

**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		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; creating the Department of Human Services Office of Special  
1.10 Investigations Law Enforcement Division; making changes to electronic health  
1.11 information technology; allowing health care practitioners access to patient  
1.12 registry information under certain conditions; providing criminal penalties for  
1.13 improper access to patient registry information; requiring a cost/benefit analysis  
1.14 of health care system proposals; changing certain public health priority points  
1.15 for health risk limits and contaminated private wells; amending Minnesota  
1.16 Statutes 2014, sections 13.3806, subdivision 22; 62J.495, subdivision 4;  
1.17 62J.496, subdivision 1; 119B.011, subdivisions 6, 19, 20, 20a, by adding  
1.18 subdivisions; 119B.02, subdivisions 1, 5, by adding a subdivision; 119B.025,  
1.19 by adding subdivisions; 119B.03, subdivisions 3, 9; 119B.09, subdivisions 1, 6,  
1.20 7, 9a; 119B.10; 119B.11, subdivision 2a; 119B.12, subdivision 2; 119B.125,  
1.21 subdivision 1b, by adding subdivisions; 119B.13, subdivisions 1, 1a, 4; 152.27,  
1.22 subdivision 2, by adding a subdivision; 152.33, by adding a subdivision; 214.075,  
1.23 subdivision 3; 245.99, subdivision 2; 245A.02, by adding subdivisions; 245A.03,  
1.24 subdivision 7; 245A.04, subdivision 4; 245A.09, subdivision 7; 245A.10,  
1.25 subdivisions 2, 4, 8; 245A.14, by adding a subdivision; 245A.151; 245A.16,  
1.26 by adding a subdivision; 245A.40, subdivisions 1, 7; 245A.50, subdivision 9;  
1.27 245A.66, subdivision 2; 245C.03, by adding a subdivision; 245C.04, subdivision  
1.28 1; 245C.05, subdivisions 2b, 4, 7; 245C.08, subdivisions 2, 4; 245C.11,  
1.29 subdivision 3; 245C.17, subdivision 6; 245C.23, subdivision 2; 246.54, as  
1.30 amended; 246B.01, subdivision 2b; 246B.035; 246B.10; 253B.18, subdivision  
1.31 4b; 253D.27, subdivision 2; 253D.28, as amended; 253D.29, subdivisions  
1.32 2, 3; 253D.30, subdivisions 3, 4, 5, 6; 253D.31; 254B.01, subdivision 4a;  
1.33 256.01, by adding a subdivision; 256.98, subdivision 8; 256B.04, subdivision  
1.34 14; 256B.059, subdivisions 1, 2, 3, by adding a subdivision; 256B.0622,  
1.35 by adding a subdivision; 256B.0625, by adding a subdivision; 256B.0915,  
1.36 subdivision 3b; 256B.092, subdivision 13; 256B.4912, by adding a subdivision;  
1.37 256B.4914, subdivision 11; 256B.493, subdivisions 3, 4; 256B.76, by adding a  
1.38 subdivision; 256B.761; 256D.051; 256J.24, subdivision 5; 256L.01, subdivision  
1.39

2.1 1a; 256L.04, subdivisions 1a, 2, 10; 256L.07, subdivision 1; 260C.451, by  
 2.2 adding a subdivision; 626.05, subdivision 2; 626.556, subdivisions 3e, 10f;  
 2.3 626.84, subdivision 1; Minnesota Statutes 2015 Supplement, sections 16A.724,  
 2.4 subdivision 2; 119B.025, subdivision 1; 119B.09, subdivision 4; 119B.13,  
 2.5 subdivision 6; 245.4889, subdivision 1; 245.735, subdivisions 3, 4; 245A.16,  
 2.6 subdivision 1; 245A.40, subdivisions 3, 4; 245D.03, subdivision 1; 254B.05,  
 2.7 subdivision 5; 256.478; 256B.059, subdivision 5; 256B.0625, subdivisions 31, 58;  
 2.8 256B.441, subdivision 30; 256B.49, subdivision 24; 256B.4914, subdivisions 10,  
 2.9 14, 15; 256L.01, subdivision 5; 256L.04, subdivision 7b; 256L.05, subdivision  
 2.10 3a; 256L.06, subdivision 3; 256L.15, subdivision 1; 256M.41, subdivision  
 2.11 3; 256P.05, subdivision 1; 256P.06, subdivision 3; 256P.07, subdivisions 3, 6;  
 2.12 260C.203; 260C.212, subdivisions 1, 14; 260C.215, subdivision 4; 260C.451,  
 2.13 subdivision 6; 260C.521, subdivision 1; 626.556, subdivisions 2, 3c, 10b; Laws  
 2.14 2013, chapter 108, article 14, section 2, subdivision 1, as amended; Laws 2015,  
 2.15 chapter 71, article 14, sections 2, subdivision 1; 4, subdivision 3; proposing  
 2.16 coding for new law in Minnesota Statutes, chapters 119B; 245A; 246; 256B;  
 2.17 260C; 260D; repealing Minnesota Statutes 2014, sections 119B.07; 119B.125,  
 2.18 subdivision 5; 253D.27, subdivisions 3, 4; 256B.059, subdivision 1a; 256B.493,  
 2.19 subdivisions 1, 2; 256L.04, subdivisions 2a, 8; 256L.22; 256L.24; 256L.26;  
 2.20 256L.28; Minnesota Statutes 2015 Supplement, section 119B.125, subdivision 8;  
 2.21 Minnesota Rules, parts 3400.0040, subparts 6a, 6b; 3400.0110, subparts 2a, 10;  
 2.22 3400.0170, subparts 7, 8; 9502.0405, subpart 4, item C; 9502.0425, subpart 18;  
 2.23 9503.0100; 9503.0140, subpart 5; 9503.0145, subpart 6; 9503.0155, subpart 11.

