4 conduct reviews at least annually to ensure the responsible social services agency is
96.5 making reasonable efforts to finalize the permanency plan for the child.

96.6 (b) The court shall find that the responsible social services agency is making
96.7 reasonable efforts to finalize the permanency plan for the child when the responsible
96.8 social services agency:

96.9 (1) provides appropriate support to the child and foster care provider to ensure
96.10 continuing stability and success in placement;

96.11 (2) works with the child to plan for transition to adulthood and assists the child in
96.12 demonstrating progress in achieving related goals;

96.13 (3) works with the child to plan for independent living skills and assists the child in
96.14 demonstrating progress in achieving independent living goals; and

96.15 (4) prepares the child for independence according to sections 260C.203, paragraph
96.16 (d), and 260C.452, subdivision 4.

96.17 (c) The responsible social services agency must ensure that an administrative review
96.18 that meets the requirements of this section and section 260C.203 is completed at least six
96.19 months after each of the court's annual reviews.

96.20 Sec. 75. [260C.452] **SUCCESSFUL TRANSITION TO ADULTHOOD.**

96.21 Subdivision 1. **Scope.** This section pertains to a child who is under the guardianship
96.22 of the commissioner of human services, or who has a permanency disposition of
96.23 permanent custody to the agency, or who will leave foster care at 18 to 21 years of age.

96.24 Subd. 2. **Independent living plan.** When the child is 14 years of age or older,
96.25 the responsible social services agency, in consultation with the child, shall complete
96.26 the independent living plan according to section 260C.212, subdivision 1, paragraph
96.27 (c), clause (12).

96.28 Subd. 3. **Notification.** Six months before the child is expected to be discharged from
96.29 foster care, the responsible social services agency shall provide written notice regarding
96.30 the right to continued access to services for certain children in foster care past 18 years of
96.31 age and of the right to appeal a denial of social services under section 256.045.

96.32 Subd. 4. **Administrative or court review of placements.** (a) When the child is 14
96.33 years of age or older, the court, in consultation with the child, shall review the independent
96.34 living plan according to section 260C.203, paragraph (d).

97.1 (b) The responsible social services agency shall file a copy of the notification
97.2 required in subdivision 3 with the court. If the responsible social services agency does
97.3 not file the notice by the time the child is 17-1/2 years of age, the court shall require the
97.4 responsible social services agency to file the notice.

97.5 (c) The court shall ensure that the responsible social services agency assists the child
97.6 in obtaining the following documents before the child leaves foster care: a Social Security
97.7 card; an official or certified copy of the child's birth certificate; a state identification card
97.8 or driver's license, tribal enrollment identification card, green card, or school visa; health
97.9 insurance information; the child's school, medical, and dental records; a contact list of
97.10 the child's medical, dental, and mental health providers; and contact information for the
97.11 child's siblings, if the siblings are in foster care.

97.12 (d) For a child who will be discharged from foster care at 18 years of age or older,
97.13 the responsible social services agency must develop a personalized transition plan as
97.14 directed by the child during the 90-day period immediately prior to the expected date of
97.15 discharge. The transition plan must be as detailed as the child elects and include specific
97.16 options, including but not limited to:

97.17 (1) affordable housing with necessary supports that does not include a homeless
97.18 shelter;

97.19 (2) health insurance, including eligibility for medical assistance as defined in
97.20 256B.055, subdivision 17;

97.21 (3) education, including application to the Education and Training Voucher Program;

97.22 (4) local opportunities for mentors and continuing support services, including the
97.23 Healthy Transitions and Homeless Prevention program, if available;

97.24 (5) workforce supports and employment services;

97.25 (6) a copy of the child's consumer credit report as defined in section 13C.001 and
97.26 assistance in interpreting and resolving any inaccuracies in the report, at no cost to the child;

97.27 (7) information on executing a health care directive under chapter 145C and on the
97.28 importance of designating another individual to make health care decisions on behalf of
97.29 the child if the child becomes unable to participate in decisions; and

97.30 (8) appropriate contact information through 21 years of age if the child needs
97.31 information or help dealing with a crisis situation.

97.32 Subd. 5. **Notice of termination of foster care.** (a) When a child leaves foster care
97.33 at 18 years of age or older, the responsible social services agency shall give the child
97.34 written notice that foster care shall terminate 30 days from the date the notice is sent.

97.35 (b) The child or the child's guardian ad litem may file a motion asking the court to
97.36 review the responsible social services agency's determination within 15 days of receiving

98.1 the notice. The child shall not be discharged from foster care until the motion is heard. The
 98.2 responsible social services agency shall work with the child to transition out of foster care.

98.3 (c) The written notice of termination of benefits shall be on a form prescribed by
 98.4 the commissioner and shall give notice of the right to have the responsible social services
 98.5 agency's determination reviewed by the court under this section or sections 260C.203,
 98.6 260C.317, and 260C.515, subdivision 5 or 6. A copy of the termination notice shall
 98.7 be sent to the child and the child's attorney, if any, the foster care provider, the child's
 98.8 guardian ad litem, and the court. The responsible social services agency is not responsible
 98.9 for paying foster care benefits for any period of time after the child leaves foster care.

98.10 Sec. 76. Minnesota Statutes 2015 Supplement, section 260C.521, subdivision 1,
 98.11 is amended to read:

98.12 Subdivision 1. **Child in permanent custody of responsible social services agency.**

98.13 (a) Court reviews of an order for permanent custody to the responsible social services
 98.14 agency for placement of the child in foster care must be conducted at least yearly at an
 98.15 in-court appearance hearing.

98.16 (b) The purpose of the review hearing is to ensure:

98.17 (1) the responsible social services agency made intensive, ongoing, and, as of the
 98.18 date of the hearing, unsuccessful effort to return the child home or secure a placement for
 98.19 the child with a fit and willing relative, custodian, or adoptive parent, and an order for
 98.20 permanent custody to the responsible social services agency for placement of the child in
 98.21 foster care continues to be in the best interests of the child and that no other permanency
 98.22 disposition order is in the best interests of the child;

98.23 (2) that the responsible social services agency is assisting the child to build
 98.24 connections to the child's family and community; ~~and~~

98.25 (3) that the responsible social services agency is appropriately planning with the
 98.26 child for development of independent living skills for the child and, as appropriate, for the
 98.27 orderly and successful transition to independent living adulthood that may occur if the
 98.28 child continues in foster care without another permanency disposition order;₂

98.29 (4) the child's foster family home or child care institution is following the reasonable
 98.30 and prudent parenting standards; and

98.31 (5) the child has regular, ongoing opportunities to engage in age or developmentally
 98.32 appropriate activities by consulting with the child in an age-appropriate manner about the
 98.33 opportunities.

99.1 (c) The court must review the child's out-of-home placement plan and the reasonable
 99.2 efforts of the responsible social services agency to finalize an alternative permanent plan
 99.3 for the child including the responsible social services agency's efforts to:

99.4 (1) ensure that permanent custody to the responsible social services agency with
 99.5 placement of the child in foster care continues to be the most appropriate legal arrangement
 99.6 for meeting the child's need for permanency and stability ~~or, if not, to identify and attempt~~
 99.7 ~~to finalize another permanency disposition order under this chapter that would better serve~~
 99.8 ~~the child's needs and best interests;~~ by reviewing the compelling reasons it continues not
 99.9 to be in the best interest of the child to:

99.10 (i) return home;

99.11 (ii) be placed for adoption; or

99.12 (iii) be placed with a fit and willing relative through an order for permanent legal
 99.13 and physical custody under section 260C.515, subdivision 4;

99.14 (2) identify a specific foster home for the child, if one has not already been identified;

99.15 (3) support continued placement of the child in the identified home, if one has been
 99.16 identified;

99.17 (4) ensure appropriate services are provided to address the physical health, mental
 99.18 health, and educational needs of the child during the period of foster care and also ensure
 99.19 appropriate services or assistance to maintain relationships with appropriate family
 99.20 members and the child's community; and

99.21 (5) plan for the child's independence upon the child's leaving foster care living as
 99.22 required under section 260C.212, subdivision 1.

99.23 (d) The court may find that the responsible social services agency has made
 99.24 reasonable efforts to finalize the permanent plan for the child when:

99.25 (1) the responsible social services agency has made reasonable efforts to identify a
 99.26 more legally permanent home for the child than is provided by an order for permanent
 99.27 custody to the agency for placement in foster care;

99.28 (2) the child has been asked about the child's desired permanency outcome; and

99.29 (3) the responsible social services agency's engagement of the child in planning for
 99.30 ~~independent living~~ a successful transition to adulthood is reasonable and appropriate.

99.31 **Sec. 77. [260D.14] SUCCESSFUL TRANSITION TO ADULTHOOD FOR**
 99.32 **CHILDREN IN VOLUNTARY PLACEMENT.**

99.33 Subdivision 1. Case planning. When the child is 14 years of age or older, the
 99.34 responsible social services agency shall ensure a child in foster care under this chapter is
 99.35 provided with the case plan requirements in section 260C.212, subdivisions 1 and 14.

100.1 Subd. 2. **Notification.** The responsible social services agency shall provide written
100.2 notice of the right to continued access to services for certain children in foster care past 18
100.3 years of age under section 260C.452, subdivision 3, and of the right to appeal a denial
100.4 of social services under section 256.045. The notice must be provided to the child six
100.5 months before the child's 18th birthday.

100.6 Subd. 3. **Administrative or court reviews.** When the child is 17 years of age or
100.7 older, the administrative review or court hearing must include a review of the responsible
100.8 social services agency's support for the child's successful transition to adulthood as
100.9 required in section 260C.452, subdivision 4.

100.10 Sec. 78. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 2, is
100.11 amended to read:

100.12 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings
100.13 given them unless the specific content indicates otherwise:

100.14 (a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected
100.15 occurrence or event which:

100.16 (1) is not likely to occur and could not have been prevented by exercise of due
100.17 care; and

100.18 (2) if occurring while a child is receiving services from a facility, happens when the
100.19 facility and the employee or person providing services in the facility are in compliance
100.20 with the laws and rules relevant to the occurrence or event.

100.21 (b) "Commissioner" means the commissioner of human services.

100.22 (c) "Facility" means:

100.23 (1) a licensed or unlicensed day care facility, residential facility, agency, hospital,
100.24 sanitarium, or other facility or institution required to be licensed under sections 144.50 to
100.25 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245D;

100.26 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter
100.27 124E; or

100.28 (3) a nonlicensed personal care provider organization as defined in section
100.29 256B.0625, subdivision 19a.

100.30 (d) "Family assessment" means a comprehensive assessment of child safety, risk of
100.31 subsequent child maltreatment, and family strengths and needs that is applied to a child
100.32 maltreatment report that does not allege sexual abuse or substantial child endangerment.
100.33 Family assessment does not include a determination as to whether child maltreatment
100.34 occurred but does determine the need for services to address the safety of family members
100.35 and the risk of subsequent maltreatment.

101.1 (e) "Investigation" means fact gathering related to the current safety of a child
101.2 and the risk of subsequent maltreatment that determines whether child maltreatment
101.3 occurred and whether child protective services are needed. An investigation must be used
101.4 when reports involve sexual abuse or substantial child endangerment, and for reports of
101.5 maltreatment in facilities required to be licensed under chapter 245A or 245D; under
101.6 sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05,
101.7 subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider
101.8 association as defined in section 256B.0625, subdivision 19a.

101.9 (f) "Mental injury" means an injury to the psychological capacity or emotional
101.10 stability of a child as evidenced by an observable or substantial impairment in the child's
101.11 ability to function within a normal range of performance and behavior with due regard to
101.12 the child's culture.

101.13 (g) "Neglect" means the commission or omission of any of the acts specified under
101.14 clauses (1) to (9), other than by accidental means:

101.15 (1) failure by a person responsible for a child's care to supply a child with necessary
101.16 food, clothing, shelter, health, medical, or other care required for the child's physical or
101.17 mental health when reasonably able to do so;

101.18 (2) failure to protect a child from conditions or actions that seriously endanger the
101.19 child's physical or mental health when reasonably able to do so, including a growth delay,
101.20 which may be referred to as a failure to thrive, that has been diagnosed by a physician and
101.21 is due to parental neglect;

101.22 (3) failure to provide for necessary supervision or child care arrangements
101.23 appropriate for a child after considering factors as the child's age, mental ability, physical
101.24 condition, length of absence, or environment, when the child is unable to care for the
101.25 child's own basic needs or safety, or the basic needs or safety of another child in their care;

101.26 (4) failure to ensure that the child is educated as defined in sections 120A.22 and
101.27 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's
101.28 child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

101.29 (5) nothing in this section shall be construed to mean that a child is neglected solely
101.30 because the child's parent, guardian, or other person responsible for the child's care in
101.31 good faith selects and depends upon spiritual means or prayer for treatment or care of
101.32 disease or remedial care of the child in lieu of medical care; except that a parent, guardian,
101.33 or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report
101.34 if a lack of medical care may cause serious danger to the child's health. This section does
101.35 not impose upon persons, not otherwise legally responsible for providing a child with
101.36 necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

102.1 (6) prenatal exposure to a controlled substance, as defined in section 253B.02,
102.2 subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal
102.3 symptoms in the child at birth, results of a toxicology test performed on the mother at
102.4 delivery or the child at birth, medical effects or developmental delays during the child's
102.5 first year of life that medically indicate prenatal exposure to a controlled substance, or the
102.6 presence of a fetal alcohol spectrum disorder;

102.7 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

102.8 (8) chronic and severe use of alcohol or a controlled substance by a parent or
102.9 person responsible for the care of the child that adversely affects the child's basic needs
102.10 and safety; or

102.11 (9) emotional harm from a pattern of behavior which contributes to impaired
102.12 emotional functioning of the child which may be demonstrated by a substantial and
102.13 observable effect in the child's behavior, emotional response, or cognition that is not
102.14 within the normal range for the child's age and stage of development, with due regard to
102.15 the child's culture.

102.16 (h) "Nonmaltreatment mistake" means:

102.17 (1) at the time of the incident, the individual was performing duties identified in the
102.18 center's child care program plan required under Minnesota Rules, part 9503.0045;

102.19 (2) the individual has not been determined responsible for a similar incident that
102.20 resulted in a finding of maltreatment for at least seven years;

102.21 (3) the individual has not been determined to have committed a similar
102.22 nonmaltreatment mistake under this paragraph for at least four years;

102.23 (4) any injury to a child resulting from the incident, if treated, is treated only with
102.24 remedies that are available over the counter, whether ordered by a medical professional or
102.25 not; and

102.26 (5) except for the period when the incident occurred, the facility and the individual
102.27 providing services were both in compliance with all licensing requirements relevant to the
102.28 incident.

102.29 This definition only applies to child care centers licensed under Minnesota
102.30 Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of
102.31 substantiated maltreatment by the individual, the commissioner of human services shall
102.32 determine that a nonmaltreatment mistake was made by the individual.

102.33 (i) "Operator" means an operator or agency as defined in section 245A.02.

102.34 (j) "Person responsible for the child's care" means (1) an individual functioning
102.35 within the family unit and having responsibilities for the care of the child such as a
102.36 parent, guardian, or other person having similar care responsibilities, or (2) an individual

103.1 functioning outside the family unit and having responsibilities for the care of the child
103.2 such as a teacher, school administrator, other school employees or agents, or other lawful
103.3 custodian of a child having either full-time or short-term care responsibilities including,
103.4 but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching,
103.5 and coaching.

103.6 (k) "Physical abuse" means any physical injury, mental injury, or threatened injury,
103.7 inflicted by a person responsible for the child's care on a child other than by accidental
103.8 means, or any physical or mental injury that cannot reasonably be explained by the child's
103.9 history of injuries, or any aversive or deprivation procedures, or regulated interventions,
103.10 that have not been authorized under section 125A.0942 or 245.825.

103.11 Abuse does not include reasonable and moderate physical discipline of a child
103.12 administered by a parent or legal guardian which does not result in an injury. Abuse does
103.13 not include the use of reasonable force by a teacher, principal, or school employee as
103.14 allowed by section 121A.582. Actions which are not reasonable and moderate include, but
103.15 are not limited to, any of the following:

103.16 (1) throwing, kicking, burning, biting, or cutting a child;

103.17 (2) striking a child with a closed fist;

103.18 (3) shaking a child under age three;

103.19 (4) striking or other actions which result in any nonaccidental injury to a child
103.20 under 18 months of age;

103.21 (5) unreasonable interference with a child's breathing;

103.22 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

103.23 (7) striking a child under age one on the face or head;

103.24 (8) striking a child who is at least age one but under age four on the face or head,
103.25 which results in an injury;

103.26 (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled
103.27 substances which were not prescribed for the child by a practitioner, in order to control or
103.28 punish the child; or other substances that substantially affect the child's behavior, motor
103.29 coordination, or judgment or that results in sickness or internal injury, or subjects the
103.30 child to medical procedures that would be unnecessary if the child were not exposed
103.31 to the substances;

103.32 (10) unreasonable physical confinement or restraint not permitted under section
103.33 609.379, including but not limited to tying, caging, or chaining; or

103.34 (11) in a school facility or school zone, an act by a person responsible for the child's
103.35 care that is a violation under section 121A.58.

104.1 (l) "Practice of social services," for the purposes of subdivision 3, includes but is
104.2 not limited to employee assistance counseling and the provision of guardian ad litem and
104.3 parenting time expeditor services.

104.4 (m) "Report" means any communication received by the local welfare agency,
104.5 police department, county sheriff, or agency responsible for child protection pursuant to
104.6 this section that describes neglect or physical or sexual abuse of a child and contains
104.7 sufficient content to identify the child and any person believed to be responsible for the
104.8 neglect or abuse, if known.

104.9 (n) "Sexual abuse" means the subjection of a child by a person responsible for the
104.10 child's care, by a person who has a significant relationship to the child, as defined in
104.11 section 609.341, or by a person in a position of authority, as defined in section 609.341,
104.12 subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual
104.13 conduct in the first degree), 609.343 (criminal sexual conduct in the second degree),
104.14 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in
104.15 the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse
104.16 also includes any act which involves a minor which constitutes a violation of prostitution
104.17 offenses under sections 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual
104.18 abuse includes a child who is identified as a victim of sex trafficking regardless of who is
104.19 the alleged perpetrator. Sexual abuse includes child sex trafficking as defined in section
104.20 609.321, subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which
104.21 includes the status of a parent or household member who has committed a violation which
104.22 requires registration as an offender under section 243.166, subdivision 1b, paragraph (a)
104.23 or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

104.24 (o) "Substantial child endangerment" means a person responsible for a child's care,
104.25 by act or omission, commits or attempts to commit an act against a child under their
104.26 care that constitutes any of the following:

104.27 (1) egregious harm as defined in section 260C.007, subdivision 14;

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

104.29 (3) neglect as defined in paragraph (g), clause (2), that substantially endangers the
104.30 child's physical or mental health, including a growth delay, which may be referred to as
104.31 failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

104.32 (4) murder in the first, second, or third degree under section 609.185, 609.19, or
104.33 609.195;

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

104.35 (6) assault in the first, second, or third degree under section 609.221, 609.222, or
104.36 609.223;

105.1 (7) solicitation, inducement, and promotion of prostitution under section 609.322;

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

105.3 (9) solicitation of children to engage in sexual conduct under section 609.352;

105.4 (10) malicious punishment or neglect or endangerment of a child under section

105.5 609.377 or 609.378;

105.6 (11) use of a minor in sexual performance under section 617.246; or

105.7 (12) parental behavior, status, or condition which mandates that the county attorney

105.8 file a termination of parental rights petition under section 260C.503, subdivision 2.

105.9 (p) "Threatened injury" means a statement, overt act, condition, or status that
105.10 represents a substantial risk of physical or sexual abuse or mental injury. Threatened
105.11 injury includes, but is not limited to, exposing a child to a person responsible for the
105.12 child's care, as defined in paragraph (j), clause (1), who has:

105.13 (1) subjected a child to, or failed to protect a child from, an overt act or condition
105.14 that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a
105.15 similar law of another jurisdiction;

105.16 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph
105.17 (b), clause (4), or a similar law of another jurisdiction;

105.18 (3) committed an act that has resulted in an involuntary termination of parental rights
105.19 under section 260C.301, or a similar law of another jurisdiction; or

105.20 (4) committed an act that has resulted in the involuntary transfer of permanent
105.21 legal and physical custody of a child to a relative under Minnesota Statutes 2010, section
105.22 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a
105.23 similar law of another jurisdiction.

105.24 A child is the subject of a report of threatened injury when the responsible social
105.25 services agency receives birth match data under paragraph (q) from the Department of
105.26 Human Services.

105.27 (q) Upon receiving data under section 144.225, subdivision 2b, contained in a
105.28 birth record or recognition of parentage identifying a child who is subject to threatened
105.29 injury under paragraph (p), the Department of Human Services shall send the data to the
105.30 responsible social services agency. The data is known as "birth match" data. Unless the
105.31 responsible social services agency has already begun an investigation or assessment of the
105.32 report due to the birth of the child or execution of the recognition of parentage and the
105.33 parent's previous history with child protection, the agency shall accept the birth match
105.34 data as a report under this section. The agency may use either a family assessment or
105.35 investigation to determine whether the child is safe. All of the provisions of this section
105.36 apply. If the child is determined to be safe, the agency shall consult with the county

106.1 attorney to determine the appropriateness of filing a petition alleging the child is in need
106.2 of protection or services under section 260C.007, subdivision 6, clause (16), in order to
106.3 deliver needed services. If the child is determined not to be safe, the agency and the county
106.4 attorney shall take appropriate action as required under section 260C.503, subdivision 2.

106.5 (r) Persons who conduct assessments or investigations under this section shall take
106.6 into account accepted child-rearing practices of the culture in which a child participates
106.7 and accepted teacher discipline practices, which are not injurious to the child's health,
106.8 welfare, and safety.

106.9 Sec. 79. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 3c,
106.10 is amended to read:

106.11 Subd. 3c. **Local welfare agency, Department of Human Services or Department**
106.12 **of Health responsible for assessing or investigating reports of maltreatment.** (a)

106.13 The ~~county~~ local welfare agency is the agency responsible for assessing or investigating
106.14 allegations of maltreatment in child foster care, family child care, legally ~~unlicensed~~
106.15 nonlicensed child care, juvenile correctional facilities licensed under section 241.021
106.16 located in the local welfare agency's county, and reports involving children served by
106.17 an unlicensed personal care provider organization under section 256B.0659. Copies of
106.18 findings related to personal care provider organizations under section 256B.0659 must be
106.19 forwarded to the Department of Human Services provider enrollment.

106.20 (b) The Department of Human Services is the agency responsible for assessing or
106.21 investigating allegations of maltreatment in certified centers under chapter 119B and in
106.22 facilities licensed under chapters 245A and 245D, except for child foster care and family
106.23 child care.

106.24 (c) The Department of Health is the agency responsible for assessing or investigating
106.25 allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58
106.26 and 144A.46.

106.27 Sec. 80. Minnesota Statutes 2014, section 626.556, subdivision 3e, is amended to read:

106.28 Subd. 3e. **Agency responsible for assessing or investigating reports of sexual**
106.29 **abuse.** The local welfare agency is the agency responsible for investigating allegations
106.30 of sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual
106.31 functioning within the family unit as a person responsible for the child's care, or a person
106.32 with a significant relationship to the child if that person resides in the child's household.
106.33 Effective May 29, 2017, the local welfare agency is also responsible for investigating
106.34 when a child is identified as a victim of sex trafficking.

107.1 Sec. 81. **REPEALER.**107.2 (a) Minnesota Statutes 2014, section 119B.07, is repealed effective May 22, 2017.107.3 (b) Minnesota Statutes 2014, section 119B.125, subdivision 5, is repealed effective
107.4 January 2, 2017.107.5 (c) Minnesota Statutes 2015 Supplement, section 119B.125, subdivision 8, is
107.6 repealed effective the day following final enactment.107.7 (d) Minnesota Rules, parts 3400.0040, subparts 6a and 6b; 3400.0110, subpart 2a;
107.8 and 3400.0170, subparts 7 and 8, are repealed effective January 2, 2017.107.9 (e) Minnesota Rules, part 3400.0110, subpart 10, is repealed effective May 22, 2017.107.10 (f) Minnesota Rules, parts 9502.0405, subpart 4, item C; 9502.0425, subpart 18;
107.11 9503.0100; 9503.0140, subpart 5; 9503.0145, subpart 6; and 9503.0155, subpart 11, are
107.12 repealed.107.13 **ARTICLE 3**107.14 **CONTINUING CARE**107.15 Section 1. Minnesota Statutes 2014, section 245A.02, is amended by adding a
107.16 subdivision to read:107.17 Subd. 23. **Corporate foster care.** "Corporate foster care" means a child foster
107.18 residence setting licensed according to Minnesota Rules, parts 2960.3000 to 2960.3340,
107.19 or an adult foster care home licensed according to Minnesota Rules, parts 9555.5105 to
107.20 9555.6265, where the license holder does not live in the home.107.21 Sec. 2. Minnesota Statutes 2014, section 245A.02, is amended by adding a subdivision
107.22 to read:107.23 Subd. 24. **Person's own home.** "Person's own home" means a setting where the
107.24 person decides who lives in the home, who provides services, and who is responsible for
107.25 maintenance of the home. If the home is owned by another entity, the lease or rental
107.26 agreement is in the person's name. If the person has a legal guardian, the court may identify
107.27 the responsibilities of the guardian to include signing a lease agreement on behalf of the
107.28 person and making decisions about service providers. A person living with another person
107.29 related by blood, marriage, or adoption is considered to be living in the person's own home.

107.30 Sec. 3. Minnesota Statutes 2014, section 245A.03, subdivision 7, is amended to read:

107.31 Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an
107.32 initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to
107.33 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to

108.1 ~~9555.6265, under this chapter for a physical location that will not be the primary residence~~
 108.2 ~~of the license holder for the entire period of licensure~~ corporate foster care. If a license is
 108.3 issued during this moratorium, and the license holder changes the license holder's primary
 108.4 residence away from the physical location of the foster care license, the commissioner
 108.5 shall revoke the license according to section 245A.07. ~~The commissioner shall not~~
 108.6 ~~issue an initial license for a community residential setting licensed under chapter 245D.~~
 108.7 ~~Exceptions to the moratorium include:~~

108.8 (b) The commissioner shall not issue an initial license for a community residential
 108.9 setting (CRS) licensed under chapter 245D.

108.10 (c) The moratorium does not apply to foster care settings that are required to be
 108.11 registered under chapter 144D.

108.12 (d) In approving an exception under this paragraph, the commissioner shall consider
 108.13 the need-determination process as defined in section 256B.4915, the availability of
 108.14 foster care licensed beds in the geographic area in which the licensee operates, and the
 108.15 recommendation of the local county board. The commissioner's determination shall be
 108.16 final. Exceptions to the moratorium under this subdivision include:

108.17 ~~(1) foster care settings that are required to be registered under chapter 144D;~~

108.18 ~~(2) (1) corporate foster care licenses replacing foster care licenses in existence~~
 108.19 ~~on May 15, 2009, or community residential setting CRS licenses replacing adult foster~~
 108.20 ~~care licenses in existence on December 31, 2013, and determined to be needed by the~~
 108.21 ~~commissioner under paragraph (b); or~~

108.22 ~~(3) (2) new corporate foster care licenses or community residential setting CRS~~
 108.23 ~~licenses determined to be needed by the commissioner under paragraph (b) for the closure~~
 108.24 ~~of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated~~
 108.25 ~~services that limits the capacity of state-operated facilities; or allowing movement to the~~
 108.26 ~~community for people who no longer require the level of care provided in state-operated~~
 108.27 ~~facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision~~
 108.28 ~~24; for:~~

108.29 (i) closing or reducing capacity of a nursing facility, intermediate care facility for
 108.30 individuals with developmental disabilities, or regional treatment center; restructuring
 108.31 state-operated services; or allowing movement to the community for individuals who no
 108.32 longer require the level of care provided in state-operated facilities as provided under
 108.33 section 256B.092, subdivision 13 or 256B.49, subdivision 24;

108.34 (ii) an individual requiring hospital level care;

108.35 (iii) an individual transitioning from residential care waiver service to foster care
 108.36 service, when:

109.1 (A) the individual's case manager provided information about the choice of services,
 109.2 service providers, and location of services to help the individual make an informed
 109.3 choice; and

109.4 (B) the individual's foster care services are less than or equal to the cost of the
 109.5 individual's residential care waiver services;

109.6 (iv) individuals receiving services under chapter 245D while residing in an
 109.7 unlicensed setting prior to May 1, 2016, and for which a license is required, as determined
 109.8 by the commissioner. The exception will be available until June 30, 2017. To meet this
 109.9 exception, the following criteria must be met:

109.10 (A) the individual's case manager must have provided information about the choice
 109.11 of services, services providers, and location of services in order to help the individual
 109.12 make an informed choice. The information provided must include information about
 109.13 choosing to receive services in the individual's own home; and

109.14 (B) the individual's services provided in the licensed foster care or community
 109.15 residential setting are less than or equal to the cost of services that were delivered in the
 109.16 unlicensed setting;

109.17 (v) children who would otherwise reside in a hospital, nursing facility, intermediate
 109.18 care facility for individuals with developmental disabilities, or an out-of-state placement;

109.19 (vi) planned out-of-home respite care for individuals receiving home and
 109.20 community-based services waivers and living with the individual's primary caregiver,
 109.21 up to 40 new beds;

109.22 (vii) individuals who now live on their own and require a return to a foster care
 109.23 licensed setting within 18 months of leaving a foster care licensed setting because of
 109.24 health and safety concerns; or

109.25 (viii) individuals demitted from a foster care licensed setting or CRS, using the
 109.26 process described in section 245D.10, subdivision 3 or 3a, and who are in need of a foster
 109.27 care licensed setting or CRS, if the commissioner determines granting the exception shall
 109.28 allow the individual to live in the individual's community of choice, up to 15 beds per year.

109.29 ~~(4) new foster care licenses or community residential setting licenses determined~~
 109.30 ~~to be needed by the commissioner under paragraph (b) for persons requiring hospital~~
 109.31 ~~level care; or~~

109.32 ~~(5) new foster care licenses or community residential setting licenses determined to~~
 109.33 ~~be needed by the commissioner for the transition of people from personal care assistance~~
 109.34 ~~to the home and community-based services.~~

109.35 ~~(b) The commissioner shall determine the need for newly licensed foster care~~
 109.36 ~~homes or community residential settings as defined under this subdivision. As part of the~~

110.1 ~~determination, the commissioner shall consider the availability of foster care capacity in~~
110.2 ~~the area in which the licensee seeks to operate, and the recommendation of the local~~
110.3 ~~county board. The determination by the commissioner must be final. A determination of~~
110.4 ~~need is not required for a change in ownership at the same address.~~

110.5 ~~(e) (e) When an adult resident served by the program moves out of a foster home~~
110.6 ~~that is not the primary residence of the license holder according to section 256B.49,~~
110.7 ~~subdivision 15, paragraph (f), or the adult community residential setting CRS, the county~~
110.8 ~~lead agency shall immediately inform the Department of Human Services Licensing~~
110.9 ~~Division. The department shall decrease the statewide licensed capacity for adult foster~~
110.10 ~~care settings where the physical location is not the primary residence of the license~~
110.11 ~~holder, or for adult community residential settings, if the voluntary changes described in~~
110.12 ~~paragraph (e) are not sufficient to meet the savings required by reductions in licensed bed~~
110.13 ~~capacity under Laws 2011, First Special Session chapter 9, article 7, sections 1 and 40,~~
110.14 ~~paragraph (f), and maintain statewide long-term care residential services capacity within~~
110.15 ~~budgetary limits. Implementation of the statewide licensed capacity reduction shall begin~~
110.16 ~~on July 1, 2013. The commissioner shall delicense up to 128 beds by June 30, 2014, using~~
110.17 ~~the needs determination process. Prior to any involuntary reduction of licensed capacity,~~
110.18 ~~the commissioner shall consult with lead agencies and license holders to determine which~~
110.19 ~~adult foster care settings, where the physical location is not the primary residence of the~~
110.20 ~~license holder, or community residential settings, are licensed for up to five beds, but have~~
110.21 ~~operated at less than full capacity for 12 or more months as of March 1, 2014. The settings~~
110.22 ~~that meet these criteria must be the first to be considered for an involuntary decrease~~
110.23 ~~in statewide licensed capacity, up to a maximum of 35 beds. If more than 35 beds are~~
110.24 ~~identified that meet these criteria, the commissioner shall prioritize the selection of those~~
110.25 ~~beds to be closed based on the length of time the beds have been vacant. The longer a bed~~
110.26 ~~has been vacant, the higher priority it must be given for closure. Under this paragraph,~~
110.27 ~~the commissioner has the authority to reduce unused licensed capacity of a current foster~~
110.28 ~~care program, or the community residential settings, to accomplish the consolidation or~~
110.29 ~~closure of settings. Under this paragraph, the commissioner has the authority to manage~~
110.30 ~~statewide capacity, including adjusting the capacity available to each county and adjusting~~
110.31 ~~statewide available capacity, to meet the statewide needs identified through the process in~~
110.32 ~~paragraph (e). A decreased licensed capacity according to this paragraph is not subject to~~
110.33 ~~appeal under this chapter.~~

110.34 ~~(d) Residential settings that would otherwise be subject to the decreased license~~
110.35 ~~capacity established in paragraph (e) shall be exempt if the license holder's beds are~~

111.1 ~~occupied by residents whose primary diagnosis is mental illness and the license holder is~~
111.2 ~~certified under the requirements in subdivision 6a or section 245D.33.~~

111.3 ~~(e) A resource need determination process, managed at the state level, using the~~
111.4 ~~available reports required by section 144A.351, and other data and information shall~~
111.5 ~~be used to determine where the reduced capacity required under paragraph (e) will be~~
111.6 ~~implemented. The commissioner shall consult with the stakeholders described in section~~
111.7 ~~144A.351, and employ a variety of methods to improve the state's capacity to meet~~
111.8 ~~long-term care service needs within budgetary limits, including seeking proposals from~~
111.9 ~~service providers or lead agencies to change service type, capacity, or location to improve~~
111.10 ~~services, increase the independence of residents, and better meet needs identified by the~~
111.11 ~~long-term care services reports and statewide data and information. By February 1, 2013,~~
111.12 ~~and August 1, 2014, and each following year, the commissioner shall provide information~~
111.13 ~~and data on the overall capacity of licensed long-term care services, actions taken under~~
111.14 ~~this subdivision to manage statewide long-term care services and supports resources, and~~
111.15 ~~any recommendations for change to the legislative committees with jurisdiction over~~
111.16 ~~health and human services budget.~~

111.17 (f) At the time of application and reapplication for licensure, the applicant and the
111.18 license holder that are subject to the moratorium or an exclusion established in paragraph
111.19 ~~(a) (d)~~ are required to inform the commissioner whether the physical location where the
111.20 foster care will be provided is or will be the primary residence of the license holder for
111.21 the entire period of licensure. If the primary residence of the applicant or license holder
111.22 changes, the applicant or license holder must notify the commissioner immediately. The
111.23 commissioner shall print on the foster care license certificate whether or not the physical
111.24 location is the primary residence of the license holder.

111.25 (g) Consistent with the requirements of section 256B.4915, the commissioner has
111.26 the authority to manage statewide capacity of licensed corporate foster care and CRSs,
111.27 including adjusting the capacity within a geographic region or consolidating or reducing
111.28 foster care or CRS licensed beds to meet the statewide needs identified through the
111.29 process in section 256B.4915.

111.30 (h) The commissioner must provide written notice of the reduction of licensed beds
111.31 to a license holder whose corporate foster care or CRS beds were decreased. Notice
111.32 must be given by certified mail or personal service, state the reason the licensed beds
111.33 were reduced, and inform the license holder of the right to reconsideration. The request
111.34 for reconsideration from the license holder must be submitted in writing and, if mailed,
111.35 postmarked and sent to the commissioner within 20 calendar days after the license holder
111.36 received the notice of reduction in licensed beds.

112.1 ~~(g) License holders of foster care homes identified under paragraph (f) that are not~~
 112.2 ~~the primary residence of the license holder and that also provide services in the foster care~~
 112.3 ~~home that are covered by a federally approved home and community-based services~~
 112.4 ~~waiver, as authorized under section 256B.0915, 256B.092, or 256B.49, must inform the~~
 112.5 ~~human services licensing division that the license holder provides or intends to provide~~
 112.6 ~~these waiver-funded services.~~

112.7 Sec. 4. Minnesota Statutes 2015 Supplement, section 245D.03, subdivision 1, is
 112.8 amended to read:

112.9 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of
 112.10 home and community-based services to persons with disabilities and persons age 65 and
 112.11 older pursuant to this chapter. The licensing standards in this chapter govern the provision
 112.12 of basic support services and intensive support services.

112.13 (b) Basic support services provide the level of assistance, supervision, and care that
 112.14 is necessary to ensure the health and welfare of the person and do not include services that
 112.15 are specifically directed toward the training, treatment, habilitation, or rehabilitation of
 112.16 the person. Basic support services include:

112.17 (1) in-home and out-of-home respite care services as defined in section 245A.02,
 112.18 subdivision 15, and under the brain injury, community alternative care, community access
 112.19 for disability inclusion, developmental disability, and elderly waiver plans, excluding
 112.20 out-of-home respite care provided to children in a family child foster care home licensed
 112.21 under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license
 112.22 holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and
 112.23 8, or successor provisions; and section 245D.061 or successor provisions, which must
 112.24 be stipulated in the statement of intended use required under Minnesota Rules, part
 112.25 2960.3000, subpart 4;

112.26 (2) adult companion services as defined under the brain injury, community access
 112.27 for disability inclusion, and elderly waiver plans, excluding adult companion services
 112.28 provided under the Corporation for National and Community Services Service, Senior
 112.29 Companion Program established under the ~~Domestic Volunteer Service Act of 1973, Public~~
 112.30 ~~Law 98-288~~ Code of Federal Regulations, title 45, subpart B, chapter 25, part 2551 et seq.;

112.31 (3) personal support as defined under the developmental disability waiver plan;

112.32 (4) 24-hour emergency assistance, personal emergency response as defined under
 112.33 the community access for disability inclusion and developmental disability waiver plans;

112.34 (5) night supervision services as defined under the brain injury waiver plan; ~~and~~

113.1 (6) homemaker services as defined under the community access for disability
 113.2 inclusion, brain injury, community alternative care, developmental disability, and elderly
 113.3 waiver plans, excluding providers licensed by the Department of Health under chapter
 113.4 144A and those providers providing cleaning services only; and

113.5 (7) individual community living support under section 256B.0915, subdivision 3j.

113.6 (c) Intensive support services provide assistance, supervision, and care that is
 113.7 necessary to ensure the health and welfare of the person and services specifically directed
 113.8 toward the training, habilitation, or rehabilitation of the person. Intensive support services
 113.9 include:

113.10 (1) intervention services, including:

113.11 (i) behavioral support services as defined under the brain injury and community
 113.12 access for disability inclusion waiver plans;

113.13 (ii) in-home or out-of-home crisis respite services as defined under the developmental
 113.14 disability waiver plan; and

113.15 (iii) specialist services as defined under the current developmental disability waiver
 113.16 plan;

113.17 (2) in-home support services, including:

113.18 (i) in-home family support and supported living services as defined under the
 113.19 developmental disability waiver plan;

113.20 (ii) independent living services training as defined under the brain injury and
 113.21 community access for disability inclusion waiver plans; and

113.22 (iii) semi-independent living services;

113.23 (3) residential supports and services, including:

113.24 (i) supported living services as defined under the developmental disability waiver
 113.25 plan provided in a family or corporate child foster care residence, a family adult foster
 113.26 care residence, a community residential setting, or a supervised living facility;

113.27 (ii) foster care services as defined in the brain injury, community alternative care,
 113.28 and community access for disability inclusion waiver plans provided in a family or
 113.29 corporate child foster care residence, a family adult foster care residence, or a community
 113.30 residential setting; and

113.31 (iii) residential services provided to more than four persons with developmental
 113.32 disabilities in a supervised living facility, including ICFs/DD;

113.33 (4) day services, including:

113.34 (i) structured day services as defined under the brain injury waiver plan;

113.35 (ii) day training and habilitation services under sections 252.41 to 252.46, and as
 113.36 defined under the developmental disability waiver plan; and

114.1 (iii) prevocational services as defined under the brain injury and community access
 114.2 for disability inclusion waiver plans; and
 114.3 (5) supported employment as defined under the brain injury, developmental
 114.4 disability, and community access for disability inclusion waiver plans.

114.5 **EFFECTIVE DATE.** This section is effective July 1, 2016.

114.6 Sec. 5. Minnesota Statutes 2015 Supplement, section 256B.441, subdivision 30,
 114.7 is amended to read:

114.8 Subd. 30. **Median total care-related cost per diem and other operating per diem**
 114.9 **determined.** (a) The commissioner shall determine the median total care-related per
 114.10 diem to be used in subdivision 50 and the median other operating per diem to be used in
 114.11 subdivision 51 using the cost reports from nursing facilities in Anoka, Carver, Dakota,
 114.12 Hennepin, Ramsey, Scott, and Washington Counties.

114.13 (b) The median total care-related per diem shall be equal to the median ~~direct care~~
 114.14 ~~cost~~ total care-related per diem for a RUG's weight of 1.00 for facilities located in the
 114.15 counties listed in paragraph (a).

114.16 (c) The median other operating per diem shall be equal to the median other
 114.17 operating per diem for facilities located in the counties listed in paragraph (a). The other
 114.18 operating per diem shall be the sum of each facility's administrative costs, dietary costs,
 114.19 housekeeping costs, laundry costs, and maintenance and plant operations costs divided
 114.20 by each facility's resident days.

114.21 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2016.

114.22 Sec. 6. Minnesota Statutes 2014, section 256B.4912, is amended by adding a
 114.23 subdivision to read:

114.24 Subd. 11. **Annual data submission.** (a) In a manner determined by the
 114.25 commissioner, home and community-based services waiver providers enrolled under this
 114.26 section shall submit data to the commissioner on the following:

114.27 (1) wages of workers;

114.28 (2) benefits paid;

114.29 (3) staff retention rates;

114.30 (4) amount of overtime paid;

114.31 (5) amount of travel time paid;

114.32 (6) vacancy rates; and

114.33 (7) other data elements determined by the commissioner.

115.1 (b) The commissioner may adjust reporting requirements for some individual
 115.2 self-employed workers.

115.3 (c) This subdivision also applies to providers of personal care assistance services
 115.4 under section 256B.0625, subdivision 19a; community first services and supports under
 115.5 section 256B.85; consumer support grants under section 256.476; nursing services and
 115.6 home health services under section 256B.0625, subdivision 6a; home care nursing
 115.7 services under section 256B.0625, subdivision 7; intermediate care facilities for persons
 115.8 with developmental disabilities under section 256B.501; and day training and habilitation
 115.9 providers serving residents of intermediate care facilities for persons with developmental
 115.10 disabilities under section 256B.501.

115.11 (d) This data shall be submitted annually each calendar year on a date specified
 115.12 by the commissioner. The commissioner shall give providers at least 30 calendar days
 115.13 to submit the data. Failure to submit the data requested may result in delays to medical
 115.14 assistance reimbursement.

115.15 (e) Individually identifiable data submitted to the commissioner in this section are
 115.16 considered private data on individuals, as defined by section 13.02, subdivision 12.

115.17 (f) The commissioner shall analyze data annually for workforce assessments and its
 115.18 impact on service access.

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

115.20 Sec. 7. Minnesota Statutes 2015 Supplement, section 256B.4913, subdivision 4a,
 115.21 is amended to read:

115.22 Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision,
 115.23 "implementation period" means the period beginning January 1, 2014, and ending on
 115.24 the last day of the month in which the rate management system is populated with the
 115.25 data necessary to calculate rates for substantially all individuals receiving home and
 115.26 community-based waiver services under sections 256B.092 and 256B.49. "Banding
 115.27 period" means the time period beginning on January 1, 2014, and ending upon the
 115.28 expiration of the 12-month period defined in paragraph (c), clause (5).

115.29 (b) For purposes of this subdivision, the historical rate for all service recipients means
 115.30 the individual reimbursement rate for a recipient in effect on December 1, 2013, except that:

115.31 (1) for a day service recipient who was not authorized to receive these waiver
 115.32 services prior to January 1, 2014; added a new service or services on or after January 1,
 115.33 2014; or changed providers on or after January 1, 2014, the historical rate must be the
 115.34 weighted average authorized rate for ~~the~~ each provider number in the county of service,
 115.35 effective December 1, 2013; or

116.1 (2) for a unit-based service with programming or a unit-based service without
116.2 programming recipient who was not authorized to receive these waiver services prior to
116.3 January 1, 2014; added a new service or services on or after January 1, 2014; or changed
116.4 providers on or after January 1, 2014, the historical rate must be the weighted average
116.5 authorized rate for each provider number in the county of service, effective December 1,
116.6 2013; or

116.7 (3) for residential service recipients who change providers on or after January 1,
116.8 2014, the historical rate must be set by each lead agency within their county aggregate
116.9 budget using their respective methodology for residential services effective December 1,
116.10 2013, for determining the provider rate for a similarly situated recipient being served by
116.11 that provider.

116.12 (c) The commissioner shall adjust individual reimbursement rates determined under
116.13 this section so that the unit rate is no higher or lower than:

116.14 (1) 0.5 percent from the historical rate for the implementation period;

116.15 (2) 0.5 percent from the rate in effect in clause (1), for the 12-month period
116.16 immediately following the time period of clause (1);

116.17 (3) 0.5 percent from the rate in effect in clause (2), for the 12-month period
116.18 immediately following the time period of clause (2);

116.19 (4) 1.0 percent from the rate in effect in clause (3), for the 12-month period
116.20 immediately following the time period of clause (3);

116.21 (5) 1.0 percent from the rate in effect in clause (4), for the 12-month period
116.22 immediately following the time period of clause (4); and

116.23 (6) no adjustment to the rate in effect in clause (5) for the 12-month period
116.24 immediately following the time period of clause (5). During this banding rate period, the
116.25 commissioner shall not enforce any rate decrease or increase that would otherwise result
116.26 from the end of the banding period. The commissioner shall, upon enactment, seek federal
116.27 approval for the addition of this banding period.

116.28 (d) The commissioner shall review all changes to rates that were in effect on
116.29 December 1, 2013, to verify that the rates in effect produce the equivalent level of spending
116.30 and service unit utilization on an annual basis as those in effect on October 31, 2013.

116.31 (e) By December 31, 2014, the commissioner shall complete the review in paragraph
116.32 (d), adjust rates to provide equivalent annual spending, and make appropriate adjustments.

116.33 (f) During the banding period, the Medicaid Management Information System
116.34 (MMIS) service agreement rate must be adjusted to account for change in an individual's
116.35 need. The commissioner shall adjust the Medicaid Management Information System
116.36 (MMIS) service agreement rate by:

117.1 (1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for
117.2 the individual with variables reflecting the level of service in effect on December 1, 2013;

117.3 (2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or
117.4 9, for the individual with variables reflecting the updated level of service at the time
117.5 of application; and

117.6 (3) adding to or subtracting from the Medicaid Management Information System
117.7 (MMIS) service agreement rate, the difference between the values in clauses (1) and (2).

117.8 (g) This subdivision must not apply to rates for recipients served by providers new
117.9 to a given county after January 1, 2014. Providers of personal supports services who also
117.10 acted as fiscal support entities must be treated as new providers as of January 1, 2014.

117.11 Sec. 8. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 10,
117.12 is amended to read:

117.13 Subd. 10. **Updating payment values and additional information.** (a) From
117.14 January 1, 2014, through December 31, 2017, the commissioner shall develop and
117.15 implement uniform procedures to refine terms and adjust values used to calculate payment
117.16 rates in this section.

117.17 (b) No later than July 1, 2014, the commissioner shall, within available resources,
117.18 begin to conduct research and gather data and information from existing state systems or
117.19 other outside sources on the following items:

117.20 (1) differences in the underlying cost to provide services and care across the state; and

117.21 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides,
117.22 and units of transportation for all day services, which must be collected from providers
117.23 using the rate management worksheet and entered into the rates management system; and

117.24 (3) the distinct underlying costs for services provided by a license holder under
117.25 sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services
117.26 provided by a license holder certified under section 245D.33.

117.27 (c) Using a statistically valid set of rates management system data, the commissioner,
117.28 in consultation with stakeholders, shall analyze for each service the average difference
117.29 in the rate on December 31, 2013, and the framework rate at the individual, provider,
117.30 lead agency, and state levels. The commissioner shall issue semiannual reports to the
117.31 stakeholders on the difference in rates by service and by county lead agency during the
117.32 banding period under section 256B.4913, subdivision 4a. The commissioner shall issue
117.33 the first report by October 1, 2014.

118.1 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders,
118.2 shall begin the review and evaluation of the following values already in subdivisions 6 to
118.3 9, or issues that impact all services, including, but not limited to:

- 118.4 (1) values for transportation rates for day services;
- 118.5 (2) values for transportation rates in residential services;
- 118.6 (3) values for services where monitoring technology replaces staff time;
- 118.7 (4) values for indirect services;
- 118.8 (5) values for nursing;
- 118.9 (6) component values for independent living skills;
- 118.10 (7) component values for family foster care that reflect licensing requirements;
- 118.11 (8) adjustments to other components to replace the budget neutrality factor;
- 118.12 (9) remote monitoring technology for nonresidential services;
- 118.13 (10) values for basic and intensive services in residential services;
- 118.14 (11) values for the facility use rate in day services, and the weightings used in the
118.15 day service ratios and adjustments to those weightings;
- 118.16 (12) values for workers' compensation as part of employee-related expenses;
- 118.17 (13) values for unemployment insurance as part of employee-related expenses;
- 118.18 (14) a component value to reflect costs for individuals with rates previously adjusted
118.19 for the inclusion of group residential housing rate 3 costs, only for any individual enrolled
118.20 as of December 31, 2013; and
- 118.21 (15) any changes in state or federal law with an impact on the underlying cost of
118.22 providing home and community-based services.

118.23 (e) The commissioner shall report to the chairs and the ranking minority members of
118.24 the legislative committees and divisions with jurisdiction over health and human services
118.25 policy and finance with the information and data gathered under paragraphs (b) to (d)
118.26 on the following dates:

- 118.27 (1) January 15, 2015, with preliminary results and data;
- 118.28 (2) January 15, 2016, with a status implementation update, and additional data
118.29 and summary information;
- 118.30 (3) January 15, 2017, with the full report; and
- 118.31 (4) January 15, 2019, with another full report, and a full report once every four
118.32 years thereafter.