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

2.25 **ARTICLE 1**

2.26 **HEALTH CARE**

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

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

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

2.41 Sec. 2. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision  
 2.42 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.** ~~At the beginning of the first continuous~~  
 6.3 ~~period of institutionalization of a person beginning on or after October 1, 1989, at~~  
 6.4 ~~the request of either the institutionalized spouse or the community spouse, or Upon~~  
 6.5 ~~application for medical assistance benefits for payment of long-term care services, the~~  
 6.6 ~~total value of assets in which either the institutionalized spouse or the community spouse~~  
 6.7 ~~had 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 equal to the percentage increase in the  
 6.28 Consumer Price Index for All Urban Consumers (all items; United States city average)  
 6.29 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 payment of long-term care services, assets considered  
 7.11 available to the institutionalized spouse shall be the total value of all assets in which either  
 7.12 spouse has an ownership interest, reduced by the ~~following~~ amount ~~for the community~~  
 7.13 ~~spouse:~~ 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, during the continuous period of institutionalization, no assets of the  
8.9 community spouse are considered available to the institutionalized spouse, unless the  
8.10 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.** This section is effective June 1, 2016.

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



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

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

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

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

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

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

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

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

9.25 (1) can withstand repeated use;

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

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

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

9.33 (f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must  
9.34 be locked to prevent use not as an augmentative communication device, a recipient of  
9.35 waiver services may use an electronic tablet for a use not related to communication when  
9.36 the recipient has been authorized under the waiver to receive one or more additional

10.1 applications that can be loaded onto the electronic tablet, such that allowing the additional  
 10.2 use prevents the purchase of a separate electronic tablet with waiver funds.

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

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

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

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

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

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

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

10.25 (1) be under 21 years of age;

10.26 (2) have poorly controlled asthma;

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

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

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

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

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

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

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

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

11.11 (iii) a dehumidifier and filters;

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

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

11.15 (vi) a damp mopping system;

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

11.17 and

11.18 (viii) furnace filters, for homeowners only.

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

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

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

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

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

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

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

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

12.5 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

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

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

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

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

12.32 (e) Effective for services provided on or after July 1, 2016, payments for outpatient  
12.33 mental health services shall be increased by five percent. This increase is not applicable  
12.34 to federally qualified health centers, rural health centers, Indian health services, other

13.1 cost-based rates, rates that are negotiated with the county, or rates that are established by  
 13.2 the federal government.

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

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

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

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

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

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

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

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

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

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

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

14.1 ~~(e) Newborns enrolled under section 256L.05, subdivision 3, are exempt from the~~  
 14.2 ~~requirements of this subdivision.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16.25 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare  
16.26 under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under  
16.27 section 256L.04, subdivision 7, whose income increases above 200 percent of the federal  
16.28 poverty guidelines, are no longer eligible for the program and shall be disenrolled  
16.29 by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare  
16.30 coverage terminates the last day of the calendar month ~~following the month~~ in which the  
16.31 commissioner ~~determines that~~ sends advance notice in accordance with Code of Federal  
16.32 Regulations, title 42, section 431.211, that indicates the income of a family or individual  
16.33 exceeds program income limits.

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



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

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

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

17.11 (c) Beginning July 1, 2009, American Indians enrolled in MinnesotaCare and their  
17.12 families shall have their premiums waived by the commissioner in accordance with section  
17.13 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. An  
17.14 individual must ~~document~~ indicate status as an American Indian, as defined under Code of  
17.15 Federal Regulations, title 42, section 447.50, to qualify for the waiver of premiums. The  
17.16 commissioner shall accept attestation of an individual's status as an American Indian as  
17.17 verification until the United States Department of Health and Human Services approves  
17.18 an electronic data source for this purpose.

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

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

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

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

18.1 Sec. 25. **REPEALER.**

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

18.3 (b) Minnesota Statutes 2014, sections 256L.04, subdivisions 2a and 8; 256L.22;  
18.4 256L.24; 256L.26; and 256L.28, are repealed.