118.33 (f) Based on the commissioner's evaluation of the information and data collected in
118.34 paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by
118.35 January 15, 2015, to address any issues identified during the first year of implementation.

119.1 After January 15, 2015, the commissioner may make recommendations to the legislature
119.2 to address potential issues.

119.3 (g) The commissioner shall implement a regional adjustment factor to all rate
119.4 calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to
119.5 implementation, the commissioner shall consult with stakeholders on the methodology to
119.6 calculate the adjustment.

119.7 (h) The commissioner shall provide a public notice via LISTSERV in October of
119.8 each year beginning October 1, 2014, containing information detailing legislatively
119.9 approved changes in:

119.10 (1) calculation values including derived wage rates and related employee and
119.11 administrative factors;

119.12 (2) service utilization;

119.13 (3) ~~county and tribal~~ lead agency allocation changes; and

119.14 (4) information on adjustments made to calculation values and the timing of those
119.15 adjustments.

119.16 The information in this notice must be effective January 1 of the following year.

119.17 (i) No later than July 1, 2016, the commissioner shall develop and implement, in
119.18 consultation with stakeholders, a methodology sufficient to determine the shared staffing
119.19 levels necessary to meet, at a minimum, health and welfare needs of individuals who
119.20 will be living together in shared residential settings, and the required shared staffing
119.21 activities described in subdivision 2, paragraph (l). This determination methodology must
119.22 ensure staffing levels are adaptable to meet the needs and desired outcomes for current and
119.23 prospective residents in shared residential settings.

119.24 (j) When the available shared staffing hours in a residential setting are insufficient to
119.25 meet the needs of an individual who enrolled in residential services after January 1, 2014,
119.26 or insufficient to meet the needs of an individual with a service agreement adjustment
119.27 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing
119.28 hours shall be used.

119.29 Sec. 9. Minnesota Statutes 2014, section 256B.4914, subdivision 11, is amended to read:

119.30 Subd. 11. **Payment implementation.** Upon implementation of the payment
119.31 methodologies under this section, those payment rates supersede rates established in
119.32 ~~county~~ lead agency contracts for recipients receiving waiver services under section
119.33 256B.092 or 256B.49.

120.1 Sec. 10. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 14,
120.2 is amended to read:

120.3 Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead
120.4 agencies must identify individuals with exceptional needs that cannot be met under the
120.5 disability waiver rate system. The commissioner shall use that information to evaluate
120.6 and, if necessary, approve an alternative payment rate for those individuals. Whether
120.7 granted, denied, or modified, the commissioner shall respond to all exception requests in
120.8 writing. The commissioner shall include in the written response the basis for the action
120.9 and provide notification of the right to appeal under paragraph (h).

120.10 (b) Lead agencies must act on an exception request within 30 days and notify the
120.11 initiator of the request of their recommendation in writing. A lead agency shall submit all
120.12 exception requests along with its recommendation to the commissioner.

120.13 (c) An application for a rate exception may be submitted for the following criteria:

120.14 (1) an individual has service needs that cannot be met through additional units
120.15 of service;

120.16 (2) an individual's rate determined under subdivisions 6, 7, 8, and 9 is so insufficient
120.17 that it has resulted in an individual receiving a notice of discharge from the individual's
120.18 provider; ~~or~~

120.19 (3) an individual's service needs, including behavioral changes, require a level of
120.20 service which necessitates a change in provider or which requires the current provider to
120.21 propose service changes beyond those currently authorized; or

120.22 (4) an individual's service needs cannot be met through a weighted county average
120.23 rate as defined in 256B.4913, subdivision 4a.

120.24 (d) Exception requests must include the following information:

120.25 (1) the service needs required by each individual that are not accounted for in
120.26 subdivisions 6, 7, 8, and 9;

120.27 (2) the service rate requested and the difference from the rate determined in
120.28 subdivisions 6, 7, 8, and 9;

120.29 (3) a basis for the underlying costs used for the rate exception and any accompanying
120.30 documentation; and

120.31 (4) any contingencies for approval.

120.32 (e) Approved rate exceptions shall be managed within lead agency allocations under
120.33 sections 256B.092 and 256B.49.

120.34 (f) Individual disability waiver recipients, an interested party, or the license holder
120.35 that would receive the rate exception increase may request that a lead agency submit an
120.36 exception request. A lead agency that denies such a request shall notify the individual

121.1 waiver recipient, interested party, or license holder of its decision and the reasons for
121.2 denying the request in writing no later than 30 days after the request has been made and
121.3 shall submit its denial to the commissioner in accordance with paragraph (b). The reasons
121.4 for the denial must be based on the failure to meet the criteria in paragraph (c).

121.5 (g) The commissioner shall determine whether to approve or deny an exception
121.6 request no more than 30 days after receiving the request. If the commissioner denies the
121.7 request, the commissioner shall notify the lead agency and the individual disability waiver
121.8 recipient, the interested party, and the license holder in writing of the reasons for the denial.

121.9 (h) The individual disability waiver recipient may appeal any denial of an exception
121.10 request by either the lead agency or the commissioner, pursuant to sections 256.045 and
121.11 256.0451. When the denial of an exception request results in the proposed demission of a
121.12 waiver recipient from a residential or day habilitation program, the commissioner shall
121.13 issue a temporary stay of demission, when requested by the disability waiver recipient,
121.14 consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c).
121.15 The temporary stay shall remain in effect until the lead agency can provide an informed
121.16 choice of appropriate, alternative services to the disability waiver.

121.17 (i) Providers may petition lead agencies to update values that were entered
121.18 incorrectly or erroneously into the rate management system, based on past service level
121.19 discussions and determination in subdivision 4, without applying for a rate exception.

121.20 (j) The starting date for the rate exception will be the later of the date of the
121.21 recipient's change in support or the date of the request to the lead agency for an exception.

121.22 (k) The commissioner shall track all exception requests received and their
121.23 dispositions. The commissioner shall issue quarterly public exceptions statistical reports,
121.24 including the number of exception requests received and the numbers granted, denied,
121.25 withdrawn, and pending. The report shall include the average amount of time required to
121.26 process exceptions.

121.27 (l) No later than January 15, 2016, the commissioner shall provide research
121.28 findings on the estimated fiscal impact, the primary cost drivers, and common population
121.29 characteristics of recipients with needs that cannot be met by the framework rates.

121.30 (m) No later than July 1, 2016, the commissioner shall develop and implement,
121.31 in consultation with stakeholders, a process to determine eligibility for rate exceptions
121.32 for individuals with rates determined under the methodology in section 256B.4913,
121.33 subdivision 4a. Determination of eligibility for an exception will occur as annual service
121.34 renewals are completed.

122.1 (n) Approved rate exceptions will be implemented at such time that the individual's
 122.2 rate is no longer banded and remain in effect in all cases until an individual's needs change
 122.3 as defined in paragraph (c).

122.4 Sec. 11. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 15,
 122.5 is amended to read:

122.6 Subd. 15. ~~County or tribal~~ **Lead agency allocations.** (a) Upon implementation of
 122.7 the disability waiver rates management system on January 1, 2014, the commissioner shall
 122.8 establish a method of tracking and reporting the fiscal impact of the disability waiver rates
 122.9 management system on individual lead agencies.

122.10 (b) Beginning January 1, 2014, the commissioner shall make annual adjustments to
 122.11 lead agencies' home and community-based waived service budget allocations to adjust
 122.12 for rate differences and the resulting impact on ~~county~~ lead agency allocations upon
 122.13 implementation of the disability waiver rates system.

122.14 (c) Lead agencies exceeding their allocations shall be subject to the provisions under
 122.15 sections 256B.0916, subdivision 11, and 256B.49, subdivision 26.

122.16 Sec. 12. **[256B.4915] MANAGEMENT OF STATEWIDE CORPORATE FOSTER**
 122.17 **CARE AND COMMUNITY RESIDENTIAL LICENSED SETTING CAPACITY.**

122.18 Subdivision 1. **Recommendations.** (a) The commissioner shall consult with
 122.19 stakeholders including lead agencies, recipients of long-term services and supports,
 122.20 advocates, and service providers, to develop recommendations to improve the state's
 122.21 capacity to meet long-term care services and supports needs within budgetary limits. The
 122.22 commissioner may request proposals from service providers and lead agencies for:

122.23 (1) change of service type, capacity, or location;

122.24 (2) how to increase the independence of individuals receiving services; and

122.25 (3) how to meet the needs identified by the long-term care services and supports
 122.26 reports under section 144A.351 and related statewide data and information.

122.27 (b) By August 15 of each year, the commissioner shall provide information and
 122.28 recommendations to the legislative committees with jurisdiction over health and human
 122.29 services policy and finance on:

122.30 (1) need determination data;

122.31 (2) the overall statewide capacity of licensed home and community-based services
 122.32 and settings;

122.33 (3) how the overall statewide capacity of licensed home and community-based
 122.34 services and settings impacts the state's ability to support individuals in the community; and

123.1 (4) actions taken to manage statewide capacity of licensed home and
 123.2 community-based services and settings, including the number and location of licensed
 123.3 corporate foster care and community residential settings.

123.4 Subd. 2. **Reporting requirements.** The commissioner shall provide
 123.5 recommendations on capacity improvement processes by February 15, 2018, to the
 123.6 legislative committees with jurisdiction over health and human services policy and finance.

123.7 Sec. 13. Minnesota Statutes 2014, section 256B.493, subdivision 3, is amended to read:

123.8 Subd. 3. **Application Voluntary closure process.** (a) The commissioner shall
 123.9 establish a process for the application, review, and approval of proposals from license
 123.10 holders for the closure of adult foster care settings.

123.11 (b) When an application for a ~~planned~~ voluntary closure rate adjustment is submitted,
 123.12 the license holder shall provide written notification within five working days to the lead
 123.13 agencies responsible for authorizing the licensed services for the residents of the affected
 123.14 adult foster care settings. This notification shall be deemed confidential until the license
 123.15 holder has received approval of the application by the commissioner.

123.16 Sec. 14. Minnesota Statutes 2014, section 256B.493, subdivision 4, is amended to read:

123.17 Subd. 4. **Review and approval process.** (a) To be considered for approval, an
 123.18 application must include:

123.19 (1) a description of the proposed closure plan, which must identify the home or homes
 123.20 and occupied beds for which a ~~planned~~ voluntary closure rate adjustment is requested;

123.21 (2) the proposed timetable for any proposed closure, including the proposed dates
 123.22 for notification to residents and the affected lead agencies, commencement of closure,
 123.23 and completion of closure;

123.24 (3) the proposed relocation plan jointly developed by the counties of financial
 123.25 responsibility, the residents and their legal representatives, if any, who wish to continue to
 123.26 receive services from the provider, and the providers for current residents of any adult
 123.27 foster care home designated for closure; and

123.28 (4) documentation in a format approved by the commissioner that all the adult foster
 123.29 care homes receiving a planned closure rate adjustment under the plan have accepted joint
 123.30 and several liability for recovery of overpayments under section 256B.0641, subdivision
 123.31 2, for the facilities designated for closure under this plan.

123.32 (b) In reviewing and approving closure proposals, the commissioner shall give first
 123.33 priority to proposals that:

123.34 (1) target counties and geographic areas which have:

- 124.1 (i) need for other types of services;
- 124.2 (ii) need for specialized services;
- 124.3 (iii) higher than average per capita use of foster care settings where the license
- 124.4 holder does not reside; or
- 124.5 (iv) residents not living in the geographic area of their choice;
- 124.6 (2) demonstrate savings of medical assistance expenditures; and
- 124.7 (3) demonstrate that alternative services are based on the recipient's choice of
- 124.8 provider and are consistent with federal law, state law, and federally approved waiver plans.

124.9 The commissioner shall also consider any information provided by service

124.10 recipients, their legal representatives, family members, or the lead agency on the impact of

124.11 the planned closure on the recipients and the services they need.

124.12 (c) The commissioner shall select proposals that best meet the criteria established in

124.13 this subdivision for planned closure of adult foster care settings. The commissioner shall

124.14 notify license holders of the selections approved by the commissioner.

124.15 (d) For each proposal approved by the commissioner, a contract must be established

124.16 between the commissioner, the counties of financial responsibility, and the participating

124.17 license holder.

124.18 Sec. 15. **PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY**

124.19 **1, 2016.**

124.20 (a) The commissioner of human services shall increase reimbursement rates, grants,

124.21 allocations, individual limits, and rate limits, as applicable, by 2.72 percent for the rate

124.22 period beginning July 1, 2016, for services rendered on or after that date. County or tribal

124.23 contracts for services specified in this section must be amended to pass through with these

124.24 rate increases within 60 days of the effective date.

124.25 (b) The rate changes described in this section must be provided to:

124.26 (1) the following services within the home and community-based waiver for persons

124.27 with developmental disabilities under Minnesota Statutes, section 256B.092: extended

124.28 personal care, personal support, chore, respite care services except for crisis respite

124.29 services, homemaker cleaning services, and consumer-directed community supports

124.30 budgets;

124.31 (2) the following services within the community access for disability inclusion

124.32 waiver under Minnesota Statutes, section 256B.49: extended personal care, chore, respite

124.33 care services, homemaker cleaning services, and consumer-directed community supports

124.34 budgets;

125.1 (3) the following services within the community alternative care waiver under
125.2 Minnesota Statutes, section 256B.49: extended personal care, chore, respite care services,
125.3 homemaker cleaning services, and consumer-directed community supports budgets;

125.4 (4) the following services within the brain injury waiver under Minnesota Statutes,
125.5 section 256B.49: extended personal care, chore, respite care services, homemaker
125.6 cleaning services, and consumer-directed community supports budgets;

125.7 (5) the following services within the elderly waiver under Minnesota Statutes,
125.8 section 256B.0915: extended personal care, companion, chore, respite care services,
125.9 homemaker cleaning services, and consumer-directed community supports budgets;

125.10 (6) the following services within the alternative care program under Minnesota
125.11 Statutes, section 256B.0913: personal care, companion, chore, respite care services,
125.12 homemaker cleaning services, and consumer-directed community supports budgets;

125.13 (7) personal care services and qualified professional supervision of personal care
125.14 services under Minnesota Statutes, section 256B.0625, subdivision 6a or 19a; and

125.15 (8) consumer support grants under Minnesota Statutes, section 256.476.

125.16 (c) A managed care plan or county-based purchasing plan receiving state payments
125.17 for the services in paragraph (b) must include the increases in paragraph (a) in payments
125.18 to providers. To implement the rate increase in this section, capitation rates paid by the
125.19 commissioner to managed care organizations under Minnesota Statutes, section 256B.69,
125.20 shall reflect a 2.72 percent increase for the specified services provided on or after July
125.21 1, 2016.

125.22 (d) Counties and tribes shall increase the budget for each recipient of
125.23 consumer-directed community supports by the amounts in paragraph (a) on the effective
125.24 dates in paragraph (a).

125.25 (e) To implement the provisions of this section, the commissioner shall increase
125.26 applicable service rates in the disability waiver payment system authorized in Minnesota
125.27 Statutes, sections 256B.4913 and 256B.4914.

125.28 (f) A provider that receives a rate adjustment under paragraph (a) shall use 90
125.29 percent of the additional revenue to increase compensation-related costs for employees
125.30 directly employed by the program on or after July 1, 2016, except:

125.31 (1) persons employed in the central office of a corporation or entity that has an
125.32 ownership interest in the provider or exercises control over the provider; and

125.33 (2) persons paid by the provider under a management contract.

125.34 (g) Compensation-related costs include:

125.35 (1) wages and salaries, including overtime and travel time;

126.1 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
126.2 unemployment taxes, workers' compensation, and mileage reimbursement;

126.3 (3) the employer's share of health and dental insurance, life insurance, disability
126.4 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
126.5 employee retirement accounts; and

126.6 (4) other employee benefits provided, such as training of employees, as specified in
126.7 the distribution plan and required under paragraph (i) and approved by the commissioner.

126.8 (h) Nothing in this subdivision prevents a provider as an employer from allocating the
126.9 increase in revenues across the eligible compensation-related costs listed in paragraph (g).

126.10 (i) For a provider that has employees who are represented by an exclusive bargaining
126.11 representative, the provider shall obtain a letter of acceptance of the distribution plan
126.12 required under paragraph (j), for the members of the bargaining unit, signed by the
126.13 exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall be
126.14 deemed to have met all the requirements of this section for the members of the bargaining
126.15 unit. Upon request, the provider shall produce a letter of acceptance for the commissioner.

126.16 (j) A provider that receives a rate adjustment under paragraph (a), that is subject to
126.17 paragraph (f), shall prepare and, upon request, submit to the commissioner a distribution
126.18 plan that specifies the amount of money that is subject to the requirements of paragraph (f)
126.19 the provider expects to receive, including the amount of money that will be distributed
126.20 to increase compensation for employees. The distribution plan must also include the
126.21 provider's policy for scheduling overtime. The provider's policy must not limit the
126.22 scheduling of overtime hours where an individual's service needs are unmet without a
126.23 worker exceeding 40 hours per week of work. The provider's overtime scheduling policy
126.24 must provide for a process that reliably and expeditiously provides services to recipients.

126.25 (k) Within six months of the effective date of the rate adjustment, the provider shall
126.26 post the distribution plan required under paragraph (j) for a period of at least six weeks in
126.27 an area of the provider's operation to which all eligible employees have access and shall
126.28 provide instructions for employees who do not believe they received the wage and other
126.29 compensation-related increases specified in the distribution plan. The instructions must
126.30 include a mailing address, e-mail address, and telephone number that the employees may
126.31 use to contact the commissioner or the commissioner's representative.

126.32 **EFFECTIVE DATE.** This section is effective July 1, 2016.

126.33 Sec. 16. **RESIDENTIAL CARE VOLUNTARY CLOSURE RATE**

126.34 **ADJUSTMENT.**

127.1 Subdivision 1. **Applicability.** The residential care voluntary closure rate adjustment
127.2 is available to an enrolled provider registered under Minnesota Statutes, section 157.17,
127.3 who delivers the service of residential care through the home and community-based
127.4 services waivers under Minnesota Statutes, sections 256B.0915, 256B.092, and 256B.49.

127.5 Subd. 2. **Voluntary closure process.** (a) The commissioner shall establish a
127.6 process for the submission, review, and approval of proposals from an enrolled provider
127.7 for voluntarily closing a residential care service setting.

127.8 (b) When a proposal for a planned closure rate adjustment is submitted, the enrolled
127.9 provider shall provide written notification within five business days to the lead agencies
127.10 responsible for authorizing the waiver services for the affected residents. This notification
127.11 shall be confidential until the enrolled provider has received approval of the proposal by
127.12 the commissioner.

127.13 Subd. 3. **Review and approval process.** (a) To be considered, a proposal must
127.14 include:

127.15 (1) a description of a closure plan that identifies the residential care service settings
127.16 registered under Minnesota Statutes, section 157.17, for which a planned closure rate
127.17 adjustment is requested;

127.18 (2) a timetable for closure, including the dates notifying the affected residents and
127.19 lead agencies, commencement of closure, and completion of closure;

127.20 (3) a description for each resident and each resident's legal representative that
127.21 describes the home and community-based services waivers of the affected resident, case
127.22 manager or care coordinator, and lead agency responsible for authorizing services for the
127.23 resident;

127.24 (4) a relocation plan for the resident jointly developed by the lead agency and the
127.25 resident, and the resident's legal representative, if any; and

127.26 (5) documentation in a format determined by the commissioner that all residential
127.27 care service settings receiving a planned closure rate adjustment have accepted joint
127.28 and several liability for recovery of overpayments under Minnesota Statutes, section
127.29 256B.0641, subdivision 2, for the facilities designated for closure.

127.30 (b) The commissioner shall approve proposals that:

127.31 (1) provide sufficient time for the resident to transition to new services;

127.32 (2) identify the types of services and supports the resident needs; and

127.33 (3) demonstrate that alternative services are based on the resident's choice of provider
127.34 and are consistent with federal law, state law, and federally approved waiver plans.

127.35 (c) The commissioner shall notify enrolled providers whether the proposal is
127.36 approved or disapproved.

128.1 Subd. 4. **Notification of approved proposal.** (a) When the residential care provider
 128.2 is notified that the proposal was approved, the provider shall provide written notification
 128.3 within five business days to:

128.4 (1) lead agencies responsible for authorizing the residential care waiver services for
 128.5 the affected residents; and

128.6 (2) residents, any legal representatives, and family members involved.

128.7 (b) Notification must occur at least 45 calendar days prior to the implementation of
 128.8 the proposal and adjustment to the service rate.

128.9 Subd. 5. **Adjustment to rates.** (a) For purposes of this section, the commissioner
 128.10 shall establish enhanced medical assistance payment rates under Minnesota Statutes,
 128.11 sections 256B.0915 or 256B.4913 and 256B.4914, to facilitate an orderly transition from
 128.12 residential care service settings to other community-based settings.

128.13 (b) The enhanced payment rate shall be effective the day after the first resident
 128.14 moved until the day the last resident moved, not to exceed six months. The commissioner
 128.15 may approve an exception to the monthly cost limits for elderly waiver participants after a
 128.16 provider is approved for the voluntary closure rate.

128.17 (c) The enhanced payment rate may be approved with an effective date no earlier
 128.18 than July 1, 2017, and not to exceed June 30, 2018.

128.19 **EFFECTIVE DATE.** This section is effective upon federal approval to discontinue
 128.20 the home and community-based services waivers for service and residential care and
 128.21 expires on June 30, 2018. The commissioner of human services shall notify the revisor of
 128.22 statutes once federal approval is obtained.

128.23 Sec. 17. **REPEALER.**

128.24 Minnesota Statutes 2014, section 256B.493, subdivisions 1 and 2, are repealed.

128.25 **ARTICLE 4**

128.26 **MENTAL HEALTH**

128.27 Section 1. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 3,
 128.28 is amended to read:

128.29 Subd. 3. ~~Reform projects~~ **Certified community behavioral health clinics**
 128.30 **(CCBHCs).** (a) The commissioner shall establish standards for a state certification
 128.31 of clinics as process for certified community behavioral health clinics, in accordance
 128.32 (CCBHCs) to be eligible for the prospective payment system in paragraph (f). CCBHCs
 128.33 must:

129.1 ~~(1) comply with the CCBHC criteria published on or before September 1, 2015, by~~
129.2 ~~the United States Department of Health and Human Services. Certification standards~~
129.3 ~~established by the commissioner shall require that:~~

129.4 ~~(1) (2) employ or contract for clinic staff who have backgrounds in diverse~~
129.5 ~~disciplines, include including licensed mental health professionals, and staff who are~~
129.6 ~~culturally and linguistically trained to serve the needs of the clinic's patient population;~~

129.7 ~~(2) (3) ensure that clinic services are available and accessible to patients of all ages~~
129.8 ~~and genders and that crisis management services are available 24 hours per day;~~

129.9 ~~(3) (4) establish fees for clinic services are established for non-medical assistance~~
129.10 ~~patients using a sliding fee scale and to ensure that services to patients are not denied or~~
129.11 ~~limited due to a patient's inability to pay for services;~~

129.12 ~~(4) clinics provide coordination of care across settings and providers to ensure~~
129.13 ~~seamless transitions for patients across the full spectrum of health services, including~~
129.14 ~~acute, chronic, and behavioral needs. Care coordination may be accomplished through~~
129.15 ~~partnerships or formal contracts with federally qualified health centers, inpatient~~
129.16 ~~psychiatric facilities, substance use and detoxification facilities, community-based mental~~
129.17 ~~health providers, and other community services, supports, and providers including~~
129.18 ~~schools, child welfare agencies, juvenile and criminal justice agencies, Indian Health~~
129.19 ~~Services clinics, tribally licensed health care and mental health facilities, urban Indian~~
129.20 ~~health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in~~
129.21 ~~centers, acute care hospitals, and hospital outpatient clinics;~~

129.22 ~~(5) comply with quality assurance reporting requirements and other reporting~~
129.23 ~~requirements, including any required reporting of encounter data, clinical outcomes data,~~
129.24 ~~and quality data;~~

129.25 ~~(5) services provided by clinics include (6) provide crisis mental health services,~~
129.26 ~~including withdrawal management, emergency crisis intervention services, and~~
129.27 ~~stabilization services; screening, assessment, and diagnosis services, including risk~~
129.28 ~~assessments and level of care determinations; patient-centered treatment planning;~~
129.29 ~~outpatient mental health and substance use services; targeted case management;~~
129.30 ~~psychiatric rehabilitation services; peer support and counselor services and family support~~
129.31 ~~services; and intensive community-based mental health services, including mental health~~
129.32 ~~services for members of the armed forces and veterans; and~~

129.33 ~~(6) clinics comply with quality assurance reporting requirements and other reporting~~
129.34 ~~requirements, including any required reporting of encounter data, clinical outcomes data,~~
129.35 ~~and quality data.~~

- 130.1 (7) provide coordination of care across settings and providers to ensure seamless
130.2 transitions for patients across the full spectrum of health services, including acute, chronic,
130.3 and behavioral needs. Care coordination may be accomplished through partnerships
130.4 or formal contracts with counties, health plans, pharmacists, pharmacies, rural health
130.5 clinics, federally qualified health centers, inpatient psychiatric facilities, substance use and
130.6 detoxification facilities, community-based mental health providers, and other community
130.7 services, supports, and providers including schools, child welfare agencies, juvenile and
130.8 criminal justice agencies, Indian Health Services clinics, tribally licensed health care
130.9 and mental health facilities, urban Indian health clinics, Department of Veterans Affairs
130.10 medical centers, outpatient clinics, drop-in centers, acute care hospitals, and hospital
130.11 outpatient clinics;
- 130.12 (8) be certified as mental health clinics under section 245.69, subdivision 2;
- 130.13 (9) comply with standards relating to integrated treatment for co-occurring mental
130.14 illness and substance use disorders in adults or children under Minnesota Rules, chapter
130.15 9533;
- 130.16 (10) comply with standards relating to mental health services in Minnesota Rules,
130.17 parts 9505.0370 to 9505.0372;
- 130.18 (11) be licensed to provide chemical dependency treatment under Minnesota Rules,
130.19 parts 9530.6405 to 9530.6505;
- 130.20 (12) be certified to provide children's therapeutic services and supports under
130.21 section 256B.0943;
- 130.22 (13) be certified to provide adult rehabilitative mental health services under section
130.23 256B.0623;
- 130.24 (14) be enrolled with the department to provide mental health crisis response
130.25 services under section 256B.0624;
- 130.26 (15) be enrolled with the department to provide mental health targeted case
130.27 management under section 256B.0625, subdivision 20;
- 130.28 (16) comply with standards relating to mental health case management in Minnesota
130.29 Rules, parts 9520.0900 to 9520.0926; and
- 130.30 (17) provide services that comply with the evidence-based practices described in
130.31 paragraph (e).
- 130.32 (b) If an entity is unable to provide one or more of the services listed in paragraph
130.33 (a), clauses (6) to (17), the commissioner may certify the entity as a CCBHC if it has a
130.34 current contract with another entity with the required authority to provide that service and
130.35 that meets federal CCBHC criteria as a designated collaborating organization; or, to the
130.36 extent allowed by the federal CCBHC criteria, the commissioner may approve a referral

131.1 arrangement. The CCBHC must meet federal requirements regarding the type and scope
131.2 of services provided directly by the CCBHC.

131.3 (c) Notwithstanding other statutes that require county approval for a service listed in
131.4 paragraph (a), clause (6), a clinic that otherwise meets CCBHC requirements may receive
131.5 the prospective payment under paragraph (f) for those services without county approval.
131.6 There is no county share when medical assistance pays the CCBHC prospective payment.
131.7 As part of the certification process in paragraph (a), the commissioner shall require a letter
131.8 of support from the CCBHC's host county confirming that the CCBHC and the county or
131.9 counties it serves have an ongoing relationship to facilitate access and continuity of care,
131.10 especially for individuals who are uninsured or who may go on and off medical assistance.

131.11 (d) When the standards listed in paragraph (a) or other applicable standards conflict
131.12 in incompatible ways or overlap in duplicative ways, the commissioner may grant a
131.13 variance to state requirements if the variance does not conflict with federal requirements.
131.14 When standards overlap, the commissioner may substitute all or a part of a licensure
131.15 or certification that is substantially the same as another licensure or certification. The
131.16 commissioner shall consult with stakeholders, as described in subdivision 4, before
131.17 granting a variance under this paragraph.

131.18 (e) The commissioner shall issue a list of required evidence-based practices to be
131.19 delivered by CCBHCs, and may also provide a list of recommended evidence-based
131.20 practices. The commissioner may update the list to reflect advances in outcomes research
131.21 and medical services for persons living with mental illnesses or substance use disorders.
131.22 The commissioner shall consider the adequacy of evidence to support the efficacy
131.23 of the practice, the quality of workforce available, and the current availability of the
131.24 practice in the state. At least 30 days before issuing the initial list and any revisions, the
131.25 commissioner shall provide stakeholders an opportunity to comment.

131.26 ~~(b)~~ (f) The commissioner shall establish standards and methodologies for a
131.27 prospective payment system for medical assistance payments for mental health services
131.28 delivered by certified community behavioral health clinics, in accordance with guidance
131.29 issued on or before September 1, 2015, by the Centers for Medicare and Medicaid
131.30 Services. During the operation of the demonstration project, payments shall comply with
131.31 federal requirements for a 90 percent ~~an~~ enhanced federal medical assistance percentage.
131.32 The commissioner may include quality bonus payments in the prospective payment
131.33 system based on federal criteria and on a clinic's provision of the evidence-based practices
131.34 in paragraph (e). The prospective payment system does not apply to MinnesotaCare.
131.35 Implementation of the prospective payment system is effective July 1, 2017, or upon
131.36 federal approval, whichever is later.

132.1 (g) The commissioner shall seek federal approval to continue federal financial
 132.2 participation in payment for CCBHC services after the federal demonstration period
 132.3 ends for CCBHCs certified during the demonstration period that continue to meet the
 132.4 CCBHC certification standards in paragraph (a). Payment for CCBHC services shall
 132.5 cease effective July 1, 2019, if continued federal financial participation for the payment
 132.6 of CCBHC services cannot be obtained.

132.7 (h) The commissioner shall give preference to clinics that:

132.8 (1) have at least one location in both rural and urban areas, as defined by federal
 132.9 criteria;

132.10 (2) provide a comprehensive range of services and evidence-based practices for all
 132.11 age groups, with fully coordinated and integrated services; and

132.12 (3) enhance the state's ability to meet the federal priorities to be selected as a
 132.13 CCBHC demonstration state.

132.14 (i) The commissioner shall recertify CCBHCs at least every three years. The
 132.15 commissioner shall establish a process for decertification and shall require corrective
 132.16 action, medical assistance repayment, or decertification of a CCBHC that no longer
 132.17 meets the requirements in this section or fails to meet the standards in the application
 132.18 and certification process.

132.19 **EFFECTIVE DATE.** This section is effective upon enactment, unless otherwise
 132.20 noted.

132.21 Sec. 2. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 4, is
 132.22 amended to read:

132.23 Subd. 4. **Public participation.** In developing ~~the projects~~ and implementing
 132.24 certified community behavioral health clinics (CCBHCs) under subdivision 3, the
 132.25 commissioner shall consult, collaborate, and partner with mental health providers,
 132.26 substance use disorder treatment providers, advocacy organizations, licensed mental
 132.27 health professionals, counties, tribes, hospitals, other health care providers, and Minnesota
 132.28 public health care program enrollees who receive mental health services and their families.

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

132.30 Sec. 3. Minnesota Statutes 2014, section 245.99, subdivision 2, is amended to read:

132.31 Subd. 2. **Rental assistance.** The program shall pay up to 90 days of housing
 132.32 assistance for persons with a serious ~~and persistent~~ mental illness who require inpatient or

133.1 residential care for stabilization. The commissioner of human services may extend the
133.2 length of assistance on a case-by-case basis.

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

133.4 Sec. 4. Minnesota Statutes 2014, section 254B.01, subdivision 4a, is amended to read:

133.5 Subd. 4a. **Culturally specific program.** (a) "Culturally specific program" means a
133.6 substance use disorder treatment service program or subprogram that is recovery-focused
133.7 and culturally specific when the program:

133.8 (1) improves service quality to and outcomes of a specific population by advancing
133.9 health equity to help eliminate health disparities; and

133.10 (2) ensures effective, equitable, comprehensive, and respectful quality care services
133.11 that are responsive to an individual within a specific population's values, beliefs and
133.12 practices, health literacy, preferred language, and other communication needs.

133.13 (b) A tribally licensed substance use disorder program that is designated as serving
133.14 a culturally specific population by the applicable tribal government is deemed to satisfy
133.15 this subdivision.

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

133.17 Sec. 5. Minnesota Statutes 2015 Supplement, section 254B.05, subdivision 5, is
133.18 amended to read:

133.19 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for
133.20 chemical dependency services and service enhancements funded under this chapter.

133.21 (b) Eligible chemical dependency treatment services include:

133.22 (1) outpatient treatment services that are licensed according to Minnesota Rules,
133.23 parts 9530.6405 to 9530.6480, or applicable tribal license;

133.24 (2) medication-assisted therapy services that are licensed according to Minnesota
133.25 Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

133.26 (3) medication-assisted therapy plus enhanced treatment services that meet the
133.27 requirements of clause (2) and provide nine hours of clinical services each week;

133.28 (4) high, medium, and low intensity residential treatment services that are licensed
133.29 according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable
133.30 tribal license which provide, respectively, 30, 15, and five hours of clinical services each
133.31 week;

134.1 (5) hospital-based treatment services that are licensed according to Minnesota Rules,
 134.2 parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under
 134.3 sections 144.50 to 144.56;

134.4 (6) adolescent treatment programs that are licensed as outpatient treatment programs
 134.5 according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment
 134.6 programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430
 134.7 to 2960.0490, or applicable tribal license;

134.8 (7) high-intensity residential treatment services that are licensed according to
 134.9 Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal
 134.10 license, which provide 30 hours of clinical services each week provided by a state-operated
 134.11 vendor or to clients who have been civilly committed to the commissioner, present the
 134.12 most complex and difficult care needs, and are a potential threat to the community; and

134.13 (8) room and board facilities that meet the requirements of subdivision 1a.

134.14 (c) The commissioner shall establish higher rates for programs that meet the
 134.15 requirements of paragraph (b) and one of the following additional requirements:

134.16 (1) programs that serve parents with their children if the program:

134.17 (i) provides on-site child care during the hours of treatment activity that:

134.18 (A) is licensed under chapter 245A as a child care center under Minnesota Rules,
 134.19 chapter 9503; or

134.20 (B) meets the licensure exclusion criteria of section 245A.03, subdivision 2,
 134.21 paragraph (a), clause (6), and meets the requirements under Minnesota Rules, part
 134.22 9530.6490, subpart 4; or

134.23 (ii) arranges for off-site child care during hours of treatment activity at a facility that
 134.24 is licensed under chapter 245A as:

134.25 (A) a child care center under Minnesota Rules, chapter 9503; or

134.26 (B) a family child care home under Minnesota Rules, chapter 9502;

134.27 (2) culturally specific programs as defined in section 254B.01, subdivision 4a, or
 134.28 programs or subprograms serving special populations, if the program or subprogram meets
 134.29 the following requirements in Minnesota Rules, part 9530.6605, subpart 13;

134.30 (i) is designed to address the unique needs of individuals who share a common
 134.31 language, racial, ethnic, or social background;

134.32 (ii) is governed with significant input from individuals of that specific background;

134.33 and

134.34 (iii) employs individuals to provide individual or group therapy, at least 50 percent
 134.35 of whom are of that specific background.

135.1 (3) programs that offer medical services delivered by appropriately credentialed
135.2 health care staff in an amount equal to two hours per client per week if the medical
135.3 needs of the client and the nature and provision of any medical services provided are
135.4 documented in the client file; and

135.5 (4) programs that offer services to individuals with co-occurring mental health and
135.6 chemical dependency problems if:

135.7 (i) the program meets the co-occurring requirements in Minnesota Rules, part
135.8 9530.6495;

135.9 (ii) 25 percent of the counseling staff are licensed mental health professionals, as
135.10 defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing
135.11 candidates under the supervision of a licensed alcohol and drug counselor supervisor and
135.12 licensed mental health professional, except that no more than 50 percent of the mental
135.13 health staff may be students or licensing candidates with time documented to be directly
135.14 related to provisions of co-occurring services;

135.15 (iii) clients scoring positive on a standardized mental health screen receive a mental
135.16 health diagnostic assessment within ten days of admission;

135.17 (iv) the program has standards for multidisciplinary case review that include a
135.18 monthly review for each client that, at a minimum, includes a licensed mental health
135.19 professional and licensed alcohol and drug counselor, and their involvement in the review
135.20 is documented;

135.21 (v) family education is offered that addresses mental health and substance abuse
135.22 disorders and the interaction between the two; and

135.23 (vi) co-occurring counseling staff ~~will~~ shall receive eight hours of co-occurring
135.24 disorder training annually.

135.25 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program
135.26 that provides arrangements for off-site child care must maintain current documentation at
135.27 the chemical dependency facility of the child care provider's current licensure to provide
135.28 child care services. Programs that provide child care according to paragraph (c), clause
135.29 (1), must be deemed in compliance with the licensing requirements in Minnesota Rules,
135.30 part 9530.6490.

135.31 (e) Adolescent residential programs that meet the requirements of Minnesota
135.32 Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the
135.33 requirements in paragraph (c), clause (4), items (i) to (iv).

135.34 (f) Subject to federal approval, chemical dependency services that are otherwise
135.35 covered as direct face-to-face services may be provided via two-way interactive video.
135.36 The use of two-way interactive video must be medically appropriate to the condition and

136.1 needs of the person being served. Reimbursement shall be at the same rates and under the
 136.2 same conditions that would otherwise apply to direct face-to-face services. The interactive
 136.3 video equipment and connection must comply with Medicare standards in effect at the
 136.4 time the service is provided.

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

136.6 Sec. 6. Minnesota Statutes 2015 Supplement, section 256.478, is amended to read:

136.7 **256.478 HOME AND COMMUNITY-BASED SERVICES TRANSITIONS**
 136.8 **GRANTS TRANSITION TO COMMUNITY INITIATIVE.**

136.9 Subdivision 1. **Eligibility.** (a) Individuals are eligible for the transition to
 136.10 community initiative if they meet the following criteria:

136.11 (1) the individual would otherwise remain at the Anoka Metro Regional Treatment
 136.12 Center or the Minnesota Security Hospital;

136.13 (2) the individual's discharge would be significantly delayed without the additional
 136.14 resources available through the transitions to community initiative; and

136.15 (3) the individual met treatment objectives and no longer needs hospital-level care or
 136.16 a secure treatment setting.

136.17 (b) Individuals who are in a community hospital and on the waiting list for Anoka
 136.18 Metro Regional Treatment Center but for whom alternative community placement would
 136.19 be appropriate may also be eligible for the transition to community initiative upon
 136.20 commissioner approval.

136.21 Subd. 2. **Transition grants.** (a) The commissioner shall make available home
 136.22 and community-based services transition grants to serve individuals who do not meet
 136.23 eligibility criteria for the medical assistance program under section 256B.056 or 256B.057,
 136.24 but who otherwise meet the criteria under section 256B.092, subdivision 13, or 256B.49,
 136.25 subdivision 24.

136.26 (b) Grants established under paragraph (a) may be used to serve individuals who do
 136.27 not meet eligibility criteria for the medical assistance program under section 256B.056 or
 136.28 256B.057, but who otherwise meet the criteria under subdivision 1, and to pay for services
 136.29 and supports not eligible for reimbursement under medical assistance.

136.30 Sec. 7. Minnesota Statutes 2014, section 256B.0622, is amended by adding a
 136.31 subdivision to read:

136.32 Subd. 12. **Start-up grants.** The commissioner may, within available appropriations,
 136.33 disburse grant funding to counties, Indian tribes, or mental health service providers to

137.1 establish additional assertive community treatment teams, intensive residential treatment
137.2 services, or crisis residential services.

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

137.4 Sec. 8. Minnesota Statutes 2014, section 256B.0915, subdivision 3b, is amended to read:

137.5 Subd. 3b. **Cost limits for elderly waiver applicants who reside in a nursing**
137.6 **facility or another eligible facility.** (a) For a person who is a nursing facility resident
137.7 at the time of requesting a determination of eligibility for elderly waived services,
137.8 a monthly conversion budget limit for the cost of elderly waived services may be
137.9 requested. The monthly conversion budget limit for the cost of elderly waiver services shall
137.10 be the resident class assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, for
137.11 that resident in the nursing facility where the resident currently resides until July 1 of the
137.12 state fiscal year in which the resident assessment system as described in section 256B.438
137.13 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal
137.14 year in which the resident assessment system as described in section 256B.438 for nursing
137.15 home rate determination is implemented, the monthly conversion budget limit for the cost
137.16 of elderly waiver services shall be based on the per diem nursing facility rate as determined
137.17 by the resident assessment system as described in section 256B.438 for residents in
137.18 the nursing facility where the elderly waiver applicant currently resides. The monthly
137.19 conversion budget limit shall be calculated by multiplying the per diem by 365, divided by
137.20 12, and reduced by the recipient's maintenance needs allowance as described in subdivision
137.21 1d. The initially approved monthly conversion budget limit shall be adjusted annually as
137.22 described in subdivision 3a, paragraph (a). The limit under this ~~subdivision~~ paragraph
137.23 only applies to persons discharged from a nursing facility after a minimum 30-day stay
137.24 and found eligible for waived services on or after July 1, 1997. For conversions from the
137.25 nursing home to the elderly waiver with consumer directed community support services,
137.26 the nursing facility per diem used to calculate the monthly conversion budget limit must
137.27 be reduced by a percentage equal to the percentage difference between the consumer
137.28 directed services budget limit that would be assigned according to the federally approved
137.29 waiver plan and the corresponding community case mix cap, but not to exceed 50 percent.

137.30 (b) A person who meets elderly waiver eligibility criteria and the eligibility criteria
137.31 under section 256.478, subdivision 1, is eligible for a special monthly budget limit for the
137.32 cost of elderly waived services up to \$21,610 per month. The monthly limit shall be
137.33 adjusted annually as described in subdivision 3a, paragraphs (a) and (e). For individuals
137.34 using a special monthly budget under the elderly waiver with consumer-directed

138.1 community support services, the special monthly budget limit must be reduced as
 138.2 described in paragraph (a).

138.3 (c) The commissioner may provide an additional payment for documented costs
 138.4 between a threshold determined by the commissioner and the special monthly budget limit
 138.5 to a managed care plan for elderly waiver services provided to a person who is (1) eligible
 138.6 for a special monthly budget limit under paragraph (b), and (2) enrolled in a managed care
 138.7 plan that provides elderly waiver services under section 256B.69

138.8 (b) (d) For monthly conversion budget limits under paragraph (a) and special
 138.9 monthly budget limits under paragraph (b), the service rate limits for adult foster care
 138.10 under subdivision 3d and customized living under subdivision 3e may be exceeded, if
 138.11 necessary for the provider to meet identified needs and provide services as approved in the
 138.12 coordinated service and support plan, providing that the total cost of all services does not
 138.13 exceed the monthly conversion or special budget limit. Service rates shall be established
 138.14 using tools provided by the commissioner. The following costs must be included in
 138.15 determining the total monthly costs for the waiver client:

138.16 (1) cost of all waived services, including specialized supplies and equipment and
 138.17 environmental accessibility adaptations; and

138.18 (2) cost of skilled nursing, home health aide, and personal care services reimbursable
 138.19 by medical assistance.

138.20 **EFFECTIVE DATE.** This section is effective upon federal approval. The
 138.21 commissioner of human services shall notify the revisor of statutes once federal approval
 138.22 is obtained.

138.23 Sec. 9. Minnesota Statutes 2014, section 256B.092, subdivision 13, is amended to read:

138.24 Subd. 13. **Waiver allocations for transition populations.** (a) The commissioner
 138.25 shall make available additional waiver allocations and additional necessary resources
 138.26 ~~to assure timely discharges from the Anoka Metro Regional Treatment Center and the~~
 138.27 ~~Minnesota Security Hospital in St. Peter for individuals who meet the following eligibility~~
 138.28 ~~criteria: under section 256.478, subdivision 1.~~

138.29 ~~(1) are otherwise eligible for the developmental disabilities waiver under this section;~~

138.30 ~~(2) who would otherwise remain at the Anoka Metro Regional Treatment Center or~~
 138.31 ~~the Minnesota Security Hospital;~~

138.32 ~~(3) whose discharge would be significantly delayed without the available waiver~~
 138.33 ~~allocation; and~~

138.34 ~~(4) who have met treatment objectives and no longer meet hospital level of care.~~

139.1 (b) Additional waiver allocations under this subdivision must meet cost-effectiveness
139.2 requirements of the federal approved waiver plan.

139.3 (c) Any corporate foster care home developed under this subdivision must be
139.4 considered an exception under section 245A.03, subdivision 7, paragraph (a).

139.5 Sec. 10. Minnesota Statutes 2015 Supplement, section 256B.49, subdivision 24,
139.6 is amended to read:

139.7 Subd. 24. **Waiver allocations for transition populations.** (a) The commissioner
139.8 shall make available additional waiver allocations and additional necessary resources
139.9 ~~to assure timely discharges from the Anoka Metro Regional Treatment Center and the~~
139.10 ~~Minnesota Security Hospital in St. Peter~~ for individuals who meet the following eligibility
139.11 criteria: established under section 256.478, subdivision 1.

139.12 ~~(1) are otherwise eligible for the brain injury, community access for disability~~
139.13 ~~inclusion, or community alternative care waivers under this section;~~

139.14 ~~(2) who would otherwise remain at the Anoka Metro Regional Treatment Center or~~
139.15 ~~the Minnesota Security Hospital;~~

139.16 ~~(3) whose discharge would be significantly delayed without the available waiver~~
139.17 ~~allocation; and~~

139.18 ~~(4) who have met treatment objectives and no longer meet hospital level of care.~~

139.19 (b) Additional waiver allocations under this subdivision must meet cost-effectiveness
139.20 requirements of the federal approved waiver plan.

139.21 (c) Any corporate foster care home developed under this subdivision must be
139.22 considered an exception under section 245A.03, subdivision 7, paragraph (a).

139.23 Sec. 11. **COMMUNITY-BASED COMPETENCY RESTORATION SERVICES.**

139.24 (a) The commissioner shall provide grants to adult mental health initiatives, counties,
139.25 Indian tribes, or community mental health providers for planning and development of
139.26 community-based competency assessment and restoration services to support individuals
139.27 who, according to Minnesota Rules of Criminal Procedure, rule 20.01, have been referred
139.28 for examination or found by a court to be incapable of understanding the criminal
139.29 proceedings or participating in their defense.

139.30 (b) Grants will be issued through a competitive request for proposals process. Grant
139.31 applications shall provide details on how the intended service will address identified needs
139.32 and must demonstrate collaboration between county or tribal social services, community
139.33 mental health providers, and the courts. Applicants must demonstrate the ability to sustain

140.1 the project after one-time state grant funding is no longer available. Grants funded under
 140.2 this section must include funding for applicants from rural areas.

140.3 **ARTICLE 5**

140.4 **OPERATIONS**

140.5 Section 1. Minnesota Statutes 2014, section 245A.10, subdivision 4, is amended to read:

140.6 Subd. 4. **License or certification fee for certain programs.** (a) Child care centers
 140.7 shall pay an annual nonrefundable license fee based on the following schedule:

140.8		Child Care Center
140.9	Licensed Capacity	License Fee
140.10	1 to 24 persons	\$200
140.11	25 to 49 persons	\$300
140.12	50 to 74 persons	\$400
140.13	75 to 99 persons	\$500
140.14	100 to 124 persons	\$600
140.15	125 to 149 persons	\$700
140.16	150 to 174 persons	\$800
140.17	175 to 199 persons	\$900
140.18	200 to 224 persons	\$1,000
140.19	225 or more persons	\$1,100

140.20 (b)(1) A program licensed to provide one or more of the home and community-based
 140.21 services and supports identified under chapter 245D to persons with disabilities or age
 140.22 65 and older, shall pay an annual nonrefundable license fee based on a flat rate of \$450
 140.23 plus one-half of one percent of revenues derived from the provision of services that would
 140.24 require licensure under this chapter 245D during and that are specified under section
 140.25 245D.03, subdivision 1, after subtracting the first \$100,000 received for these services
 140.26 during the calendar year immediately preceding the year in which the license fee is paid,
 140.27 according to the following schedule:

140.28	License Holder Annual Revenue	License Fee
140.29	less than or equal to \$10,000	\$200
140.30	greater than \$10,000 but less than or	
140.31	equal to \$25,000	\$300
140.32	greater than \$25,000 but less than or	
140.33	equal to \$50,000	\$400
140.34	greater than \$50,000 but less than or	
140.35	equal to \$100,000	\$500
140.36	greater than \$100,000 but less than or	
140.37	equal to \$150,000	\$600
140.38	greater than \$150,000 but less than or	
140.39	equal to \$200,000	\$800

141.1	greater than \$200,000 but less than or	
141.2	equal to \$250,000	\$1,000
141.3	greater than \$250,000 but less than or	
141.4	equal to \$300,000	\$1,200
141.5	greater than \$300,000 but less than or	
141.6	equal to \$350,000	\$1,400
141.7	greater than \$350,000 but less than or	
141.8	equal to \$400,000	\$1,600
141.9	greater than \$400,000 but less than or	
141.10	equal to \$450,000	\$1,800
141.11	greater than \$450,000 but less than or	
141.12	equal to \$500,000	\$2,000
141.13	greater than \$500,000 but less than or	
141.14	equal to \$600,000	\$2,250
141.15	greater than \$600,000 but less than or	
141.16	equal to \$700,000	\$2,500
141.17	greater than \$700,000 but less than or	
141.18	equal to \$800,000	\$2,750
141.19	greater than \$800,000 but less than or	
141.20	equal to \$900,000	\$3,000
141.21	greater than \$900,000 but less than or	
141.22	equal to \$1,000,000	\$3,250
141.23	greater than \$1,000,000 but less than or	
141.24	equal to \$1,250,000	\$3,500
141.25	greater than \$1,250,000 but less than or	
141.26	equal to \$1,500,000	\$3,750
141.27	greater than \$1,500,000 but less than or	
141.28	equal to \$1,750,000	\$4,000
141.29	greater than \$1,750,000 but less than or	
141.30	equal to \$2,000,000	\$4,250
141.31	greater than \$2,000,000 but less than or	
141.32	equal to \$2,500,000	\$4,500
141.33	greater than \$2,500,000 but less than or	
141.34	equal to \$3,000,000	\$4,750
141.35	greater than \$3,000,000 but less than or	
141.36	equal to \$3,500,000	\$5,000
141.37	greater than \$3,500,000 but less than or	
141.38	equal to \$4,000,000	\$5,500
141.39	greater than \$4,000,000 but less than or	
141.40	equal to \$4,500,000	\$6,000
141.41	greater than \$4,500,000 but less than or	
141.42	equal to \$5,000,000	\$6,500
141.43	greater than \$5,000,000 but less than or	
141.44	equal to \$7,500,000	\$7,000
141.45	greater than \$7,500,000 but less than or	
141.46	equal to \$10,000,000	\$8,500
141.47	greater than \$10,000,000 but less than	
141.48	or equal to \$12,500,000	\$10,000

142.1	greater than \$12,500,000 but less than	
142.2	or equal to \$15,000,000	\$14,000
142.3	greater than \$15,000,000	\$18,000

142.4 (2) If requested, the license holder shall provide the commissioner information to
 142.5 verify the license holder's annual revenues or other information as needed, including
 142.6 copies of documents submitted to the Department of Revenue.