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

18.7 **ARTICLE 2**

18.8 **CHILDREN AND FAMILIES**

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

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

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

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

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

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

18.21 Subd. 13b. **Homeless.** "Homeless" means a self-declared housing status as defined  
18.22 in the McKinney-Vento Homeless Assistance Act, United States Code, title 42, section  
18.23 11302 (section 725 of subtitle VII-B).

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

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

18.27 Subd. 16a. **Legal nonlicensed related provider.** "Legal nonlicensed related  
18.28 provider" means a legal nonlicensed child care provider under subdivision 16 who only  
18.29 cares for children related to the provider.

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

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

19.3 Subd. 16b. **Legal nonlicensed unrelated provider.** "Legal nonlicensed unrelated  
19.4 provider" means a legal nonlicensed child care provider under subdivision 16 who cares  
19.5 for children from a single unrelated family or both related children and children from a  
19.6 single unrelated family.

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

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

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

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

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

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

19.18 (b) A legally unlicensed family legal nonlicensed child care provider must be at least  
19.19 18 years of age, and not a member of the MFIP assistance unit or a member of the family  
19.20 receiving child care assistance to be authorized under this chapter.

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

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

19.23 Subd. 20. **Transition year families.** "Transition year families" means families who  
19.24 have received MFIP assistance, or who were eligible to receive MFIP assistance after  
19.25 choosing to discontinue receipt of the cash portion of MFIP assistance under section  
19.26 256J.31, subdivision 12, or families who have received DWP assistance under section  
19.27 256J.95 for at least ~~three~~ one of the last six months before losing eligibility for MFIP or  
19.28 DWP. Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090,  
19.29 subpart 2, transition year child care may be used to support approved employment,  
19.30 education or training programs, or a job search. Transition year child care is not available  
19.31 to families who have been disqualified from MFIP or DWP due to fraud.

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

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

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

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

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

20.14 Subdivision 1. **Child care services.** The commissioner shall develop standards for  
20.15 county and human services boards to provide child care services to enable eligible families  
20.16 to participate in employment, training, or education programs. Within the limits of  
20.17 available appropriations, the commissioner shall distribute money to counties to reduce the  
20.18 costs of child care for eligible families. The commissioner shall adopt rules to govern the  
20.19 program in accordance with this section. The rules must establish a sliding schedule of fees  
20.20 for parents receiving child care services. The rules shall provide that funds received as a  
20.21 lump-sum payment of child support arrearages shall not be counted as income to a family in  
20.22 the month received but shall be prorated over the 12 months following receipt and added to  
20.23 the family income during those months. The commissioner may establish how frequently  
20.24 expedited application processing timelines are used for an applicant who declares they  
20.25 are homeless. The commissioner shall maximize the use of federal money under title I  
20.26 and title IV of Public Law 104-193, the Personal Responsibility and Work Opportunity  
20.27 Reconciliation Act of 1996, and other programs that provide federal or state reimbursement  
20.28 for child care services for low-income families who are in education, training, job search,  
20.29 or other activities allowed under those programs. Money appropriated under this section  
20.30 must be coordinated with the programs that provide federal reimbursement for child care  
20.31 services to accomplish this purpose. Federal reimbursement obtained must be allocated to  
20.32 the county that spent money for child care that is federally reimbursable under programs  
20.33 that provide federal reimbursement for child care services. The counties shall use the  
20.34 federal money to expand child care services. The commissioner may adopt rules under  
20.35 chapter 14 to implement and coordinate federal program requirements.

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

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

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

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

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

21.9 Subd. 8. **Contracts with child care providers.** The commissioner may enter  
 21.10 into contractual agreements with child care providers as defined in section 119B.011,  
 21.11 subdivision 19, to waive policies in this chapter for eligible applicants or providers,  
 21.12 subject to applicable federal regulations and requirements.

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

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

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

- 21.18 (1) identity of adults;
- 21.19 (2) presence of the minor child in the home, if questionable;
- 21.20 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible  
 21.21 relative caretaker, or the spouses of any of the foregoing;
- 21.22 (4) age;
- 21.23 (5) immigration status, if related to eligibility;
- 21.24 (6) Social Security number, if given;
- 21.25 (7) income;
- 21.26 (8) spousal support and child support payments made to persons outside the  
 21.27 household;
- 21.28 (9) residence; and
- 21.29 (10) inconsistent information, if related to eligibility.