142.7 ~~(3) At each annual renewal, a license holder may elect to pay the highest renewal~~
 142.8 ~~fee, and not provide annual revenue information to the commissioner.~~

142.9 ~~(4)~~ (3) A license holder that knowingly provides the commissioner incorrect revenue
 142.10 amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in
 142.11 the amount of double the fee the provider should have paid.

142.12 ~~(5) Notwithstanding clause (1), a license holder providing services under one or~~
 142.13 ~~more licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual~~
 142.14 ~~license fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid~~
 142.15 ~~by the license holder for all licenses held under chapter 245B for calendar year 2013.~~
 142.16 ~~For calendar year 2017 and thereafter, the license holder shall pay an annual license fee~~
 142.17 ~~according to clause (1).~~

142.18 (4) The commissioner shall calculate the licensing fee for providers of home and
 142.19 community-based services and supports under this paragraph and invoice the license
 142.20 holder annually. Upon challenge of the invoiced fee amount by the license holder, the
 142.21 commissioner shall provide the license holder with a report identifying the medical
 142.22 assistance claims paid by the commissioner to the license holder that formed the basis
 142.23 for the licensing fee calculation.

142.24 (c) A chemical dependency treatment program licensed under Minnesota Rules,
 142.25 parts 9530.6405 to 9530.6505, to provide chemical dependency treatment shall pay an
 142.26 annual nonrefundable license fee based on the following schedule:

142.27	Licensed Capacity	License Fee
142.28	1 to 24 persons	\$600
142.29	25 to 49 persons	\$800
142.30	50 to 74 persons	\$1,000
142.31	75 to 99 persons	\$1,200
142.32	100 or more persons	\$1,400

142.33 (d) A chemical dependency program licensed under Minnesota Rules, parts
 142.34 9530.6510 to 9530.6590, to provide detoxification services shall pay an annual
 142.35 nonrefundable license fee based on the following schedule:

142.36	Licensed Capacity	License Fee
142.37	1 to 24 persons	\$760

143.1	25 to 49 persons	\$960
143.2	50 or more persons	\$1,160

143.3 (e) Except for child foster care, a residential facility licensed under Minnesota Rules,
 143.4 chapter 2960, to serve children shall pay an annual nonrefundable license fee based on
 143.5 the following schedule:

143.6	Licensed Capacity	License Fee
143.7	1 to 24 persons	\$1,000
143.8	25 to 49 persons	\$1,100
143.9	50 to 74 persons	\$1,200
143.10	75 to 99 persons	\$1,300
143.11	100 or more persons	\$1,400

143.12 (f) A residential facility licensed under Minnesota Rules, parts 9520.0500 to
 143.13 9520.0670, to serve persons with mental illness shall pay an annual nonrefundable license
 143.14 fee based on the following schedule:

143.15	Licensed Capacity	License Fee
143.16	1 to 24 persons	\$2,525
143.17	25 or more persons	\$2,725

143.18 (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to
 143.19 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable
 143.20 license fee based on the following schedule:

143.21	Licensed Capacity	License Fee
143.22	1 to 24 persons	\$450
143.23	25 to 49 persons	\$650
143.24	50 to 74 persons	\$850
143.25	75 to 99 persons	\$1,050
143.26	100 or more persons	\$1,250

143.27 (h) A program licensed to provide independent living assistance for youth under
 143.28 section 245A.22 shall pay an annual nonrefundable license fee of \$1,500.

143.29 (i) A private agency licensed to provide foster care and adoption services under
 143.30 Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable
 143.31 license fee of \$875.

143.32 (j) A program licensed as an adult day care center licensed under Minnesota Rules,
 143.33 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on
 143.34 the following schedule:

143.35	Licensed Capacity	License Fee
143.36	1 to 24 persons	\$500
143.37	25 to 49 persons	\$700

144.1	50 to 74 persons	\$900
144.2	75 to 99 persons	\$1,100
144.3	100 or more persons	\$1,300

144.4 (k) A program licensed to provide treatment services to persons with sexual
 144.5 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts
 144.6 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

144.7 (l) A mental health center or mental health clinic requesting certification for
 144.8 purposes of insurance and subscriber contract reimbursement under Minnesota Rules,
 144.9 parts 9520.0750 to 9520.0870, shall pay a certification fee of \$1,550 per year. If the
 144.10 mental health center or mental health clinic provides services at a primary location with
 144.11 satellite facilities, the satellite facilities shall be certified with the primary location without
 144.12 an additional charge.

144.13 Sec. 2. Minnesota Statutes 2014, section 245A.10, subdivision 8, is amended to read:

144.14 Subd. 8. **Deposit of license fees.** A human services licensing account is created in
 144.15 the ~~state government~~ special revenue fund. Fees collected under subdivisions 3 and 4 must
 144.16 be deposited in the human services licensing account and are ~~annually~~ appropriated to the
 144.17 commissioner for licensing activities authorized under this chapter.

144.18 ARTICLE 6

144.19 DIRECT CARE AND TREATMENT

144.20 Section 1. Minnesota Statutes 2015 Supplement, section 245.4889, subdivision 1,
 144.21 is amended to read:

144.22 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized
 144.23 to make grants from available appropriations to assist:

144.24 (1) counties;

144.25 (2) Indian tribes;

144.26 (3) children's collaboratives under section 124D.23 or 245.493; or

144.27 (4) mental health service providers.

144.28 (b) The following services are eligible for grants under this section:

144.29 (1) services to children with emotional disturbances as defined in section 245.4871,
 144.30 subdivision 15, and their families;

144.31 (2) transition services under section 245.4875, subdivision 8, for young adults under
 144.32 age 21 and their families;

144.33 (3) respite care services for children with severe emotional disturbances who are at
 144.34 risk of out-of-home placement;

- 145.1 (4) children's mental health crisis services;
- 145.2 (5) mental health services for people from cultural and ethnic minorities;
- 145.3 (6) children's mental health screening and follow-up diagnostic assessment and
- 145.4 treatment;
- 145.5 (7) services to promote and develop the capacity of providers to use evidence-based
- 145.6 practices in providing children's mental health services;
- 145.7 (8) school-linked mental health services;
- 145.8 (9) building evidence-based mental health intervention capacity for children birth to
- 145.9 age five;
- 145.10 (10) suicide prevention and counseling services that use text messaging statewide;
- 145.11 (11) mental health first aid training;
- 145.12 (12) training for parents, collaborative partners, and mental health providers on the
- 145.13 impact of adverse childhood experiences and trauma and development of an interactive
- 145.14 Web site to share information and strategies to promote resilience and prevent trauma;
- 145.15 (13) transition age services to develop or expand mental health treatment and
- 145.16 supports for adolescents and young adults 26 years of age or younger;
- 145.17 (14) early childhood mental health consultation;
- 145.18 (15) evidence-based interventions for youth at risk of developing or experiencing a
- 145.19 first episode of psychosis, and a public awareness campaign on the signs and symptoms of
- 145.20 psychosis; ~~and~~
- 145.21 (16) psychiatric consultation for primary care practitioners; and
- 145.22 (17) sustaining extended-stay inpatient psychiatric hospital services for children
- 145.23 and adolescents.
- 145.24 (c) Services under paragraph (b) must be designed to help each child to function and
- 145.25 remain with the child's family in the community and delivered consistent with the child's
- 145.26 treatment plan. Transition services to eligible young adults under paragraph (b) must be
- 145.27 designed to foster independent living in the community.

145.28 Sec. 2. Minnesota Statutes 2014, section 246.54, as amended by Laws 2015, chapter

145.29 71, article 4, section 2, is amended to read:

145.30 **246.54 LIABILITY OF COUNTY; REIMBURSEMENT.**

145.31 Subdivision 1. ~~County portion for cost of care~~ **Generally.** (a) Except for chemical

145.32 dependency services provided under sections 254B.01 to 254B.09, the client's county

145.33 shall pay to the state of Minnesota a portion of the cost of care provided in a regional

145.34 treatment center or a state nursing facility to a client legally settled in that county. A

145.35 county's payment shall be made from the county's own sources of revenue and payments

146.1 shall equal a percentage of the cost of care, as determined by the commissioner, for each
146.2 day, or the portion thereof, that the client spends at a regional treatment center or a state
146.3 nursing facility ~~according to the following schedule:~~

146.4 Subd. 1a. **Anoka Metro Regional Treatment Center.** (a) A county's payment of
146.5 the cost of care provided at Anoka Metro Regional Treatment Center shall be according to
146.6 the following schedule:

146.7 (1) zero percent for the first 30 days;

146.8 (2) 20 percent for days 31 and over if the stay is determined to be clinically
146.9 appropriate for the client; and

146.10 (3) 100 percent for each day during the stay, including the day of admission, when
146.11 the facility determines that it is clinically appropriate for the client to be discharged.

146.12 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80
146.13 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph
146.14 (a), clause (2), the county shall be responsible for paying the state only the remaining
146.15 amount. The county shall not be entitled to reimbursement from the client, the client's
146.16 estate, or from the client's relatives, except as provided in section 246.53.

146.17 Subd. 1b. **Community behavioral health hospitals.** A county's payment of the
146.18 cost of care provided at state-operated community-based behavioral health hospitals shall
146.19 be according to the following schedule:

146.20 (1) 100 percent for each day during the stay, including the day of admission, when
146.21 the facility determines that it is clinically appropriate for the client to be discharged; and

146.22 (2) the county shall not be entitled to reimbursement from the client, the client's
146.23 estate, or from the client's relatives, except as provided in section 246.53.

146.24 Subd. 1c. **State-operated forensic services.** A county's payment of the cost of care
146.25 provided at state-operated forensic services shall be according to the following schedule:

146.26 (1) Minnesota Security Hospital: ten percent for each day, or portion thereof, that the
146.27 client spends in a Minnesota Security Hospital program. If payments received by the state
146.28 under sections 246.50 to 246.53 for services provided at the Minnesota Security Hospital
146.29 exceed 90 percent of the cost of care, the county shall be responsible for paying the state
146.30 only the remaining amount. The county shall not be entitled to reimbursement from the
146.31 client, the client's estate, or the client's relatives except as provided in section 246.53;

146.32 (2) forensic nursing home: ten percent for each day, or portion thereof, that the client
146.33 spends in a forensic nursing home program. If payments received by the state under
146.34 sections 246.50 to 246.53 for services provided at the forensic nursing home exceed 90
146.35 percent of the cost of care, the county shall be responsible for paying the state only the

147.1 remaining amount. The county shall not be entitled to reimbursement from the client, the
 147.2 client's estate, or the client's relatives except as provided in section 246.53;

147.3 (3) forensic transition services: 50 percent for each day, or portion thereof, that the
 147.4 client spends in the forensic transition services program. If payments received by the state
 147.5 under sections 246.50 to 246.53 for services provided in the forensic transition services
 147.6 exceed 50 percent of the cost of care, the county shall be responsible for paying the state
 147.7 only the remaining amount. The county shall not be entitled to reimbursement from the
 147.8 client, the client's estate, or the client's relatives except as provided in section 246.53; and

147.9 (4) residential competency restoration program:

147.10 (i) 20 percent for each day, or portion thereof, that the client spends in a residential
 147.11 competency restoration program while the client is in need of restoration services;

147.12 (ii) 50 percent for each day, or portion thereof, that the client spends in a residential
 147.13 competency restoration program once the examiner opines that the client no longer needs
 147.14 restoration services; and

147.15 (iii) 100 percent for each day, or portion thereof, once charges against a client have
 147.16 been resolved or dropped.

147.17 **Subd. 2. Exceptions.** ~~(a) Subdivision 1 does not apply to services provided at the~~
 147.18 ~~Minnesota Security Hospital. For services at the Minnesota Security Hospital, a county's~~
 147.19 ~~payment shall be made from the county's own sources of revenue and payments. Excluding~~
 147.20 ~~the state-operated forensic transition service, payments to the state from the county shall~~
 147.21 ~~equal ten percent of the cost of care, as determined by the commissioner, for each day, or~~
 147.22 ~~the portion thereof, that the client spends at the facility. For the state-operated forensic~~
 147.23 ~~transition service, payments to the state from the county shall equal 50 percent of the cost of~~
 147.24 ~~care, as determined by the commissioner, for each day, or the portion thereof, that the client~~
 147.25 ~~spends in the program. If payments received by the state under sections 246.50 to 246.53~~
 147.26 ~~for services provided at the Minnesota Security Hospital, excluding the state-operated~~
 147.27 ~~forensic transition service, exceed 90 percent of the cost of care, the county shall be~~
 147.28 ~~responsible for paying the state only the remaining amount. If payments received by the~~
 147.29 ~~state under sections 246.50 to 246.53 for the state-operated forensic transition service~~
 147.30 ~~exceed 50 percent of the cost of care, the county shall be responsible for paying the state~~
 147.31 ~~only the remaining amount. The county shall not be entitled to reimbursement from the~~
 147.32 ~~client, the client's estate, or from the client's relatives, except as provided in section 246.53.~~

147.33 ~~(b) Regardless of the facility to which the client is committed, subdivision 1 does~~
 147.34 ~~subdivisions 1, 1a, 1b, and 1c, do not apply to the following individuals:~~

147.35 ~~(1) clients who are committed as sexual psychopathic personalities under section~~
 147.36 ~~253D.02, subdivision 15; and~~

148.1 (2) clients who are committed as sexually dangerous persons under section 253D.02,
148.2 subdivision 16.

148.3 Sec. 3. Minnesota Statutes 2014, section 246B.01, subdivision 2b, is amended to read:

148.4 Subd. 2b. **Cost of care.** "Cost of care" means the commissioner's charge for housing
148.5 ~~and~~, treatment, aftercare services, and supervision provided to any person admitted to or
148.6 on provisional discharge from the Minnesota sex offender program.

148.7 For purposes of this subdivision, "charge for housing ~~and~~, treatment, aftercare
148.8 services, and supervision" means the cost of services, treatment, maintenance, bonds issued
148.9 for capital improvements, depreciation of buildings and equipment, and indirect costs
148.10 related to the operation of state facilities. The commissioner may determine the charge for
148.11 services on an anticipated average per diem basis as an all-inclusive charge per facility.

148.12 Sec. 4. Minnesota Statutes 2014, section 246B.035, is amended to read:

148.13 **246B.035 ANNUAL PERFORMANCE REPORT REQUIRED.**

148.14 The executive director of the Minnesota sex offender program shall submit
148.15 electronically a performance report to the chairs and ranking minority members of the
148.16 legislative committees and divisions with jurisdiction over funding for the program by
148.17 ~~January~~ February 15 of each year beginning in ~~2010~~ 2017. The report must include the
148.18 following:

148.19 (1) a description of the program, including the strategic mission, goals, objectives,
148.20 and outcomes;

148.21 (2) the programwide per diem reported in a standard calculated method as outlined
148.22 in the program policies and procedures;

148.23 (3) program annual statistics as outlined in the departmental policies and procedures;
148.24 and

148.25 (4) the sex offender program evaluation report required under section 246B.03. The
148.26 executive director shall submit a printed copy upon request.

148.27 Sec. 5. Minnesota Statutes 2014, section 246B.10, is amended to read:

148.28 **246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.**

148.29 (a) The civilly committed sex offender's county shall pay to the state a portion of the
148.30 cost of care provided ~~in~~ by the Minnesota sex offender program to a civilly committed sex
148.31 offender who has legally settled in that county. A county's payment must be made from
148.32 the county's own sources of revenue and payments must equal 25 percent of the cost of
148.33 care, as determined by the commissioner, for each day or portion of a day, that the civilly

149.1 committed sex offender ~~spends at the facility~~ receives services, either within a Department
149.2 of Human Services operated facility or while on provisional discharge.

149.3 (b) If payments received by the state under this chapter exceed 75 percent of the cost
149.4 of care, the county is responsible for paying the state the remaining amount.

149.5 (c) The county is not entitled to reimbursement from the civilly committed sex
149.6 offender, the civilly committed sex offender's estate, or from the civilly committed sex
149.7 offender's relatives, except as provided in section 246B.07.

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

149.9 Sec. 6. Minnesota Statutes 2014, section 253B.15, subdivision 1, is amended to read:

149.10 Subdivision 1. **Provisional discharge.** (a) The head of the treatment facility may
149.11 provisionally discharge any patient without discharging the commitment, unless the patient
149.12 was found by the committing court to be a person who is mentally ill and dangerous to the
149.13 public, or a sexually dangerous person or a sexual psychopathic personality.

149.14 (b) When a person committed to the commissioner of human services becomes
149.15 ready for provisional discharge prior to being placed in a facility designated by the
149.16 commissioner of human services, the head of the facility that is providing treatment may
149.17 provisionally discharge the patient.

149.18 (c) Each patient released on provisional discharge shall have a written aftercare
149.19 plan developed which specifies the services and treatment to be provided as part of the
149.20 aftercare plan, the financial resources available to pay for the services specified, the
149.21 expected period of provisional discharge, the precise goals for the granting of a final
149.22 discharge, and conditions or restrictions on the patient during the period of the provisional
149.23 discharge. The aftercare plan shall be provided to the patient, the patient's attorney, and
149.24 the designated agency.

149.25 (d) The aftercare plan shall be reviewed on a quarterly basis by the patient, designated
149.26 agency and other appropriate persons. The aftercare plan shall contain the grounds upon
149.27 which a provisional discharge may be revoked. The provisional discharge shall terminate
149.28 on the date specified in the plan unless specific action is taken to revoke or extend it.

149.29 Sec. 7. Minnesota Statutes 2014, section 253B.18, subdivision 4b, is amended to read:

149.30 Subd. 4b. **Pass-eligible status; notification.** (a) The following patients committed
149.31 to a secure treatment facility shall not be placed on pass-eligible status unless that status
149.32 has been approved by the medical director of the secure treatment facility:

149.33 (a) (1) a patient who has been committed as a person who is mentally ill and
149.34 dangerous and who:

150.1 ~~(1)~~ (i) was found incompetent to proceed to trial for a felony or was found not guilty
 150.2 by reason of mental illness of a felony immediately prior to the filing of the commitment
 150.3 petition;

150.4 ~~(2)~~ (ii) was convicted of a felony immediately prior to or during commitment as a
 150.5 person who is mentally ill and dangerous; or

150.6 ~~(3)~~ (iii) is subject to a commitment to the commissioner of corrections; and

150.7 ~~(b)~~ (2) a patient who has been committed as a psychopathic personality, a sexually
 150.8 psychopathic personality, or a sexually dangerous person.

150.9 (b) At least ten days prior to a determination on the status, the medical director
 150.10 shall notify the committing court, the county attorney of the county of commitment, the
 150.11 designated agency, an interested person, the petitioner, and the petitioner's counsel of the
 150.12 proposed status, and their right to request review ~~by the special review board~~. If within ten
 150.13 days of receiving notice any notified person requests review by filing a notice of objection
 150.14 with the commissioner and the head of the treatment facility, a hearing shall be held ~~before~~.
 150.15 ~~The special review board.~~ judicial appeal panel shall hear review requests for patients
 150.16 meeting the criteria of paragraph (a). For patients meeting the criteria of paragraph (a),
 150.17 clause (1), and for whom review has been requested, the proposed status shall not be
 150.18 implemented unless it receives a favorable recommendation by a majority of the special
 150.19 review board and approval by the commissioner. For patients meeting the criteria of
 150.20 paragraph (a), clause (2), and for whom review has been requested, the proposed status
 150.21 shall not be implemented unless it is approved by the judicial appeal panel. The order of
 150.22 the commissioner or judicial appeal panel is appealable as provided in section 253B.19.

150.23 (c) Nothing in this subdivision shall be construed to give a patient an affirmative
 150.24 right to seek pass-eligible status from the ~~special review board~~ judicial appeal panel.

150.25 **EFFECTIVE DATE.** This section is effective the day following final enactment
 150.26 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
 150.27 provisional discharges, or requests for review of pass-eligibility status filed on or after the
 150.28 date of enactment.

150.29 Sec. 8. Minnesota Statutes 2014, section 253D.14, subdivision 3, is amended to read:

150.30 Subd. 3. **Notice of discharge or release.** Before provisionally discharging,
 150.31 discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently
 150.32 or temporarily releasing a person committed under this chapter from a treatment facility,
 150.33 the executive director shall make a reasonable effort to notify any victim of a crime for
 150.34 which the person was convicted that the person may be discharged or released and that
 150.35 the victim has a right to submit a written statement regarding decisions of the executive

151.1 director, or ~~special review board~~ judicial appeal panel, with respect to the person. To
 151.2 the extent possible, the notice must be provided at least 14 days before any ~~special~~
 151.3 ~~review board~~ judicial appeal panel hearing or before a determination on a pass plan.
 151.4 Notwithstanding section 611A.06, subdivision 4, the commissioner shall provide the
 151.5 judicial appeal panel with victim information in order to comply with the provisions of
 151.6 this chapter. The judicial appeal panel shall ensure that the data on victims remains private
 151.7 as provided for in section 611A.06, subdivision 4.

151.8 Sec. 9. Minnesota Statutes 2014, section 253D.27, subdivision 2, is amended to read:

151.9 Subd. 2. **Filing.** A petition for a reduction in custody or an appeal of a revocation of
 151.10 provisional discharge may be filed by either the committed person or by the executive
 151.11 director and must be filed with and considered by ~~a panel of the special review board~~
 151.12 ~~authorized under section 253B.18, subdivision 4e~~ the judicial appeal panel. A committed
 151.13 person may not petition the ~~special review board~~ judicial appeal panel any sooner than six
 151.14 months following either:

151.15 (1) the entry of judgment in the district court of the order for commitment issued
 151.16 under section 253D.07, subdivision 5, or upon the exhaustion of all related appeal rights
 151.17 in state court relating to that order, whichever is later; or

151.18 (2) any ~~recommendation of the special review board or~~ order of the judicial appeal
 151.19 panel, or upon the exhaustion of all appeal rights in state court, whichever is later. The
 151.20 executive director may petition at any time. ~~The special review board proceedings are not~~
 151.21 ~~contested cases as defined in chapter 14.~~

151.22 **EFFECTIVE DATE.** This section is effective the day following final enactment
 151.23 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
 151.24 provisional discharges, or requests for review of pass-eligibility status filed on or after the
 151.25 date of enactment.

151.26 Sec. 10. Minnesota Statutes 2014, section 253D.28, as amended by Laws 2015, chapter
 151.27 65, article 2, section 3, is amended to read:

151.28 **253D.28 JUDICIAL APPEAL PANEL.**

151.29 ~~Subdivision 1. **Rehearing and reconsideration.** (a) A person committed as a~~
 151.30 ~~sexually dangerous person or a person with a sexual psychopathic personality under this~~
 151.31 ~~chapter, or committed as both mentally ill and dangerous to the public under section~~
 151.32 ~~253B.18 and as a sexually dangerous person or a person with a sexual psychopathic~~
 151.33 ~~personality under this chapter, the county attorney of the county from which the person was~~

152.1 ~~committed or the county of financial responsibility; or the commissioner may petition the~~
152.2 ~~judicial appeal panel established under section 253B.19, subdivision 1, for a rehearing and~~
152.3 ~~reconsideration of a recommendation of the special review board under section 253D.27.~~

152.4 ~~(b) The petition must be filed with the Supreme Court within 30 days after~~
152.5 ~~the recommendation is mailed by the commissioner as required in section 253D.27,~~
152.6 ~~subdivision 4. The hearing must be held within 180 days of the filing of the petition~~
152.7 ~~unless an extension is granted for good cause.~~

152.8 ~~(c) If no party petitions the judicial appeal panel for a rehearing or reconsideration~~
152.9 ~~within 30 days, the judicial appeal panel shall either issue an order adopting the~~
152.10 ~~recommendations of the special review board or set the matter on for a hearing pursuant~~
152.11 ~~to this section.~~

152.12 Subd. 2. **Procedure.** (a) The Supreme Court shall refer a petition for rehearing
152.13 ~~and reconsideration~~ reduction in custody to the chief judge of the judicial appeal panel.
152.14 The chief judge shall notify the committed person, the county attorneys of the county
152.15 of commitment and county of financial responsibility, the commissioner, the executive
152.16 director, any interested person, and other persons the chief judge designates, of the time and
152.17 place of the hearing on the petition. The notice shall be given at least 14 days prior to the
152.18 date of the hearing. The hearing may be conducted by interactive video conference under
152.19 General Rules of Practice, rule 131, and Minnesota Rules of Civil Commitment, rule 14.