21.30 (b) ~~If a family did not use the universal application or child care addendum to apply~~  
 21.31 ~~for child care assistance, the family must complete the universal application or child care~~  
 21.32 ~~addendum at its next eligibility redetermination and the county must verify the factors~~

22.1 ~~listed in paragraph (a) as part of that redetermination. Once a family has completed a~~  
 22.2 ~~universal application or child care addendum, the county shall use the redetermination~~  
 22.3 ~~form described in paragraph (e) for that family's subsequent redeterminations. Eligibility~~  
 22.4 ~~must be redetermined at least every six months. A family is considered to have met the~~  
 22.5 ~~eligibility redetermination requirement if a complete redetermination form and all required~~  
 22.6 ~~verifications are received within 30 days after the date the form was due. When the 30th~~  
 22.7 ~~day after the date the form was due falls on a Saturday, Sunday, or legal holiday, the 30-day~~  
 22.8 ~~time period is extended to include the next succeeding day that is not a Saturday, Sunday,~~  
 22.9 ~~or legal holiday. Assistance shall be payable retroactively from the redetermination due~~  
 22.10 ~~date. For a family where at least one parent is under the age of 21, does not have a high~~  
 22.11 ~~school or general equivalency diploma, and is a student in a school district or another~~  
 22.12 ~~similar program that provides or arranges for child care, as well as parenting, social~~  
 22.13 ~~services, career and employment supports, and academic support to achieve high school~~  
 22.14 ~~graduation, the redetermination of eligibility shall be deferred beyond six months, but not~~  
 22.15 ~~to exceed 12 months, to the end of the student's school year. If a family reports a change~~  
 22.16 ~~in an eligibility factor before the family's next regularly scheduled redetermination, the~~  
 22.17 ~~county must recalculate eligibility without requiring verification of any eligibility factor~~  
 22.18 ~~that did not change. Changes must be reported as required by section 256P.07. A change~~  
 22.19 ~~in income occurs on the day the participant received the first payment reflecting the~~  
 22.20 ~~change in income. The county must mail a notice of approval or denial of assistance to the~~  
 22.21 ~~applicant within 30 calendar days after receiving the application. The county may extend~~  
 22.22 ~~the response time by 15 calendar days if the applicant is informed of the extension.~~

22.23 (c) ~~The commissioner shall develop a redetermination form to redetermine eligibility~~  
 22.24 ~~and a change report form to report changes that minimize paperwork for the county and~~  
 22.25 ~~the participant. The county must provide a notice of approval or denial of assistance to~~  
 22.26 ~~the applicant who declares that the applicant is homeless and who meets the definition~~  
 22.27 ~~of homeless under this chapter within five working days after receiving the application.~~  
 22.28 ~~Verifications required by paragraph (a) are not due prior to issuing the notice of approval~~  
 22.29 ~~or denial. Proof of eligibility must be submitted within three months of the date the~~  
 22.30 ~~application was received. If proof of eligibility is not submitted within three months,~~  
 22.31 ~~eligibility ends. A 15-day adverse action notice is required to end eligibility.~~

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

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

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

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

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

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

23.10 The following apply:

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

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

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

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

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

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

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

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

24.5 (1) changes must be reported according to section 256P.07;

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

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

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

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

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

24.25 **EFFECTIVE DATE.** Paragraph (a), clauses (1) to (3), are effective retroactively  
24.26 from August 1, 2016. Paragraphs (a), clauses (4) and (5), and (b), are effective January  
24.27 2, 2017.

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

24.30 Subd. 5. **Forms.** The commissioner shall develop a form to redetermine eligibility  
24.31 and a form to report changes to minimize paperwork for the county and the participant.

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

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



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

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

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

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

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

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

25.22 (c) The receiving county must:

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

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

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

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

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

25.32 Subdivision 1. **General eligibility requirements ~~for all applicants for child~~**  
 25.33 **~~care assistance.~~** (a) Child care services must be available to families who need child

26.1 care to find or keep employment or to obtain the training or education necessary to find  
26.2 employment and who:

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

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

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

26.11 (c) All applicants for child care assistance and families currently receiving child care  
26.12 assistance must be assisted and required to cooperate in establishment of paternity and  
26.13 enforcement of child support obligations for all children in the family as a condition  
26.14 of program eligibility. For purposes of this section, a family is considered to meet the  
26.15 requirement for cooperation when the family complies with the requirements of section  
26.16 256.741.

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

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

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

26.23 Subd. 4. **Eligibility; annual income; calculation.** Annual income of the applicant  
26.24 family is the current monthly income of the family multiplied by 12 or the income for  
26.25 the 12-month period immediately preceding the date of application, or income calculated  
26.26 by the method which provides the most accurate assessment of income available to the  
26.27 family. Self-employment income must be calculated based on ~~gross receipts less operating~~  
26.28 ~~expenses. Income must be recalculated when the family's income changes, but no less~~  
26.29 ~~often than every six months. For a family where at least one parent is under the age of~~  
26.30 ~~21, does not have a high school or general equivalency diploma, and is a student in a~~  
26.31 ~~school district or another similar program that provides or arranges for child care, as well~~  
26.32 ~~as parenting, social services, career and employment supports, and academic support to~~  
26.33 ~~achieve high school graduation, income must be recalculated when the family's income~~  
26.34 ~~changes, but otherwise shall be deferred beyond six months, but not to exceed 12 months,~~  
26.35 ~~to the end of the student's school year~~ section 256P.05. Income changes are processed

27.1 under section 119B.025, subdivision 4. Included lump sums counted as income under  
27.2 section 256P.06, subdivision 3, must be annualized over 12 months. Income must be  
27.3 verified with documentary evidence. If the applicant does not have sufficient evidence of  
27.4 income, verification must be obtained from the source of the income.

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

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

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

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

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

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

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

27.22 (b) Payment ceases for a family under the at-home infant child care program when a  
27.23 family has used a total of 12 months of assistance as specified under section 119B.035.  
27.24 Payment of child care assistance for employed persons on MFIP is effective the date of  
27.25 employment or the date of MFIP eligibility, whichever is later. Payment of child care  
27.26 assistance for MFIP or DWP participants in employment and training services is effective  
27.27 the date of commencement of the services or the date of MFIP or DWP eligibility,  
27.28 whichever is later. Payment of child care assistance for transition year child care must be  
27.29 made retroactive to the date of eligibility for transition year child care.

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

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

28.1 Sec. 21. Minnesota Statutes 2014, section 119B.09, subdivision 9a, is amended to read:

28.2 Subd. 9a. **Child care centers; assistance.** (a) ~~For the purposes of this subdivision,~~

28.3 ~~"qualifying child" means a child who is not a child or dependent of an employee of the~~

28.4 ~~child care provider. A licensed and license-exempt child care center owner or employee is~~

28.5 ~~not eligible to receive child care subsidies under this chapter for a child in their family at a~~

28.6 ~~child care center where they are an employee or a controlling individual under section~~

28.7 ~~245A.02, subdivision 5a. Child care center owners and center employees are eligible to~~

28.8 ~~receive child care assistance subsidies for a child in their family when the child attends a~~

28.9 ~~provider where they are not an employee or a controlling individual.~~

28.10 (b) ~~Funds distributed under this chapter must not be paid for child care services that~~

28.11 ~~are provided for a child or dependent of an employee under paragraph (a) unless at all~~

28.12 ~~times at least 50 percent of the children for whom the child care provider is providing care~~

28.13 ~~are qualifying children under paragraph (a).~~

28.14 (c) ~~If a child care provider satisfies the requirements for payment under paragraph~~

28.15 ~~(b), but the percentage of qualifying children under paragraph (a) for whom the provider~~

28.16 ~~is providing care falls below 50 percent, the provider shall have four weeks to raise the~~

28.17 ~~percentage of qualifying children for whom the provider is providing care to at least 50~~

28.18 ~~percent before payments to the provider are discontinued for child care services provided~~

28.19 ~~for a child who is not a qualifying child.~~

28.20 (d) ~~This subdivision shall be implemented as follows:~~

28.21 (1) ~~no later than August 1, 2014, the commissioner shall issue a notice to providers~~

28.22 ~~who have been identified as ineligible for funds distributed under this chapter as described~~

28.23 ~~in paragraph (b); and~~

28.24 (2) ~~no later than January 5, 2015, payments to providers who do not comply with~~

28.25 ~~paragraph (c) will be discontinued for child care services provided for children who are~~

28.26 ~~not qualifying children.~~

28.27 (e) ~~If a child's authorization for child care assistance is terminated under this~~

28.28 ~~subdivision, the county shall send a notice of adverse action to the provider and to the~~

28.29 ~~child's parent or guardian, including information on the right to appeal, under Minnesota~~

28.30 ~~Rules, part 3400.0185.~~

28.31 (f) ~~Funds paid to providers during the period of time between the issuance of a~~

28.32 ~~notice under paragraph (d), clause (1), and discontinuation of payments under paragraph~~

28.33 ~~(d), clause (2), must not be treated as overpayments under section 119B.11, subdivision~~

28.34 ~~2a, due to noncompliance with this subdivision.~~

29.1 ~~(g) Nothing in this subdivision precludes the commissioner from conducting~~  
 29.2 ~~fraud investigations relating to child care assistance, imposing sanctions, and obtaining~~  
 29.3 ~~monetary recovery as otherwise provided by law.~~

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

29.5 Sec. 22. Minnesota Statutes 2014, section 119B.10, is amended to read:

29.6 **119B.10 EMPLOYMENT, EDUCATION, OR TRAINING ELIGIBILITY.**

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

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

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

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

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

29.32 (1) the amount of child care determined by dividing gross earned income or for a  
 29.33 self-employed person the self-employment income determined under section 256P.05,

30.1 subdivision 2, by the applicable minimum wage, up to one hour every eight hours for  
30.2 meals and break time, plus up to two hours per day for travel time; or

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

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

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

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

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

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

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

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

30.23 Subd. 3. **Assistance for persons attending an approved education or training**  
30.24 **program.** (a) Money for eligible persons according to sections 119B.03, subdivision  
30.25 3, and 119B.05, subdivision 1, shall be used to reduce child care costs for students,  
30.26 including child care costs for students who are employed if also enrolled in an eligible  
30.27 education program and making satisfactory progress toward completion of the program.  
30.28 Counties shall not limit the duration of child care subsidies for a person in an employment  
30.29 or educational program unless the person is ineligible for child care funds. Any other  
30.30 limitation must be based on county policies included in the approved child care plan.