152.20 (b) Any person may oppose the petition. The committed person, the committed
152.21 person's counsel, the county attorneys of the committing county and county of financial
152.22 responsibility, and the commissioner shall participate as parties to the proceeding pending
152.23 before the judicial appeal panel and shall, no later than 20 days before the hearing on the
152.24 petition, inform the judicial appeal panel and the opposing party in writing whether they
152.25 support or oppose the petition and provide a summary of facts in support of their position.

152.26 (c) The judicial appeal panel may appoint examiners and may adjourn the hearing
152.27 from time to time. It shall hear and receive all relevant testimony and evidence and make
152.28 a record of all proceedings. The committed person, the committed person's counsel, and
152.29 the county attorney of the committing county or the county of financial responsibility have
152.30 the right to be present and may present and cross-examine all witnesses and offer a factual
152.31 and legal basis in support of their positions.

152.32 (d) The petitioning party seeking discharge or provisional discharge bears the
152.33 burden of going forward with the evidence, which means presenting a prima facie case
152.34 with competent evidence to show that the person is entitled to the requested relief. If
152.35 the petitioning party has met this burden, the party opposing discharge or provisional

153.1 discharge bears the burden of proof by clear and convincing evidence that the discharge or
 153.2 provisional discharge should be denied.

153.3 (e) A party seeking transfer under section 253D.29 must establish by a preponderance
 153.4 of the evidence that the transfer is appropriate.

153.5 Subd. 3. **Decision.** A majority of the judicial appeal panel shall rule upon the
 153.6 petition. ~~The panel shall consider the petition de novo.~~ No order of the judicial appeal
 153.7 panel granting a transfer, discharge, or provisional discharge shall be made effective
 153.8 sooner than 15 days after it is issued. ~~The panel may not consider petitions for relief~~
 153.9 ~~other than those considered by the special review board from which the appeal is taken.~~
 153.10 ~~The judicial appeal panel may not grant a transfer or provisional discharge on terms or~~
 153.11 ~~conditions that were not presented to the special review board.~~

153.12 Subd. 4. **Appeal.** A party aggrieved by an order of the judicial appeal panel may
 153.13 appeal that order as provided under section 253B.19, subdivision 5.

153.14 **EFFECTIVE DATE.** This section is effective the day following final enactment
 153.15 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
 153.16 provisional discharges, or requests for review of pass-eligibility status filed on or after the
 153.17 date of enactment.

153.18 Sec. 11. Minnesota Statutes 2014, section 253D.29, subdivision 2, is amended to read:

153.19 Subd. 2. **Voluntary readmission to a secure facility.** (a) After a committed person
 153.20 has been transferred out of a secure facility pursuant to subdivision 1 and with the consent
 153.21 of the executive director, a committed person may voluntarily return to a secure facility
 153.22 for a period of up to 60 days.

153.23 (b) If the committed person is not returned to the facility to which the person was
 153.24 originally transferred pursuant to subdivision 1 within 60 days of being readmitted to a
 153.25 secure facility, the transfer is revoked and the committed person shall remain in a secure
 153.26 facility. The committed person shall immediately be notified in writing of the revocation.

153.27 (c) Within 15 days of receiving notice of the revocation, the committed person may
 153.28 petition the ~~special review board~~ judicial appeal panel for a review of the revocation. The
 153.29 ~~special review board~~ judicial appeal panel shall review the circumstances of the revocation
 153.30 and shall ~~recommend to the judicial appeal panel~~ decide whether or not the revocation
 153.31 shall be upheld. The ~~special review board~~ judicial appeal panel may also ~~recommend~~
 153.32 order a new transfer at the time of the revocation hearing.

153.33 (d) If the transfer has not been revoked and the committed person is to be returned
 153.34 to the facility to which the committed person was originally transferred pursuant to

154.1 subdivision 1 with no substantive change to the conditions of the transfer ordered pursuant
154.2 to subdivision 1, no action by the ~~special review board~~ or judicial appeal panel is required.

154.3 **EFFECTIVE DATE.** This section is effective the day following final enactment
154.4 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
154.5 provisional discharges, or requests for review of pass-eligibility status filed on or after the
154.6 date of enactment.

154.7 Sec. 12. Minnesota Statutes 2014, section 253D.29, subdivision 3, is amended to read:

154.8 Subd. 3. **Revocation.** (a) The executive director may revoke a transfer made pursuant
154.9 to subdivision 1 and require a committed person to return to a secure treatment facility if:

154.10 (1) remaining in a nonsecure setting will not provide a reasonable degree of safety to
154.11 the committed person or others; or

154.12 (2) the committed person has regressed in clinical progress so that the facility to
154.13 which the committed person was transferred is no longer sufficient to meet the committed
154.14 person's needs.

154.15 (b) Upon the revocation of the transfer, the committed person shall be immediately
154.16 returned to a secure treatment facility. A report documenting reasons for revocation shall
154.17 be issued by the executive director within seven days after the committed person is
154.18 returned to the secure treatment facility. Advance notice to the committed person of the
154.19 revocation is not required.

154.20 (c) The committed person must be provided a copy of the revocation report and
154.21 informed, orally and in writing, of the rights of a committed person under this section. The
154.22 revocation report shall be served upon the committed person and the committed person's
154.23 counsel. The report shall outline the specific reasons for the revocation including, but not
154.24 limited to, the specific facts upon which the revocation is based.

154.25 (d) If a committed person's transfer is revoked, the committed person may re-petition
154.26 for transfer according to section 253D.27.

154.27 (e) Any committed person aggrieved by a transfer revocation decision may petition
154.28 the ~~special review board~~ judicial appeal panel within seven days, exclusive of Saturdays,
154.29 Sundays, and legal holidays, after receipt of the revocation report for a review of the
154.30 revocation. The matter shall be scheduled within 30 days. The ~~special review board~~
154.31 judicial appeal panel shall review the circumstances leading to the revocation and, after
154.32 considering the factors in subdivision 1, paragraph (b), ~~shall recommend to the judicial~~
154.33 ~~appeal panel~~ decide whether or not the revocation shall be upheld. The ~~special review~~
154.34 ~~board~~ judicial appeal panel may also ~~recommend~~ order a new transfer out of a secure
154.35 facility at the time of the revocation hearing.

155.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
155.2 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
155.3 provisional discharges, or requests for review of pass-eligibility status filed on or after the
155.4 date of enactment.

155.5 Sec. 13. Minnesota Statutes 2014, section 253D.30, subdivision 3, is amended to read:

155.6 Subd. 3. **Review.** A provisional discharge pursuant to this chapter shall not
155.7 automatically terminate. A full discharge shall occur only as provided in section 253D.31.
155.8 The terms of a provisional discharge continue unless the committed person requests and
155.9 is granted a change in the conditions of provisional discharge or unless the committed
155.10 person petitions the ~~special review board~~ judicial appeal panel for a full discharge and the
155.11 discharge is granted by the judicial appeal panel.

155.12 **EFFECTIVE DATE.** This section is effective the day following final enactment
155.13 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
155.14 provisional discharges, or requests for review of pass-eligibility status filed on or after the
155.15 date of enactment.

155.16 Sec. 14. Minnesota Statutes 2014, section 253D.30, subdivision 4, is amended to read:

155.17 Subd. 4. **Voluntary readmission.** (a) With the consent of the executive director, a
155.18 committed person may voluntarily return to the Minnesota sex offender program from
155.19 provisional discharge for a period of up to 60 days.

155.20 (b) If the committed person is not returned to provisional discharge status within 60
155.21 days of being readmitted to the Minnesota sex offender program, the provisional discharge
155.22 is revoked. The committed person shall immediately be notified of the revocation in
155.23 writing. Within 15 days of receiving notice of the revocation, the committed person may
155.24 request a review of the matter before the ~~special review board~~ judicial appeal panel. The
155.25 ~~special review board~~ judicial appeal panel shall review the circumstances of the revocation
155.26 and, after applying the standards in subdivision 5, paragraph (a), ~~shall recommend to the~~
155.27 ~~judicial appeal panel~~ decide whether or not the revocation shall be upheld. The ~~board~~
155.28 judicial appeal panel may ~~recommend~~ order a return to provisional discharge status.

155.29 (c) If the provisional discharge has not been revoked and the committed person is to
155.30 be returned to provisional discharge, the Minnesota sex offender program is not required
155.31 to petition for a further review by the ~~special review board~~ judicial appeal panel unless the
155.32 committed person's return to the community results in substantive change to the existing
155.33 provisional discharge plan.

156.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
156.2 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
156.3 provisional discharges, or requests for review of pass-eligibility status filed on or after the
156.4 date of enactment.

156.5 Sec. 15. Minnesota Statutes 2014, section 253D.30, subdivision 5, is amended to read:

156.6 Subd. 5. **Revocation.** (a) The executive director may revoke a provisional discharge
156.7 if either of the following grounds exist:

156.8 (1) the committed person has departed from the conditions of the provisional
156.9 discharge plan; or

156.10 (2) the committed person is exhibiting behavior which may be dangerous to self
156.11 or others.

156.12 (b) The executive director may revoke the provisional discharge and, either orally
156.13 or in writing, order that the committed person be immediately returned to a Minnesota
156.14 sex offender program treatment facility. A report documenting reasons for revocation
156.15 shall be issued by the executive director within seven days after the committed person
156.16 is returned to the treatment facility. Advance notice to the committed person of the
156.17 revocation is not required.

156.18 (c) The committed person must be provided a copy of the revocation report and
156.19 informed, orally and in writing, of the rights of a committed person under this section.
156.20 The revocation report shall be served upon the committed person, the committed person's
156.21 counsel, and the county attorneys of the county of commitment and the county of financial
156.22 responsibility. The report shall outline the specific reasons for the revocation, including
156.23 but not limited to the specific facts upon which the revocation is based.

156.24 (d) An individual who is revoked from provisional discharge must successfully
156.25 re-petition the ~~special review board~~ and judicial appeal panel prior to being placed back
156.26 on provisional discharge.

156.27 **EFFECTIVE DATE.** This section is effective the day following final enactment
156.28 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
156.29 provisional discharges, or requests for review of pass-eligibility status filed on or after the
156.30 date of enactment.

156.31 Sec. 16. Minnesota Statutes 2014, section 253D.30, subdivision 6, is amended to read:

156.32 Subd. 6. **Appeal.** Any committed person aggrieved by a revocation decision or any
156.33 interested person may petition the ~~special review board~~ judicial appeal panel within seven
156.34 days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of the revocation

157.1 report for a review of the revocation. The matter shall be scheduled within 30 days. The
 157.2 ~~special review board~~ judicial appeal panel shall review the circumstances leading to the
 157.3 revocation and shall ~~recommend to the judicial appeal panel~~ decide whether or not the
 157.4 revocation shall be upheld. The ~~special review board~~ judicial appeal panel may also
 157.5 ~~recommend~~ order a new provisional discharge at the time of the revocation hearing.

157.6 **EFFECTIVE DATE.** This section is effective the day following final enactment
 157.7 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
 157.8 provisional discharges, or requests for review of pass-eligibility status filed on or after the
 157.9 date of enactment.

157.10 Sec. 17. Minnesota Statutes 2014, section 253D.31, is amended to read:

157.11 **253D.31 DISCHARGE.**

157.12 A person who is committed as a sexually dangerous person or a person with a sexual
 157.13 psychopathic personality shall not be discharged unless it appears to the satisfaction of the
 157.14 judicial appeal panel, ~~after a hearing and recommendation by a majority of the special~~
 157.15 ~~review board~~, that the committed person is capable of making an acceptable adjustment to
 157.16 open society, is no longer dangerous to the public, and is no longer in need of inpatient
 157.17 treatment and supervision.

157.18 In determining whether a discharge shall be recommended, the ~~special review board~~
 157.19 ~~and~~ judicial appeal panel shall consider whether specific conditions exist to provide a
 157.20 reasonable degree of protection to the public and to assist the committed person in adjusting
 157.21 to the community. If the desired conditions do not exist, the discharge shall not be granted.

157.22 **EFFECTIVE DATE.** This section is effective the day following final enactment
 157.23 and applies to all petitions for reduction in custody, appeals of revocation of transfers or
 157.24 provisional discharges, or requests for review of pass-eligibility status filed on or after the
 157.25 date of enactment.

157.26 Sec. 18. **REPEALER.**

157.27 Minnesota Statutes 2014, section 253D.27, subdivisions 3 and 4, are repealed.

157.28 **ARTICLE 7**

157.29 **HEALTH DEPARTMENT**

157.30 Section 1. Minnesota Statutes 2014, section 13.3806, subdivision 22, is amended to read:

158.1 Subd. 22. **Medical use of cannabis data.** Data collected under the registry program
158.2 authorized under sections 152.22 to 152.37 are governed by sections 152.25, subdivision
158.3 1; 152.27, subdivision 8; 152.28, subdivision 2; and 152.37, subdivision 3.

158.4 Sec. 2. Minnesota Statutes 2014, section 62J.495, subdivision 4, is amended to read:

158.5 Subd. 4. **Coordination with national HIT activities.** (a) The commissioner,
158.6 in consultation with the e-Health Advisory Committee, shall update the statewide
158.7 implementation plan required under subdivision 2 and released June 2008, to be consistent
158.8 with the updated Federal HIT Strategic Plan released by the Office of the National
158.9 Coordinator in accordance with section 3001 of the HITECH Act. The statewide plan
158.10 shall meet the requirements for a plan required under section 3013 of the HITECH Act.

158.11 (b) The commissioner, in consultation with the e-Health Advisory Committee,
158.12 shall work to ensure coordination between state, regional, and national efforts to support
158.13 and accelerate efforts to effectively use health information technology to improve the
158.14 quality and coordination of health care and the continuity of patient care among health
158.15 care providers, to reduce medical errors, to improve population health, to reduce health
158.16 disparities, and to reduce chronic disease. The commissioner's coordination efforts shall
158.17 include but not be limited to:

158.18 (1) assisting in the development and support of health information technology
158.19 regional extension centers established under section 3012(c) of the HITECH Act to
158.20 provide technical assistance and disseminate best practices; ~~and~~

158.21 (2) providing supplemental information to the best practices gathered by regional
158.22 centers to ensure that the information is relayed in a meaningful way to the Minnesota
158.23 health care community;

158.24 (3) providing financial and technical support to Minnesota health care providers to
158.25 encourage implementation of admission, discharge and transfer alerts, and care summary
158.26 document exchange transactions and to evaluate the impact of health information
158.27 technology on cost and quality of care;

158.28 (4) providing educational resources and technical assistance to health care providers
158.29 and patients related to state and national privacy, security, and consent laws governing
158.30 clinical health information. In carrying out these activities, the commissioner's technical
158.31 assistance does not constitute legal advice; and

158.32 (5) assessing Minnesota's legal, financial, and regulatory framework for health
158.33 information exchange, and making recommendations for modifications that would
158.34 strengthen the ability of Minnesota health care providers to securely exchange data

159.1 in compliance with patient preferences and in a way that is efficient and financially
159.2 sustainable.

159.3 (c) The commissioner, in consultation with the e-Health Advisory Committee, shall
159.4 monitor national activity related to health information technology and shall coordinate
159.5 statewide input on policy development. The commissioner shall coordinate statewide
159.6 responses to proposed federal health information technology regulations in order to ensure
159.7 that the needs of the Minnesota health care community are adequately and efficiently
159.8 addressed in the proposed regulations. The commissioner's responses may include, but
159.9 are not limited to:

159.10 (1) reviewing and evaluating any standard, implementation specification, or
159.11 certification criteria proposed by the national HIT standards committee;

159.12 (2) reviewing and evaluating policy proposed by the national HIT policy committee
159.13 relating to the implementation of a nationwide health information technology infrastructure;

159.14 (3) monitoring and responding to activity related to the development of quality
159.15 measures and other measures as required by section 4101 of the HITECH Act. Any
159.16 response related to quality measures shall consider and address the quality efforts required
159.17 under chapter 62U; and

159.18 (4) monitoring and responding to national activity related to privacy, security, and
159.19 data stewardship of electronic health information and individually identifiable health
159.20 information.

159.21 (d) To the extent that the state is either required or allowed to apply, or designate an
159.22 entity to apply for or carry out activities and programs under section 3013 of the HITECH
159.23 Act, the commissioner of health, in consultation with the e-Health Advisory Committee
159.24 and the commissioner of human services, shall be the lead applicant or sole designating
159.25 authority. The commissioner shall make such designations consistent with the goals and
159.26 objectives of sections 62J.495 to 62J.497 and 62J.50 to 62J.61.

159.27 (e) The commissioner of human services shall apply for funding necessary to
159.28 administer the incentive payments to providers authorized under title IV of the American
159.29 Recovery and Reinvestment Act.

159.30 (f) The commissioner shall include in the report to the legislature information on the
159.31 activities of this subdivision and provide recommendations on any relevant policy changes
159.32 that should be considered in Minnesota.

159.33 Sec. 3. Minnesota Statutes 2014, section 62J.496, subdivision 1, is amended to read:

159.34 Subdivision 1. **Account establishment.** (a) An account is established to:

160.1 (1) finance the purchase of certified electronic health records or qualified electronic
160.2 health records as defined in section 62J.495, subdivision 1a;

160.3 (2) enhance the utilization of electronic health record technology, which may include
160.4 costs associated with upgrading the technology to meet the criteria necessary to be a
160.5 certified electronic health record or a qualified electronic health record;

160.6 (3) train personnel in the use of electronic health record technology; and

160.7 (4) improve the secure electronic exchange of health information.

160.8 (b) Amounts deposited in the account, including any grant funds obtained through
160.9 federal or other sources, loan repayments, and interest earned on the amounts shall
160.10 be used only for awarding loans or loan guarantees, as a source of reserve and security
160.11 for leveraged loans, for activities authorized in section 62J.495, subdivision 4, or for
160.12 the administration of the account.

160.13 (c) The commissioner may accept contributions to the account from private sector
160.14 entities subject to the following provisions:

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

160.17 (2) the commissioner shall make public the identity of any private contributor to the
160.18 loan fund, as well as the amount of the contribution provided;

160.19 (3) the commissioner may issue letters of commendation or make other awards that
160.20 have no financial value to any such entity; and

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

160.24 (d) The commissioner may use the loan funds to reimburse private sector entities
160.25 for any contribution made to the loan fund. Reimbursement to private entities may not
160.26 exceed the principle amount contributed to the loan fund.

160.27 (e) The commissioner may use funds deposited in the account to guarantee, or
160.28 purchase insurance for, a local obligation if the guarantee or purchase would improve
160.29 credit market access or reduce the interest rate applicable to the obligation involved.

160.30 (f) The commissioner may use funds deposited in the account as a source of revenue
160.31 or security for the payment of principal and interest on revenue or general obligation
160.32 bonds issued by the state if the proceeds of the sale of the bonds will be deposited into
160.33 the loan fund.

160.34 Sec. 4. Minnesota Statutes 2014, section 152.27, subdivision 2, is amended to read:

160.35 Subd. 2. **Commissioner duties.** (a) The commissioner shall:

161.1 (1) give notice of the program to health care practitioners in the state who are
161.2 eligible to serve as health care practitioners and explain the purposes and requirements
161.3 of the program;

161.4 (2) allow each health care practitioner who meets or agrees to meet the program's
161.5 requirements and who requests to participate, to be included in the registry program to
161.6 collect data for the patient registry;

161.7 (3) allow each health care practitioner who meets the requirements of subdivision 8,
161.8 and who requests access for a permissible purpose, to have limited access to a patient's
161.9 registry information;

161.10 ~~(3)~~ (4) provide explanatory information and assistance to each health care
161.11 practitioner in understanding the nature of therapeutic use of medical cannabis within
161.12 program requirements;

161.13 ~~(4)~~ (5) create and provide a certification to be used by a health care practitioner
161.14 for the practitioner to certify whether a patient has been diagnosed with a qualifying
161.15 medical condition and include in the certification an option for the practitioner to certify
161.16 whether the patient, in the health care practitioner's medical opinion, is developmentally or
161.17 physically disabled and, as a result of that disability, the patient is unable to self-administer
161.18 medication or acquire medical cannabis from a distribution facility;

161.19 ~~(5)~~ (6) supervise the participation of the health care practitioner in conducting
161.20 patient treatment and health records reporting in a manner that ensures stringent security
161.21 and record-keeping requirements and that prevents the unauthorized release of private
161.22 data on individuals as defined by section 13.02;

161.23 ~~(6)~~ (7) develop safety criteria for patients with a qualifying medical condition as a
161.24 requirement of the patient's participation in the program, to prevent the patient from
161.25 undertaking any task under the influence of medical cannabis that would constitute
161.26 negligence or professional malpractice on the part of the patient; and

161.27 ~~(7)~~ (8) conduct research and studies based on data from health records submitted to
161.28 the registry program and submit reports on intermediate or final research results to the
161.29 legislature and major scientific journals. The commissioner may contract with a third
161.30 party to complete the requirements of this clause. Any reports submitted must comply
161.31 with section 152.28, subdivision 2.

161.32 (b) If the commissioner wishes to add a delivery method under section 152.22,
161.33 subdivision 6, or a qualifying medical condition under section 152.22, subdivision 14, the
161.34 commissioner must notify the chairs and ranking minority members of the legislative policy
161.35 committees having jurisdiction over health and public safety of the addition and the reasons
161.36 for its addition, including any written comments received by the commissioner from the

162.1 public and any guidance received from the task force on medical cannabis research, by
162.2 January 15 of the year in which the commissioner wishes to make the change. The change
162.3 shall be effective on August 1 of that year, unless the legislature by law provides otherwise.

162.4 Sec. 5. Minnesota Statutes 2014, section 152.27, is amended by adding a subdivision
162.5 to read:

162.6 Subd. 8. Access to registry data. (a) Notwithstanding section 152.31, a health
162.7 care practitioner may access a patient's registry information to the extent the information
162.8 relates specifically to a current patient, to whom the health care practitioner is:

162.9 (1) prescribing or considering prescribing any controlled substance;

162.10 (2) providing emergency medical treatment for which access to the data may be
162.11 necessary; or

162.12 (3) providing other medical treatment for which access to the data may be necessary
162.13 and the patient has consented to access to the registry account information, and with the
162.14 provision that the health care practitioner remains responsible for the use or misuse of data
162.15 accessed by a delegated agent or employee.

162.16 (b) A health care practitioner who is authorized to access the patient registry under
162.17 this subdivision may be registered to electronically access limited data in the medical
162.18 cannabis patient registry. If the data is accessed electronically, the health care practitioner
162.19 shall implement and maintain a comprehensive information security program that contains
162.20 administrative, technical, and physical safeguards that are appropriate to the user's size
162.21 and complexity, and the sensitivity of the personal information obtained. The health care
162.22 practitioner shall identify reasonably foreseeable internal and external risks to the security,
162.23 confidentiality, and integrity of personal information that could result in the unauthorized
162.24 disclosure, misuse, or other compromise of the information and assess the sufficiency of
162.25 any safeguards in place to control the risks.

162.26 (c) When requesting access based on patient consent, a health care practitioner shall
162.27 warrant that the request:

162.28 (1) contains no information known to the provider to be false;

162.29 (2) accurately states the patient's desire to have health records disclosed or that
162.30 there is specific authorization in law; and

162.31 (3) does not exceed any limits imposed by the patient in the consent.

162.32 (d) The commissioner shall maintain a log of all persons who access the data for at
162.33 least three years and shall ensure that any health care practitioner agrees to comply with
162.34 paragraph (b) before attaining access to the data.

163.1 Sec. 6. Minnesota Statutes 2014, section 152.33, is amended by adding a subdivision
163.2 to read:

163.3 Subd. 7. **Improper access to registry; criminal penalty.** In addition to any
163.4 other applicable penalty in law, a person who intentionally makes a false statement or
163.5 misrepresentation to gain access to the patient registry under section 152.27, subdivision 8,
163.6 or otherwise accesses the patient registry under false pretenses, is guilty of a misdemeanor
163.7 punishable by imprisonment for not more than 90 days or by payment of a fine of not more
163.8 than \$1,000, or both. The penalty is in addition to any other penalties that may apply for
163.9 making a false statement, misrepresentation, or unauthorized acquisition of not public data.

163.10 Sec. 7. **COST AND BENEFIT ANALYSIS; HEALTH CARE SYSTEM**
163.11 **PROPOSALS.**

163.12 Subdivision 1. **Contract for analysis of proposals.** The commissioner of health
163.13 shall contract with the University of Minnesota School of Public Health to conduct an
163.14 analysis of the costs and benefits of up to three specific proposals that seek to create a
163.15 health care system with increased access, greater affordability, lower costs, and improved
163.16 quality of care in comparison to the current system.