30.31 (b) To be eligible, the student must be in good standing and making satisfactory  
30.32 progress toward the degree. The maximum length of time a student is eligible for child  
30.33 care assistance under the child care fund for education and training is no more than the  
30.34 time necessary to complete the credit requirements for an associate or baccalaureate degree  
30.35 as determined by the educational institution. Time limitations for child care assistance do  
30.36 not apply to basic or remedial educational programs needed for postsecondary education

31.1 or employment. These programs include high school, general equivalency diploma,  
31.2 and English as a second language. Programs exempt from this time limit must not run  
31.3 concurrently with a postsecondary program.

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

31.9 (d) For an MFIP or DWP participant, child care assistance must be authorized  
31.10 according to the person's employment plan. If an MFIP or DWP participant receiving  
31.11 MFIP or DWP child care assistance under this chapter moves to another county, continues  
31.12 to participate in authorized educational or training programs, and remains eligible for  
31.13 MFIP or DWP child care assistance, the participant must receive continued child care  
31.14 assistance from the county responsible for the participant's current employment plan  
31.15 under section 256G.07.

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

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

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

31.23 (2) a legal nonlicensed provider.

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

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

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

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

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

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

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

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

32.17 (1) the child's school schedule;

32.18 (2) the custody schedule; or

32.19 (3) the provider's availability.

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

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

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

32.28 Subd. 6. **Extended eligibility.** (a) A participant whose employment or education  
32.29 program ends permanently, and who meets all other eligibility requirements under this  
32.30 chapter, shall be eligible for child care assistance authorized at a constant level for up to  
32.31 three months until the participant begins another authorized activity or redetermination,  
32.32 whichever occurs first. When the other parent moves in and does not participate in an  
32.33 authorized activity, and the family meets all other eligibility requirements under this  
32.34 chapter, the family shall be eligible for child care assistance authorized at a constant  
32.35 level for up to three months until the other parent begins an authorized activity or  
32.36 redetermination, whichever occurs first.



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

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

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

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

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

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

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

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

33.27 Sec. 23. Minnesota Statutes 2014, section 119B.11, subdivision 2a, is amended to read:

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

33.32 (b)(1) An overpayment must be recouped or recovered from the family if the  
 33.33 overpayment benefited the family by causing the family to pay less for child care expenses  
 33.34 than the family otherwise would have been required to pay under child care assistance

34.1 program requirements. Family overpayments must be established and recovered according  
 34.2 to clauses (1) to (4). The overpayment must not be established or collected when:

34.3 (i) the overpayment is estimated to be less than \$500;

34.4 (ii) the overpayment occurred more than one year before the date of the overpayment  
 34.5 determination;

34.6 (iii) the first three months of an overpayment occurred because of a failure to report  
 34.7 the permanent end to the parent's activity; or

34.8 (iv) the overpayment is designated solely as agency error.

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

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

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

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

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

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

34.27 (c) The county must recover an overpayment from a provider if the overpayment did  
 34.28 not benefit the family by causing it to receive more child care assistance or to pay less  
 34.29 for child care expenses than the family otherwise would have been eligible to receive  
 34.30 or required to pay under child care assistance program requirements, and benefited the  
 34.31 provider by causing the provider to receive more child care assistance than otherwise  
 34.32 would have been paid on the family's behalf under child care assistance program  
 34.33 requirements. If the provider continues to care for children receiving child care assistance,  
 34.34 the overpayment must be recovered through reductions in child care assistance payments  
 34.35 for services as described in an agreement with the county. The provider may not charge  
 34.36 families using that provider more to cover the cost of recouping the overpayment. If the

35.1 provider no longer cares for children receiving child care assistance, the county may  
35.2 choose to initiate efforts to recover overpayments of less than \$50 from the provider. If the  
35.3 overpayment is greater than or equal to \$50, the county shall seek voluntary repayment of  
35.4 the overpayment from the provider. If the county is unable to recoup the overpayment  
35.5 through voluntary repayment, the county shall initiate civil court proceedings to recover  
35.6 the overpayment unless the county's costs to recover the overpayment will exceed the  
35.7 amount of the overpayment. A provider with an outstanding debt under this subdivision is  
35.8 not eligible to care for children receiving child care assistance until:

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

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

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

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

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

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

35.29 Sec. 24. Minnesota Statutes 2014, section 119B.12, subdivision 2, is amended to read:

35.30 Subd. 2. **Parent fee.** A family must be assessed a parent fee for each service period.  
35.31 A family's parent fee must be a fixed percentage of its annual gross income. Parent fees  
35.32 must apply to families eligible for child care assistance under sections 119B.03 and  
35.33 119B.05. Income must be as defined in section 119B.011, subdivision 15. The fixed  
35.34 percent is based on the relationship of the family's annual gross income to 100 percent of  
35.35 the annual state median income. Parent fees must begin at 75 percent of the poverty level.

36.1 The minimum parent fees for families between 75 percent and 100 percent of poverty level  
 36.2 must be \$2 per biweekly period. Parent fees must provide for graduated movement to full  
 36.3 payment. At initial application, the parent fee is established for the family's 12-month  
 36.4 eligibility period. At redetermination, if the family remains eligible, the parent fee is  
 36.5 recalculated and is established for the next 12-month eligibility period. Parent fees shall  
 36.6 not increase during the 12-month eligibility period. Payment of part or all of a family's  
 36.7 parent fee directly to the family's child care provider on behalf of the family by a source  
 36.8 other than the family shall not affect the family's eligibility for child care assistance, and  
 36.9 the amount paid shall be excluded from the family's income. Child care providers who  
 36.10 accept third-party payments must maintain family specific documentation of payment  
 36.11 source, amount, and time period covered by the payment.

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

36.13 Sec. 25. Minnesota Statutes 2014, section 119B.125, subdivision 1b, is amended to read:

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

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

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

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

36.24 (b) Legal nonlicensed ~~family child care~~ related providers ~~with an authorization~~  
 36.25 ~~effective before November 1, 2011,~~ must be notified of the requirements before October  
 36.26 ~~1, 2011, or at authorization, and must meet the requirements upon renewal of an~~  
 36.27 ~~authorization that occurs on or after January 1, 2012. must:~~

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

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

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

36.34 (c) Legal nonlicensed unrelated providers must:

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

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

37.5 (i) prevention and control of infectious disease;

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

37.7 (iii) abusive head trauma;

37.8 (iv) administration of medication;

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

37.10 (vi) building and physical premises safety;

37.11 (vii) emergency preparedness;

37.12 (viii) handling and storage of hazardous material and appropriate disposal of  
 37.13 biocontaminant;

37.14 (ix) precautions in transporting children;

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

37.16 (xi) developmental needs of a child; and

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

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

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

37.25 (e) Legal nonlicensed providers with an authorization effective before September 1,  
 37.26 2016, must be notified of the training requirements before November 1, 2016.

37.27 **EFFECTIVE DATE.** Subdivision 1b, paragraphs (a) to (d), are effective December  
 37.28 5, 2016.

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

37.31 Subd. 10. **Reporting required for child safety.** A legal nonlicensed provider must  
 37.32 report to the county agency a death, serious injury, or instance of substantiated child  
 37.33 maltreatment that occurred while a child was in the provider's care. A county agency shall  
 37.34 report to the commissioner, in a manner prescribed by the commissioner, the number of

38.1 deaths, serious injuries, and instances of substantiated child maltreatment that occurred  
38.2 in legal nonlicensed providers.

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

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

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

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

38.10 Sec. 28. Minnesota Statutes 2014, section 119B.125, is amended by adding a  
38.11 subdivision to read:

38.12 Subd. 12. **Compliance with health and safety requirements.** (a) The county  
38.13 agency must inspect at least once annually each legal nonlicensed unrelated provider.  
38.14 The results of the inspections shall be available to the public. The county agency shall  
38.15 notify a provider of this policy when a provider requests to be an authorized provider.  
38.16 The commissioner must establish health, safety, and fire standards specific to a legal  
38.17 nonlicensed unrelated provider. The commissioner must develop a tool for the county  
38.18 agency to conduct inspections of a legal nonlicensed unrelated provider.

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

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

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

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

39.1       Sec. 29. [119B.127] CERTIFICATION OF LICENSE-EXEMPT CHILD CARE  
39.2 CENTERS TO REGISTER FOR CHILD CARE ASSISTANCE PAYMENTS.

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

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

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

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

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

39.21       (c) When the commissioner receives an application for initial certification that is  
39.22 incomplete because the applicant failed to submit required documents or is deficient  
39.23 because the documents submitted do not meet certification requirements, the commissioner  
39.24 shall provide the applicant written notice that the application is incomplete or deficient.  
39.25 In the written notice, the commissioner shall identify documents that are missing or  
39.26 deficient and give the applicant 45 days to resubmit a second application that is complete.  
39.27 An applicant's failure to submit a complete application after receiving notice from the  
39.28 commissioner is basis for certification denial.

39.29       Subd. 2a. Exemptions. Programs that are exempt from licensure under section  
39.30 245A.03, subdivision 2, clauses (5), (6), (11) to (13), (15), (18), and (26), must be certified  
39.31 as certified license-exempt child care centers according to this section to receive child  
39.32 care assistance payments under this chapter.

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

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

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

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

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

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

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

40.26 (b) If the applicant or certification holder believes that the commissioner's correction  
40.27 order is erroneous, the applicant or certification holder may ask the commissioner to  
40.28 reconsider the part of the correction order that is allegedly erroneous. A request for  
40.29 reconsideration must be made in writing, postmarked and sent to the commissioner within  
40.30 20 calendar days after the applicant or certification holder received the correction order,  
40.31 and:

- 40.32 (1) specify the part of the correction order that is allegedly erroneous;  
40.33 (2) explain why the specified part is erroneous; and  
40.34 (3) include documentation to support the allegation of error.