163.17 Subd. 2. **Plans.** The commissioner of health, with input from the commissioners
163.18 of human services and commerce, legislators, and other stakeholders, shall submit to the
163.19 University of Minnesota the following proposals:

163.20 (1) a free-market insurance-based competition approach;

163.21 (2) a universal health care plan designed to meet the following principles:

163.22 (i) ensure all Minnesotans receive quality health care;

163.23 (ii) cover all necessary care, including all coverage currently required by law,
163.24 complete mental health services, chemical dependency treatment, prescription drugs,
163.25 medical equipment and supplies, dental care, long-term care, and home care services;

163.26 (iii) allow patients to choose their own providers; and

163.27 (iv) use premiums based on ability to pay; and

163.28 (3) a third alternative may be submitted by the commissioner that offers a different
163.29 approach.

163.30 Subd. 3. **Proposal analysis.** (a) The analysis of each proposal must measure the
163.31 impact on total public and private health care spending in Minnesota that would result
163.32 from each proposal, including spending by individuals. "Total public and private health
163.33 care spending" means spending on all medical care, including dental care, prescription
163.34 drugs, medical equipment and supplies, complete mental health services, chemical
163.35 dependency treatment, long-term care, and home care services as well as all of the costs

164.1 for administering, delivering, and paying for the care. The analysis of total health care
164.2 spending shall include whether there are savings or additional costs compared to the
164.3 existing system due to:

164.4 (1) increased or reduced insurance, billing, underwriting, marketing, and other
164.5 administrative functions;

164.6 (2) changes in access to and timely and appropriate use of medical care;

164.7 (3) availability and take-up of health insurance coverage;

164.8 (4) market-driven or negotiated prices on medical services and products, including
164.9 pharmaceuticals;

164.10 (5) shortages or excess capacity of medical facilities and equipment;

164.11 (6) increased or decreased utilization, better health outcomes, increased wellness
164.12 due to prevention, early intervention, and health-promoting activities;

164.13 (7) payment reforms;

164.14 (8) coordination of care; and

164.15 (9) to the extent possible given available data and resources, non-health care impacts
164.16 on state and local expenditures such as reduced out-of-home placement or crime costs
164.17 due to mental health or chemical dependency coverage.

164.18 (b) To the extent possible given available data and resources, the analysis must also
164.19 estimate for each proposal job losses or gains in health care and elsewhere in the economy
164.20 due to implementation of the reforms.

164.21 (c) The analysis shall assume that the provisions in each proposal are not preempted
164.22 by federal law or that the federal government gives a waiver to the preemption.

164.23 (d) The commissioner shall provide preliminary findings to the chairs and ranking
164.24 minority members of the legislative committees with jurisdiction over health and human
164.25 services policy and finance by March 15, 2017, and a final report by October 1, 2017. For
164.26 the optional third alternative approach described in subdivision 2, clause (3), and for the
164.27 analyses described in paragraph (a), clause (9), and paragraph (b), a final report is due
164.28 by March 15, 2018.

164.29 **Sec. 8. HEALTH RISK LIMITS.**

164.30 Fifteen points must be assigned by the Department of Health pursuant to Minnesota
164.31 Rules, part 4720.9020, if the department has confirmed an exceedance of a health risk limit
164.32 under Minnesota Rules, parts 4717.7500 to 4717.7900, within the past 36 calendar months.

164.33 **EFFECTIVE DATE.** This section is effective the day following final enactment
164.34 and applies to Minnesota Rules, part 4720.9020, until the Department of Health modifies
164.35 part 4720.9020.

166.1 listed under them are available for the fiscal years ending June 30, 2016, or June 30, 2017,
 166.2 respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017.
 166.3 "The biennium" is fiscal years 2016 and 2017.

	<u>APPROPRIATIONS</u>		
	<u>Available for the Year</u>		
	<u>Ending June 30</u>		
	<u>2016</u>	<u>2017</u>	
166.4			
166.5			
166.6			
166.7			
166.8	<u>Sec. 2. COMMISSIONER OF HUMAN</u>		
166.9	<u>SERVICES</u>		
166.10	<u>Subdivision 1. Total Appropriation</u>	<u>\$ (615,912,000)</u>	<u>\$ (518,891,000)</u>
166.11	<u>Appropriations by Fund</u>		
166.12	<u>General Fund</u>	<u>(307,806,000)</u>	<u>(246,029,000)</u>
166.13	<u>Health Care Access</u>		
166.14	<u>Fund</u>	<u>(289,770,000)</u>	<u>(277,101,000)</u>
166.15	<u>Federal TANF</u>	<u>(18,336,000)</u>	<u>4,239,000</u>
166.16	<u>Subd. 2. Forecasted Programs</u>		
166.17	<u>(a) MFIP/DWP</u>		
166.18	<u>Appropriations by Fund</u>		
166.19	<u>General Fund</u>	<u>9,833,000</u>	<u>(8,799,000)</u>
166.20	<u>Federal TANF</u>	<u>(20,225,000)</u>	<u>4,212,000</u>
166.21	<u>(b) MFIP Child Care Assistance</u>	<u>(23,094,000)</u>	<u>(7,760,000)</u>
166.22	<u>(c) General Assistance</u>	<u>(2,120,000)</u>	<u>(1,078,000)</u>
166.23	<u>(d) Minnesota Supplemental Aid</u>	<u>(1,613,000)</u>	<u>(1,650,000)</u>
166.24	<u>(e) Group Residential Housing</u>	<u>(8,101,000)</u>	<u>(7,954,000)</u>
166.25	<u>(f) Northstar Care for Children</u>	<u>2,231,000</u>	<u>4,496,000</u>
166.26	<u>(g) MinnesotaCare</u>	<u>(227,821,000)</u>	<u>(230,027,000)</u>
166.27	<u>These appropriations are from the health care</u>		
166.28	<u>access fund.</u>		
166.29	<u>(h) Medical Assistance</u>		
166.30	<u>Appropriations by Fund</u>		
166.31	<u>General Fund</u>	<u>(294,773,000)</u>	<u>(243,700,000)</u>
166.32	<u>Health Care Access</u>		
166.33	<u>Fund</u>	<u>(61,949,000)</u>	<u>(47,074,000)</u>
166.34	<u>(i) Alternative Care Program</u>	<u>-0-</u>	<u>-0-</u>

167.1	<u>(j) CCDTF Entitlements</u>	<u>9,831,000</u>	<u>20,416,000</u>
167.2	<u>Subd. 3. Technical Activities</u>	<u>1,889,000</u>	<u>27,000</u>

167.3 These appropriations are from the federal
 167.4 TANF fund.

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

167.6 **ARTICLE 10**

167.7 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

167.8 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

167.9 The sums shown in the columns marked "Appropriations" are added to or, if shown
 167.10 in parentheses, subtracted from the appropriations in Laws 2015, chapter 71, article 14, to
 167.11 the agencies and for the purposes specified in this act. The appropriations are from the
 167.12 general fund or other named fund and are available for the fiscal years indicated for each
 167.13 purpose. The figures "2016" and "2017" used in this act mean that the addition to or
 167.14 subtraction from the appropriation listed under them is available for the fiscal year ending
 167.15 June 30, 2016, or June 30, 2017, respectively. Supplemental appropriations and reductions
 167.16 to appropriations for the fiscal year ending June 30, 2016, are effective the day following
 167.17 final enactment unless a different effective date is explicit.

167.18		<u>APPROPRIATIONS</u>	
167.19		<u>Available for the Year</u>	
167.20		<u>Ending June 30</u>	
167.21		<u>2016</u>	<u>2017</u>

167.22 **Sec. 2. COMMISSIONER OF HUMAN**
 167.23 **SERVICES**

167.24 **Subdivision 1. Total Appropriation** **6,851,000** **184,030,000**

167.25	<u>Appropriations by Fund</u>		
167.26		<u>2016</u>	<u>2017</u>
167.27	<u>General</u>	<u>2,116,000</u>	<u>131,700,000</u>
167.28	<u>State Government</u>		
167.29	<u>Special Revenue</u>	<u>-0-</u>	<u>(3,709,000)</u>
167.30	<u>Health Care Access</u>	<u>4,735,000</u>	<u>56,039,000</u>
167.31	<u>Federal TANF</u>	<u>-0-</u>	<u>-0-</u>

167.32 **Subd. 2. Central Office Operations**

167.33 **(a) Operations**

168.1	<u>Appropriations by Fund</u>		
168.2	<u>General</u>	<u>-0-</u>	<u>3,426,000</u>
168.3	<u>State Government</u>		
168.4	<u>Special Revenue</u>	<u>-0-</u>	<u>(3,709,000)</u>
168.5	<u>Health Care Access</u>	<u>-0-</u>	<u>425,000</u>
168.6	<u>Base adjustment.</u> <u>The general fund base is</u>		
168.7	<u>reduced by \$1,145,000 in fiscal year 2018</u>		
168.8	<u>and \$1,225,000 in fiscal year 2019. The</u>		
168.9	<u>health care access fund base is reduced by</u>		
168.10	<u>\$375,000 in fiscal years 2018 and 2019.</u>		
168.11	<u>(b) Children and Families</u>	<u>-0-</u>	<u>262,000</u>
168.12	<u>Base adjustment.</u> <u>The general fund base</u>		
168.13	<u>is reduced by \$147,000 in fiscal years 2018</u>		
168.14	<u>and 2019.</u>		
168.15	<u>(c) Health Care</u>	<u>-0-</u>	<u>1,068,000</u>
168.16	<u>Base adjustment.</u> <u>The general fund base</u>		
168.17	<u>is reduced by \$464,000 in fiscal years 2018</u>		
168.18	<u>and 2019.</u>		
168.19	<u>(d) Continuing Care</u>	<u>-0-</u>	<u>534,000</u>
168.20	<u>Study of home and community-based</u>		
168.21	<u>services workforce.</u> <u>\$414,000 in fiscal</u>		
168.22	<u>year 2017 and \$621,000 in fiscal year</u>		
168.23	<u>2018 are to complete a study of home and</u>		
168.24	<u>community-based services workforce and its</u>		
168.25	<u>impact on service access. The commissioner</u>		
168.26	<u>may also use surveys or other methods to</u>		
168.27	<u>complete this study. On January 1, 2018,</u>		
168.28	<u>the commissioner shall report the findings</u>		
168.29	<u>of the study, including recommendations</u>		
168.30	<u>on how to address access to services, and</u>		
168.31	<u>recommendations on a higher reimbursement</u>		
168.32	<u>rate for staff providing services to individuals</u>		
168.33	<u>with higher home care ratings, case mixes,</u>		
168.34	<u>or levels of care, to the chairs and ranking</u>		
168.35	<u>minority members of the legislative</u>		

169.1 committees with jurisdiction over health and
 169.2 human services policy and finance and labor
 169.3 and industry. This is a onetime appropriation.

169.4 **Base Adjustment.** The general fund base
 169.5 is increased by \$447,000 in fiscal year 2018
 169.6 and reduced by \$174,000 in fiscal year 2019.

169.7 **(e) Community Supports** -0- 962,000

169.8 **Base Adjustment.** The general fund base
 169.9 is increased by \$538,000 in fiscal year 2018
 169.10 and \$428,000 in fiscal year 2019.

169.11 **Subd. 3. Forecasted Programs**

169.12 **(a) MFIP/DWP**

169.13 Appropriations by Fund

169.14 General 3,242,000

169.15 Federal TANF 23,660,000

169.16 **(b) MFIP Child Care Assistance** -0- 14,123,000

169.17 **(c) General Assistance** -0- -0-

169.18 **(d) MN Supplemental Assistance** -0- -0-

169.19 **(e) Group Residential Housing** -0- -0-

169.20 **(f) Northstar Care for Children** -0- -0-

169.21 **(g) MinnesotaCare** -0- 3,985,000

169.22 These appropriations are from the health care
 169.23 access fund.

169.24 **(h) Medical Assistance**

169.25 Appropriations by Fund

169.26 General (4,735,000) (11,941,000)

169.27 Health Care Access 4,735,000 51,629,000

169.28 The health care access fund is for forecast
 169.29 costs of adults without children who are
 169.30 eligible under Minnesota Statutes, section
 169.31 256B.055, subdivision 15.

169.32 **(i) Alternative Care** -0- -0-

170.1	<u>(j) CD Treatment Fund</u>	<u>-0-</u>	<u>105,000</u>
170.2	<u>Subd. 4. Grant Programs</u>		
170.3	<u>(a) Support Services Grants</u>	<u>-0-</u>	<u>-0-</u>
170.4	<u>(b) BSF Child Care Assistance Grants</u>	<u>-0-</u>	<u>6,899,000</u>
170.5	<u>Base Adjustment.</u> The general fund base is		
170.6	<u>increased by \$24,578,000 in fiscal year 2018</u>		
170.7	<u>and \$32,266,000 in fiscal year 2019.</u>		
170.8	<u>(c) Child Care Development Grants</u>	<u>-0-</u>	<u>-0-</u>
170.9	<u>Child Care Provider Grants.</u> The general		
170.10	<u>fund base is \$1,000,000 in fiscal year</u>		
170.11	<u>2018 and \$2,000,000 in fiscal year 2019</u>		
170.12	<u>for contracts with child care providers to</u>		
170.13	<u>address shortages in the supply of quality</u>		
170.14	<u>child care which may include one or more</u>		
170.15	<u>of the following: care for children who are</u>		
170.16	<u>homeless or have special needs, care for</u>		
170.17	<u>infants or toddlers, or child care located in</u>		
170.18	<u>an area where the availability of child care</u>		
170.19	<u>is limited.</u>		
170.20	<u>Base Adjustment.</u> The general fund base is		
170.21	<u>increased by \$1,000,000 in fiscal year 2018</u>		
170.22	<u>and \$2,000,000 in fiscal year 2019.</u>		
170.23	<u>(d) Child Support Enforcement Grants</u>	<u>-0-</u>	<u>-0-</u>
170.24	<u>(e) Children's Services Grants</u>	<u>-0-</u>	<u>800,000</u>
170.25	<u>American Indian Child Welfare Initiative.</u>		
170.26	<u>\$800,000 in fiscal year 2017 is for planning</u>		
170.27	<u>efforts to expand the American Indian Child</u>		
170.28	<u>Welfare Initiative. Of this appropriation,</u>		
170.29	<u>\$400,000 is for grants to the Mille Lacs Band</u>		
170.30	<u>of Ojibwe and \$400,000 is for grants to Red</u>		
170.31	<u>Lake Nation. This is a onetime appropriation.</u>		

171.1	<u>Base Adjustment.</u> The general fund base		
171.2	<u>is reduced by \$800,000 in fiscal years 2018</u>		
171.3	<u>and 2019.</u>		
171.4	<u>(f) Children and Community Service Grants</u>	<u>-0-</u>	<u>1,900,000</u>
171.5	<u>White Earth Band of Ojibwe Human</u>		
171.6	<u>Services Initiative Project.</u> \$1,400,000		
171.7	<u>in fiscal year 2017 is for a grant to the</u>		
171.8	<u>White Earth Band of Ojibwe for the direct</u>		
171.9	<u>implementation and administrative costs of</u>		
171.10	<u>the White Earth Human Service Initiative</u>		
171.11	<u>Project authorized under Laws 2011, First</u>		
171.12	<u>Special Session chapter 9, article 9, section</u>		
171.13	<u>18.</u>		
171.14	<u>Red Lake Nation Human Services</u>		
171.15	<u>Initiative Project.</u> \$500,000 in fiscal year		
171.16	<u>2017 is for a grant to the Red Lake Nation for</u>		
171.17	<u>the direct implementation and administrative</u>		
171.18	<u>costs of the Red Lake Human Service</u>		
171.19	<u>Initiative Project authorized under Minnesota</u>		
171.20	<u>Statutes, section 256.01, subdivision 2,</u>		
171.21	<u>paragraph (a), clause (7).</u>		
171.22	<u>(g) Children and Economic Support Grants</u>	<u>-0-</u>	<u>4,769,000</u>
171.23	<u>Grants to Counties for Child Care</u>		
171.24	<u>Inspections.</u> \$4,769,000 in fiscal year 2017		
171.25	<u>is for grants to counties to conduct annual</u>		
171.26	<u>inspections of family child care providers</u>		
171.27	<u>licensed under Minnesota Statutes, chapter</u>		
171.28	<u>245A, and Minnesota Rules, chapter 9502.</u>		
171.29	<u>(h) Health Care Grants</u>	<u>-0-</u>	<u>-0-</u>
171.30	<u>(i) Other Long-Term Care Grants</u>	<u>-0-</u>	<u>(1,725,000)</u>
171.31	<u>(j) Aging and Adult Services Grants</u>	<u>-0-</u>	<u>-0-</u>
171.32	<u>(k) Deaf and Hard-of-Hearing Grants</u>	<u>-0-</u>	<u>-0-</u>
171.33	<u>(l) Disabilities Grants</u>	<u>-0-</u>	<u>65,000</u>

172.1	<u>(m) Adult Mental Health Grants</u>	<u>-0-</u>	<u>3,715,000</u>
172.2	<u>Community-Based Competency</u>		
172.3	<u>Restoration.</u> \$1,000,000 in fiscal year 2017		
172.4	<u>is for adult mental health grants for planning</u>		
172.5	<u>and development of local, community-based</u>		
172.6	<u>competency restoration services. The</u>		
172.7	<u>base appropriation in fiscal year 2018 is</u>		
172.8	<u>\$1,000,000. The base appropriation in fiscal</u>		
172.9	<u>year 2019 is \$0.</u>		
172.10	<u>Forensic Assertive Community Treatment.</u>		
172.11	<u>\$200,000 in fiscal year 2017 is for adult</u>		
172.12	<u>mental health grants under Minnesota</u>		
172.13	<u>Statutes, section 256B.0622, subdivision 12,</u>		
172.14	<u>to establish new forensic assertive community</u>		
172.15	<u>treatment teams. The base appropriation in</u>		
172.16	<u>fiscal year 2018 is \$1,000,000. The base</u>		
172.17	<u>appropriation in fiscal year 2019 is \$0.</u>		
172.18	<u>Crisis Housing Assistance Program.</u> The		
172.19	<u>general fund appropriation for the crisis</u>		
172.20	<u>housing assistance program is reduced by</u>		
172.21	<u>\$300,000 in fiscal year 2017. The general</u>		
172.22	<u>fund appropriation is increased by \$300,000</u>		
172.23	<u>in fiscal year 2017 for expanding eligibility</u>		
172.24	<u>to include persons with serious mental illness</u>		
172.25	<u>in article 4, section 3.</u>		
172.26	<u>Base Adjustment.</u> The general fund base is		
172.27	<u>increased by \$200,000 in fiscal year 2018 and</u>		
172.28	<u>is reduced by \$1,000,000 in fiscal year 2019.</u>		
172.29	<u>(n) Child Mental Health Grants</u>	<u>-0-</u>	<u>-0-</u>
172.30	<u>Child and Adolescent Behavioral Health</u>		
172.31	<u>Services Grant.</u> \$1,500,000 in fiscal year		
172.32	<u>2018 and \$1,500,000 in fiscal year 2019</u>		
172.33	<u>from the general fund is for children's mental</u>		
172.34	<u>health grants under Minnesota Statutes,</u>		

173.1 section 245.4889, subdivision 1, paragraph
 173.2 (a), clause (17).

173.3 **Base Adjustment.** The general fund base is
 173.4 increased by \$1,500,000 in fiscal years 2018
 173.5 and 2019.

173.6 **(o) Chemical Dependency Treatment Support**
 173.7 **Grants**

-0-

800,000

173.8 **Community Addiction Recovery**

173.9 **Enterprise Brainerd.** \$800,000 in fiscal
 173.10 year 2017 is from the general fund for
 173.11 a grant to a tribal provider to transition
 173.12 the state-operated Chemical Additional
 173.13 Recovery Enterprise (C.A.R.E.) program in
 173.14 Brainerd.

173.15 **Base Adjustment.** The general fund base is
 173.16 reduced by \$400,000 in fiscal year 2018 and
 173.17 \$600,000 in fiscal year 2019. In fiscal year
 173.18 2020, the base for this appropriation shall be
 173.19 \$0.

173.20 **Subd. 5. DCT State-Operated Services**

173.21 **(a) DCT State-Operated Services Mental**
 173.22 **Health**

1,256,00042,680,000

173.23 \$14,000,000 in fiscal year 2017 is from the
 173.24 general fund to restore funds transferred
 173.25 to the enterprise fund for state-operated
 173.26 community services in fiscal year 2016. This
 173.27 is a onetime appropriation.

173.28 **State-Operated Services Operating**

173.29 **Adjustment.** \$1,256,000 in fiscal year
 173.30 2016 and \$2,888,000 in fiscal year 2017 is
 173.31 for state-operated services mental health
 173.32 services operating adjustments. Fiscal year
 173.33 2016 funding is available the day following
 173.34 final enactment.

- 174.1 **Base Adjustment.** The general fund base is
 174.2 reduced by \$11,156,000 in fiscal year 2018
 174.3 and \$12,586,000 in fiscal year 2019.
- 174.4 **(b) DCT State-Operated Services Enterprise**
 174.5 **Services** -0- 17,665,000
- 174.6 **State-Operated Community Services.**
 174.7 \$16,275,000 in fiscal year 2017 is from
 174.8 the general fund for the Minnesota
 174.9 state-operated community services program.
 174.10 The commissioner must transfer \$16,275,000
 174.11 in fiscal year 2017 to the enterprise fund
 174.12 for Minnesota state-operated community
 174.13 services. Of this amount, \$14,000,000 is a
 174.14 onetime appropriation.
- 174.15 **Community Addiction Recovery**
 174.16 **Enterprise Brainerd.** \$1,390,000 in fiscal
 174.17 year 2017 is from the general fund to be
 174.18 used to ready the site of the Chemical
 174.19 Additional Recovery Enterprise (C.A.R.E.)
 174.20 program located in Brainerd and pay staff
 174.21 separation costs associated with transitioning
 174.22 the program to a tribal provider. The
 174.23 commissioner must transfer \$1,390,000 in
 174.24 fiscal year 2017 to the enterprise fund for
 174.25 C.A.R.E.
- 174.26 **Base Adjustment.** The general fund base is
 174.27 reduced by \$14,709,000 in fiscal year 2018
 174.28 and \$16,334,000 in fiscal year 2019.
- 174.29 **(c) DCT State-Operated Services Minnesota**
 174.30 **Security Hospital** 2,200,000 32,106,000
- 174.31 **Competency Restoration Program.**
 174.32 \$6,564,000 in fiscal year 2017 is from the
 174.33 general fund for the development of a new
 174.34 residential competency restoration program

175.1 to be operated by state-operated forensic
 175.2 services.

175.3 **State-Operated Services Operating**

175.4 **Adjustment.** \$2,200,000 in fiscal year 2016
 175.5 and \$3,302,000 in fiscal year 2017 from the
 175.6 general fund is for state-operated services
 175.7 forensic services operating adjustments.

175.8 Fiscal year 2016 funding is available the day
 175.9 following final enactment.

175.10 **Base Adjustment.** The general fund base is
 175.11 increased by \$13,066,000 in fiscal year 2018
 175.12 and \$28,190,000 in fiscal year 2019.

175.13 **Subd. 6. DCT Minnesota Sex Offender**
 175.14 **Program**

3,395,000

10,245,000

175.15 **Minnesota Sex Offender Program**

175.16 **Operating Adjustment.** \$3,395,000 in fiscal
 175.17 year 2016 and \$4,669,000 in fiscal year 2017
 175.18 are from the general fund for the Minnesota
 175.19 sex offender program operating adjustments.

175.20 Fiscal year 2016 funding is available the day
 175.21 following final enactment.

175.22 **Base Adjustment.** The general fund base is
 175.23 reduced by \$1,837,000 in fiscal years 2018
 175.24 and 2019.

175.25 **Subd. 7. Technical Activities**

-0-

(23,660,000)

175.26 This appropriation is from the federal TANF
 175.27 fund.

175.28 **Base Adjustment.** The TANF base is
 175.29 reduced by \$442,000 in fiscal year 2018 and
 175.30 by \$621,000 in fiscal year 2019.

175.31 **Sec. 3. COMMISSIONER OF HEALTH**

175.32 **Subdivision 1. Total Appropriation**

\$

-0- \$

11,511,000

176.1 Appropriations by Fund

176.2		<u>2016</u>	<u>2017</u>
176.3	<u>General</u>	<u>-0-</u>	<u>11,011,000</u>
176.4	<u>Health Care Access</u>	<u>-0-</u>	<u>500,000</u>

176.5 The appropriation modifications for
 176.6 each purpose are shown in the following
 176.7 subdivisions.

176.8 Subd. 2. Health Improvement176.9 Appropriations by Fund

176.10	<u>General</u>	<u>-0-</u>	<u>10,781,000</u>
176.11	<u>Health Care Access</u>	<u>-0-</u>	<u>500,000</u>

176.12 Evidence-Based Home Visiting.

176.13 \$10,731,000 of the general fund appropriation
 176.14 in fiscal year 2017 is for evidence-based
 176.15 home visiting services for pregnant and
 176.16 parenting teens.

176.17 Medical Cannabis Patient Registry.

176.18 \$50,000 of the general fund appropriation in
 176.19 fiscal year 2017 is for updates to the medical
 176.20 cannabis patient registry. This is a onetime
 176.21 appropriation.

176.22 Health Care System Study. The health care
 176.23 access fund appropriation is for a health care
 176.24 system study. This is a onetime appropriation
 176.25 and is available until June 30, 2018.

176.26 Base-Level Adjustments. The general fund
 176.27 base is increased by \$8,829,000 in fiscal year
 176.28 2018 and \$17,714,000 in fiscal year 2019.

176.29	<u>Subd. 3. Health Protection</u>	<u>-0-</u>	<u>230,000</u>
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176.30 This appropriation is for administration of
 176.31 the drinking water revolving fund.

176.32 Sec. 4. HEALTH-RELATED BOARDS

176.33	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>195,000</u>	<u>\$</u>	<u>255,000</u>
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178.1 information technology services, funded
178.2 by the legislature, and approved by the
178.3 commissioner of management and budget,
178.4 may be transferred from one project to
178.5 another and from development to operations
178.6 as the commissioner of human services
178.7 considers necessary. Any unexpended
178.8 balance in the appropriation for these
178.9 projects does not cancel but is available for
178.10 ongoing development and operations.

178.11 **Nonfederal Share Transfers.** The
178.12 nonfederal share of activities for which
178.13 federal administrative reimbursement is
178.14 appropriated to the commissioner may be
178.15 transferred to the special revenue fund.

178.16 **ARRA Supplemental Nutrition Assistance**
178.17 **Benefit Increases.** The funds provided for
178.18 food support benefit increases under the
178.19 Supplemental Nutrition Assistance Program
178.20 provisions of the American Recovery and
178.21 Reinvestment Act (ARRA) of 2009 must be
178.22 used for benefit increases beginning July 1,
178.23 2009.

178.24 **Supplemental Nutrition Assistance**
178.25 **Program Employment and Training.**
178.26 (1) Notwithstanding Minnesota Statutes,
178.27 sections 256D.051, subdivisions 1a, 6b,
178.28 and 6c, and 256J.626, federal Supplemental
178.29 Nutrition Assistance employment and
178.30 training funds received as reimbursement of
178.31 MFIP consolidated fund grant expenditures
178.32 for diversionary work program participants
178.33 and child care assistance program
178.34 expenditures must be deposited in the general
178.35 fund. The amount of funds must be limited to

179.1 \$4,900,000 per year in fiscal years 2014 and
179.2 2015, and to \$4,400,000 per year in fiscal
179.3 years year 2016 and 2017, contingent on
179.4 approval by the federal Food and Nutrition
179.5 Service.

179.6 (2) Notwithstanding Minnesota Statutes,
179.7 sections 256D.051, subdivisions 1a, 6b, and
179.8 6c, and 256J.626, in fiscal year 2017, up to
179.9 \$4,400,000 in federal Supplemental Nutrition
179.10 Assistance employment and training
179.11 funds received as reimbursement of MFIP
179.12 consolidated fund grant expenditures for
179.13 diversionary work program participants and
179.14 child care assistance program expenditures
179.15 is appropriated to the commissioner of
179.16 human services to expand the Supplemental
179.17 Nutrition Assistance Program Employment
179.18 and Training Program, including
179.19 administrative costs, contingent on approval
179.20 by the federal Food and Nutrition Service.

179.21 ~~(2)~~ (3) Consistent with the receipt of the
179.22 federal funds, the commissioner may
179.23 adjust the level of working family credit
179.24 expenditures claimed as TANF maintenance
179.25 of effort. Notwithstanding any contrary
179.26 provision in this article, this rider expires
179.27 June 30, 2017.

179.28 **TANF Maintenance of Effort.** (a) In order
179.29 to meet the basic maintenance of effort
179.30 (MOE) requirements of the TANF block grant
179.31 specified under Code of Federal Regulations,
179.32 title 45, section 263.1, the commissioner may
179.33 only report nonfederal money expended for
179.34 allowable activities listed in the following
179.35 clauses as TANF/MOE expenditures:

180.1 (1) MFIP cash, diversionary work program,
180.2 and food assistance benefits under Minnesota
180.3 Statutes, chapter 256J;

180.4 (2) the child care assistance programs
180.5 under Minnesota Statutes, sections 119B.03
180.6 and 119B.05, and county child care
180.7 administrative costs under Minnesota
180.8 Statutes, section 119B.15;

180.9 (3) state and county MFIP administrative
180.10 costs under Minnesota Statutes, chapters
180.11 256J and 256K;

180.12 (4) state, county, and tribal MFIP
180.13 employment services under Minnesota
180.14 Statutes, chapters 256J and 256K;

180.15 (5) expenditures made on behalf of legal
180.16 noncitizen MFIP recipients who qualify for
180.17 the MinnesotaCare program under Minnesota
180.18 Statutes, chapter 256L;

180.19 (6) qualifying working family credit
180.20 expenditures under Minnesota Statutes,
180.21 section 290.0671;

180.22 (7) qualifying Minnesota education credit
180.23 expenditures under Minnesota Statutes,
180.24 section 290.0674; and

180.25 (8) qualifying Head Start expenditures under
180.26 Minnesota Statutes, section 119A.50.

180.27 (b) The commissioner shall ensure that
180.28 sufficient qualified nonfederal expenditures
180.29 are made each year to meet the state's
180.30 TANF/MOE requirements. For the activities
180.31 listed in paragraph (a), clauses (2) to
180.32 (8), the commissioner may only report
180.33 expenditures that are excluded from the

181.1 definition of assistance under Code of
181.2 Federal Regulations, title 45, section 260.31.

181.3 (c) For fiscal years beginning with state fiscal
181.4 year 2003, the commissioner shall ensure
181.5 that the maintenance of effort used by the
181.6 commissioner of management and budget
181.7 for the February and November forecasts
181.8 required under Minnesota Statutes, section
181.9 16A.103, contains expenditures under
181.10 paragraph (a), clause (1), equal to at least 16
181.11 percent of the total required under Code of
181.12 Federal Regulations, title 45, section 263.1.

181.13 (d) The requirement in Minnesota Statutes,
181.14 section 256.011, subdivision 3, that federal
181.15 grants or aids secured or obtained under that
181.16 subdivision be used to reduce any direct
181.17 appropriations provided by law, do not apply
181.18 if the grants or aids are federal TANF funds.

181.19 (e) For the federal fiscal years beginning on
181.20 or after October 1, 2007, the commissioner
181.21 may not claim an amount of TANF/MOE in
181.22 excess of the 75 percent standard in Code
181.23 of Federal Regulations, title 45, section
181.24 263.1(a)(2), except:

181.25 (1) to the extent necessary to meet the 80
181.26 percent standard under Code of Federal
181.27 Regulations, title 45, section 263.1(a)(1),
181.28 if it is determined by the commissioner
181.29 that the state will not meet the TANF work
181.30 participation target rate for the current year;

181.31 (2) to provide any additional amounts
181.32 under Code of Federal Regulations, title 45,
181.33 section 264.5, that relate to replacement of
181.34 TANF funds due to the operation of TANF
181.35 penalties; and

183.1 PRISM, MMIS, ISDS, and SSIS must
183.2 be deposited in the state systems account
183.3 authorized in Minnesota Statutes, section
183.4 256.014. Money appropriated for computer
183.5 projects approved by the commissioner
183.6 of the Office of MN.IT Services, funded
183.7 by the legislature, and approved by the
183.8 commissioner of management and budget
183.9 may be transferred from one project to
183.10 another and from development to operations
183.11 as the commissioner of human services
183.12 considers necessary. Any unexpended
183.13 balance in the appropriation for these
183.14 projects does not cancel but is available for
183.15 ongoing development and operations.

183.16 **TANF Maintenance of Effort.** (a) In order
183.17 to meet the basic maintenance of effort
183.18 (MOE) requirements of the TANF block grant
183.19 specified under Code of Federal Regulations,
183.20 title 45, section 263.1, the commissioner may
183.21 only report nonfederal money expended for
183.22 allowable activities listed in the following
183.23 clauses as TANF/MOE expenditures:

183.24 (1) MFIP cash, diversionary work program,
183.25 and food assistance benefits under Minnesota
183.26 Statutes, chapter 256J;

183.27 (2) the child care assistance programs
183.28 under Minnesota Statutes, sections 119B.03
183.29 and 119B.05, and county child care
183.30 administrative costs under Minnesota
183.31 Statutes, section 119B.15;

183.32 (3) state and county MFIP administrative
183.33 costs under Minnesota Statutes, chapters
183.34 256J and 256K;

184.1 (4) state, county, and tribal MFIP
184.2 employment services under Minnesota
184.3 Statutes, chapters 256J and 256K;

184.4 (5) expenditures made on behalf of legal
184.5 noncitizen MFIP recipients who qualify for
184.6 the MinnesotaCare program under Minnesota
184.7 Statutes, chapter 256L;

184.8 (6) qualifying working family credit
184.9 expenditures under Minnesota Statutes,
184.10 section 290.0671; and

184.11 (7) qualifying Minnesota education credit
184.12 expenditures under Minnesota Statutes,
184.13 section 290.0674.

184.14 (b) The commissioner shall ensure that
184.15 sufficient qualified nonfederal expenditures
184.16 are made each year to meet the state's
184.17 TANF/MOE requirements. For the activities
184.18 listed in paragraph (a), clauses (2) to
184.19 (7), the commissioner may only report
184.20 expenditures that are excluded from the
184.21 definition of assistance under Code of
184.22 Federal Regulations, title 45, section 260.31.

184.23 (c) For fiscal years beginning with state
184.24 fiscal year 2003, the commissioner shall
184.25 ensure that the maintenance of effort used
184.26 by the commissioner of management and
184.27 budget for the February and November
184.28 forecasts required under Minnesota Statutes,
184.29 section 16A.103, contains expenditures
184.30 under paragraph (a), clause (1), equal to at
184.31 least 13 percent in fiscal year 2017 and at
184.32 least 16 percent beginning in fiscal year 2018
184.33 of the total required under Code of Federal
184.34 Regulations, title 45, section 263.1.

185.1 (d) The requirement in Minnesota Statutes,
185.2 section 256.011, subdivision 3, that federal
185.3 grants or aids secured or obtained under that
185.4 subdivision be used to reduce any direct
185.5 appropriations provided by law, does not
185.6 apply if the grants or aids are federal TANF
185.7 funds.

185.8 (e) For the federal fiscal years beginning on
185.9 or after October 1, 2007, the commissioner
185.10 may not claim an amount of TANF/MOE in
185.11 excess of the 75 percent standard in Code
185.12 of Federal Regulations, title 45, section
185.13 263.1(a)(2), except:

185.14 (1) to the extent necessary to meet the 80
185.15 percent standard under Code of Federal
185.16 Regulations, title 45, section 263.1(a)(1),
185.17 if it is determined by the commissioner
185.18 that the state will not meet the TANF work
185.19 participation target rate for the current year;

185.20 (2) to provide any additional amounts
185.21 under Code of Federal Regulations, title 45,
185.22 section 264.5, that relate to replacement of
185.23 TANF funds due to the operation of TANF
185.24 penalties; and

185.25 (3) to provide any additional amounts that
185.26 may contribute to avoiding or reducing
185.27 TANF work participation penalties through
185.28 the operation of the excess MOE provisions
185.29 of Code of Federal Regulations, title 45,
185.30 section 261.43(a)(2).

185.31 (f) For the purposes of paragraph (e), clauses
185.32 (1) to (3), the commissioner may supplement
185.33 the MOE claim with working family credit
185.34 expenditures or other qualified expenditures
185.35 to the extent such expenditures are otherwise

186.1 available after considering the expenditures
 186.2 allowed in this subdivision and subdivision 2.
 186.3 (g) Notwithstanding any contrary provision
 186.4 in this article, paragraphs (a) to (f) expire
 186.5 June 30, 2019.

186.6 **Working Family Credit Expenditure**
 186.7 **as TANF/MOE.** The commissioner may
 186.8 claim as TANF maintenance of effort up to
 186.9 \$6,707,000 per year of working family credit
 186.10 expenditures in each fiscal year.

186.11 Sec. 8. Laws 2015, chapter 71, article 14, section 4, subdivision 3, is amended to read:

186.12	Subd. 3. Board of Dentistry	2,192,000	2,206,000
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186.13 ~~This appropriation includes \$864,000 in fiscal~~
 186.14 ~~year 2016 and \$878,000 in fiscal year 2017~~
 186.15 ~~for the health professional services program.~~

186.16 Sec. 9. **EXPIRATION OF UNCODIFIED LANGUAGE.**

186.17 All uncodified language contained in this article expires on June 30, 2017, unless a
 186.18 different expiration date is explicit.

186.19 Sec. 10. **EFFECTIVE DATE.**

186.20 This article is effective the day following final enactment.

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Article locations in S3332-1

ARTICLE 1	HEALTH CARE	Page.Ln 2.24
ARTICLE 2	CHILDREN AND FAMILIES	Page.Ln 18.12
ARTICLE 3	CONTINUING CARE	Page.Ln 107.13
ARTICLE 4	MENTAL HEALTH	Page.Ln 128.25
ARTICLE 5	OPERATIONS	Page.Ln 140.3
ARTICLE 6	DIRECT CARE AND TREATMENT	Page.Ln 144.18
ARTICLE 7	HEALTH DEPARTMENT	Page.Ln 157.28
ARTICLE 8	HEALTH-RELATED LICENSING BOARDS	Page.Ln 165.8
ARTICLE 9	HUMAN SERVICES FORECAST ADJUSTMENTS	Page.Ln 165.26
ARTICLE 10	HEALTH AND HUMAN SERVICES APPROPRIATIONS	Page.Ln 167.6

119B.07 USE OF MONEY.

(a) Money for persons listed in sections 119B.03, subdivision 3, and 119B.05, subdivision 1, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employment plan in the case of an MFIP participant, and county policies included in the child care fund plan. The maximum length of time a student is eligible for child care assistance under the child care fund for education and training is no more than the time necessary to complete the credit requirements for an associate or baccalaureate degree as determined by the educational institution, excluding basic or remedial education programs needed to prepare for postsecondary education or employment.

(b) To be eligible, the student must be in good standing and be making satisfactory progress toward the degree. Time limitations for child care assistance do not apply to basic or remedial educational programs needed to prepare for postsecondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a postsecondary program. If an MFIP participant who is receiving MFIP child care assistance under this chapter moves to another county, continues to participate in educational or training programs authorized in their employment plans, and continues to be eligible for MFIP child care assistance under this chapter, the MFIP participant must receive continued child care assistance from the county responsible for their current employment plan, under section 256G.07.

119B.125 PROVIDER REQUIREMENTS.

Subd. 5. **Provisional payment.** After a county receives a completed application from a provider, the county may issue provisional authorization and payment to the provider during the time needed to determine whether to give final authorization to the provider.

Subd. 8. **Overpayment claim for failure to comply with access to records requirement.**

(a) In establishing an overpayment claim under subdivision 6 for failure to provide access to attendance records, the county or commissioner is limited to the six years prior to the date the county or the commissioner requested the attendance records.

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

(c) The commissioner or county may seek to recover overpayments paid to a current or former provider. When a provider has been convicted of fraud under section 256.98, theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent billing for a program administered by the commissioner or a county, recovery may be sought regardless of the amount of overpayment.

253D.27 PETITION FOR REDUCTION IN CUSTODY.

Subd. 3. **Hearing.** (a) The special review board shall hold a hearing on each petition before issuing a recommendation and report under section 253D.30, subdivision 4. Fourteen days before the hearing, the committing court, the county attorney of the county of commitment, the county attorney of the county of financial responsibility, an interested person, the petitioner and the petitioner's counsel, and the committed person and the committed person's counsel must be given written notice by the commissioner of the time and place of the hearing before the special review board. Only those entitled to statutory notice of the hearing or those administratively required to attend may be present at the hearing. The committed person may designate interested persons to receive notice by providing the names and addresses to the commissioner at least 21 days before the hearing.

(b) A person or agency receiving notice that submits documentary evidence to the special review board before the hearing must also provide copies to the committed person, the committed person's counsel, the county attorney of the county of commitment, and the county attorney of the county of financial responsibility. The special review board must consider any statements received from victims under section 253D.14.

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Subd. 4. **Report.** Within 30 days of the hearing, the special review board shall issue a report with written findings of fact and shall recommend denial or approval of the petition to the judicial appeal panel established under section 253B.19. The commissioner shall forward the report of the special review board to the judicial appeal panel and to every person entitled to statutory notice. No reduction in custody or reversal of a revocation of provisional discharge recommended by the special review board is effective until it has been reviewed by the judicial appeal panel and until 15 days after an order from the judicial appeal panel affirming, modifying, or denying the recommendation.

256B.059 TREATMENT OF ASSETS WHEN A SPOUSE IS INSTITUTIONALIZED.

Subd. 1a. **Institutionalized spouse.** The provisions of this section apply only when a spouse begins the first continuous period of institutionalization on or after October 1, 1989.

256B.493 ADULT FOSTER CARE PLANNED CLOSURE.

Subdivision 1. **Commissioner's duties; report.** The commissioner of human services shall solicit proposals for the conversion of services provided for persons with disabilities in settings licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, or community residential settings licensed under chapter 245D, to other types of community settings in conjunction with the closure of identified licensed adult foster care settings.

Subd. 2. **Planned closure process needs determination.** The commissioner shall announce and implement a program for planned closure of adult foster care homes. Planned closure shall be the preferred method for achieving necessary budgetary savings required by the licensed bed closure budget reduction in section 245A.03, subdivision 7, paragraph (c). If additional closures are required to achieve the necessary savings, the commissioner shall use the process and priorities in section 245A.03, subdivision 7, paragraph (c).

256L.04 ELIGIBLE PERSONS.

Subd. 2a. **Applications for other benefits.** To be eligible for MinnesotaCare, individuals and families must take all necessary steps to obtain other benefits as described in Code of Federal Regulations, title 42, section 435.608. Applicants and enrollees must apply for other benefits within 30 days of notification.

Subd. 8. **Applicants potentially eligible for medical assistance.** (a) Individuals who receive Supplemental Security Income or retirement, survivors, or disability benefits due to a disability, or other disability-based pension, who qualify under subdivision 7, but who are potentially eligible for medical assistance without a spenddown shall be allowed to enroll in MinnesotaCare, so long as the applicant meets all other conditions of eligibility. The commissioner shall identify and refer the applications of such individuals to their county social service agency. The county and the commissioner shall cooperate to ensure that the individuals obtain medical assistance coverage for any months for which they are eligible.

(b) The enrollee must cooperate with the county social service agency in determining medical assistance eligibility. Enrollees who do not cooperate with medical assistance shall be disenrolled from the plan within one calendar month. Persons disenrolled for nonapplication for medical assistance may not reenroll until they have obtained a medical assistance eligibility determination. Persons disenrolled for noncooperation with medical assistance may not reenroll until they have cooperated with the county agency and have obtained a medical assistance eligibility determination.

(c) Counties that choose to become MinnesotaCare enrollment sites shall consider MinnesotaCare applications to also be applications for medical assistance.

(d) The commissioner shall redetermine provider payments made under MinnesotaCare to the appropriate medical assistance payments for those enrollees who subsequently become eligible for medical assistance.

256L.22 DEFINITION; CHILDREN'S HEALTH PROGRAM.

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For purposes of sections 256L.22 to 256L.28, "children's health program" means the medical assistance and MinnesotaCare programs to the extent medical assistance and MinnesotaCare provide health coverage to children.

256L.24 HEALTH CARE ELIGIBILITY FOR CHILDREN.

Subdivision 1. **Applicability.** This section applies to children who are enrolled in a children's health program.

Subd. 2. **Application procedure.** The commissioner shall develop an application form for children's health programs for children that is easily understandable and does not exceed four pages in length. The provisions of section 256L.05, subdivision 1, apply.

Subd. 3. **Premiums.** Children enrolled in MinnesotaCare shall pay premiums as provided in section 256L.15.

Subd. 4. **Eligibility renewal.** The commissioner shall require children enrolled in MinnesotaCare to renew eligibility every 12 months.

256L.26 ASSISTANCE TO APPLICANTS.

The commissioner shall assist children in choosing a managed care organization to receive services under a children's health program, by:

(1) establishing a Web site to provide information about managed care organizations and to allow online enrollment;

(2) making applications and information on managed care organizations available to applicants and enrollees according to Title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Department of Health and Human Services; and

(3) making benefit educators available to assist applicants in choosing a managed care organization.

256L.28 FEDERAL APPROVAL.

The commissioner shall seek all federal waivers and approvals necessary to implement sections 256L.22 to 256L.28, including, but not limited to, waivers and approvals necessary to:

(1) coordinate medical assistance and MinnesotaCare coverage for children; and

(2) maximize receipt of the federal medical assistance match for covered children, by increasing income standards through the use of more liberal income methodologies as provided under United States Code, title 42, sections 1396a and 1396u-1.

3400.0040 ELIGIBILITY REQUIREMENTS AND STANDARDS.

Subp. 6a. **Ineligibility for failure to pay fees under the child care fund.** A family that fails to pay the required family copayment fee under the child care fund is ineligible for child care assistance until the fees are paid or until the family reaches an agreement for payment with the provider and the county and then continues to comply with the payment agreement. When the county pays the parent, a family that fails to pay the provider the amount of the child care assistance payment is ineligible for child care assistance until the payment is made or until the family reaches an agreement for payment with the provider and the county and then continues to comply with the payment agreement.

3400.0040 ELIGIBILITY REQUIREMENTS AND STANDARDS.

Subp. 6b. **Ineligibility for failure to pay overpayments.** A family with an outstanding overpayment is ineligible for child care assistance until the overpayment is paid in full or until the family arranges to repay the overpayment according to part 3400.0187 and then continues to comply with the repayment agreement.

3400.0110 CHILD CARE ASSISTANCE PAYMENTS.

Subp. 2a. **Provisional payment for legal nonlicensed providers.**

A. When a legal nonlicensed provider who has been provisionally authorized under Minnesota Statutes, section 119B.125, subdivision 5, does not receive final authorization by the county, the provisional authorization and payment must be terminated following notice to the provider as required under part 3400.0185 and Minnesota Statutes, section 119B.13, subdivision 5. The county must notify the family using the ineligible provider that the family must choose a new provider to continue receiving child care assistance. A provider's failure to receive final authorization does not cause payments made during the provisional authorization period to be overpayments.

B. If a family appeals the adverse determination of provider eligibility and, while the appeal is pending, continues to use the provider who failed to receive final authorization, payments made after the notice period are subject to recovery as overpayments.

3400.0110 CHILD CARE ASSISTANCE PAYMENTS.

Subp. 10. **Payment during medical leaves of absence.** Counties must grant child care assistance during a parent's medical leave of absence from education or employment if:

- A. the parent is incapable of providing child care during the medical leave or absence;
- B. the parent is expected to return to employment or an approved education or training program within 90 calendar days after leaving the job, education, or training program; and
- C. the necessity of the medical leave and the inability to provide child care are documented by a physician or licensed psychologist.

The amount of child care authorized during the medical leave of absence must not exceed the equivalent of one month of full-time child care.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 7. **Earned income from self-employment.** In determining annual income for purposes of eligibility under this part, the administering agency shall determine earned income from self-employment. Earned income from self-employment is the difference between gross receipts and authorized self-employment expenses which may not include expenses under subpart 8. Self-employment business records must be kept separate from the family's personal records. If the person's business is a partnership or a corporation and that person is drawing a salary, the salary shall be treated as earned income under subpart 5.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 8. **Self-employment deductions which are not allowed.** In determining eligibility under this part, self-employment expenses must be subtracted from gross receipts. For purposes of this subpart, the document in items I to K is incorporated by reference. It is available through the Minitex interlibrary loan system. It is subject to frequent change. If the document in items I to K is amended, and if the amendments are incorporated by reference or otherwise made a part of state or federal law applicable to self-employment deductions, then the amendments to the document

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are also incorporated by reference into this subpart. However, the expenses listed in items A to P shall not be subtracted from gross receipts:

- A. purchases of capital assets;
- B. payments on the principal of loans for capital assets;
- C. depreciation;
- D. amortization;
- E. the costs of building an inventory, until the time of sale;
- F. transportation costs that exceed the amount allowed for use of a personal car in the United States Internal Revenue Code;
- G. the cost of transportation between the individual's home and his or her place of employment;
- H. wages and salaries paid to and other employment deductions made for members of a family for whom an employer is legally responsible, provided family income is only counted once;
- I. monthly expenses for each roomer greater than the flat rate deduction listed in the current Combined Program Manual issued by the Department of Human Services;
- J. monthly expenses for each boarder greater than the flat rate deduction listed in the current Combined Program Manual issued by the Department of Human Services;
- K. monthly expenses for each roomer-boarder greater than the flat rate deduction listed in the current Combined Program Manual issued by the Department of Human Services;
- L. annual expenses greater than two percent of the estimated market value on a county tax assessment form as a deduction for upkeep and repair against rental income;
- M. expenses not allowed by the United States Internal Revenue Code for self-employment income, unless specifically authorized in this chapter;
- N. federal, state, and local income taxes;
- O. employer's own share of FICA; and
- P. money set aside for the self-employed person's own retirement.

9502.0405 ADMISSIONS; PROVIDER RECORDS; REPORTING. Subp. 4. **Records for each child.**

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.

9502.0425 PHYSICAL ENVIRONMENT.

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.

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.

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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.

9503.0140 HEALTH.

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.

9503.0145 FOOD AND WATER.

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.

9503.0155 FACILITY.

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.