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

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

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

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

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

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

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

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

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

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

41.24 33 months old through prekindergarten            1:10

41.25 kindergarten through grade 6                        1:15

41.26 grades 7 through 12                                        1:20

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

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

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

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

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

42.1 (1) each person applying for the certification;

42.2 (2) current or prospective employees or contractors of the program who shall have  
42.3 direct contact with a child served by the program;

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

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

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

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

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

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

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

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

42.21 Subd. 12. **Health and safety requirements.** (a) A certified center must document  
42.22 and follow a health and safety plan. The certification holder must ensure staff are trained  
42.23 on the policies and procedures in the health and safety plan at orientation and annually  
42.24 thereafter. The certification holder must provide staff with an orientation class within 90  
42.25 days of the staff member beginning employment. Before the completion of orientation  
42.26 class, the staff member must be supervised while providing direct care to a child. The  
42.27 certification holder must document when the training was completed in the personnel  
42.28 file for each person.

42.29 (b) The plan must include policies:

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

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

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

- 43.1 (2) to record current immunizations or applicable exemption for each child. By a  
43.2 child's date of enrollment, certified license-exempt child care centers must maintain or have  
43.3 access to a record detailing the child's current immunizations or applicable exemption;
- 43.4 (3) to provide staff training on reducing the risk of sudden, unexpected infant death  
43.5 and abusive head trauma and document the date of the training in the personnel record  
43.6 for staff, requiring:
- 43.7 (i) centers that care for an infant, as defined as a child who is at least six weeks old  
43.8 but less than 16 months old, to document that staff and volunteers received training, in  
43.9 compliance with section 245A.1435, on reducing the risk of sudden, unexpected infant  
43.10 death before assisting in the care of an infant; or
- 43.11 (ii) a center that cares for a child through four years of age to document that staff  
43.12 and volunteers received training on abusive head trauma from shaking infants and young  
43.13 children before assisting in the care of a child through four years of age;
- 43.14 (4) for a certification holder who chooses to administer medicine to:
- 43.15 (i) obtain written permission from the child's parent or legal guardian before  
43.16 administering prescription medicine, diapering product, sunscreen lotion, and insect  
43.17 repellent;
- 43.18 (ii) administer nonprescription medicine, diapering product, sunscreen lotion, and  
43.19 insect repellent according to the manufacturer's instructions unless there are written  
43.20 instructions for their use by a licensed health professional;
- 43.21 (iii) obtain and follow written instructions, such as medicine with the child's first and  
43.22 last name and current prescription information on the label, from the prescribing health  
43.23 professional before administering prescription medicine; and
- 43.24 (iv) ensure all medicine:
- 43.25 (A) be kept in its original container with a legible label stating the child's first and  
43.26 last name;
- 43.27 (B) be given only to the child whose name is on the label;
- 43.28 (C) not be given after an expiration date on the label;
- 43.29 (D) that is unused be returned to the child's parent or legal guardian or be destroyed;
- 43.30 (E) administration is recorded with the child's first and last name; the name of the  
43.31 medication or prescription number; the date, time, and dosage; and the name and signature  
43.32 of the person who dispensed the medicine; and
- 43.33 (F) administration records are maintained in the child's record and available to  
43.34 the child's parent or legal guardian; and
- 43.35 (v) store medicines, insect repellents, and diaper rash control products according to  
43.36 directions on the original container;

- 44.1 (5) to prevent and respond to allergic reactions, requiring the certification holder to:
- 44.2 (i) train staff on the program's policy, at least annually;
- 44.3 (ii) obtain, prior to admitting a child for care, documentation of the child's allergies
- 44.4 from the child's parent or legal guardian, including but not limited to:
- 44.5 (A) a description of the allergy, specific triggers, avoidance techniques, and
- 44.6 symptoms of an allergic reaction; and
- 44.7 (B) procedures for responding to an allergic reaction, including medication, dosages,
- 44.8 and a doctor's contact information;
- 44.9 (iii) maintain current information of a child's allergy in the child's record;
- 44.10 (iv) train staff and volunteers, at least annually or when changes are made to
- 44.11 allergy-related information in a child's record;
- 44.12 (v) document the date of all training in this subdivision in the personnel record
- 44.13 for each staff person; and
- 44.14 (vi) make information about a child's food allergies readily available to staff in the
- 44.15 area where food is prepared and served to a child with food allergies;
- 44.16 (6) to ensure building and physical premises safety, requiring a certification holder to:
- 44.17 (i) document compliance with applicable State Fire Code by providing
- 44.18 documentation of a fire marshal inspection completed within the previous three years by a
- 44.19 state fire marshal or a local fire code inspector trained by the state fire marshal;
- 44.20 (ii) document the process by which the center addresses physical premise
- 44.21 maintenance and general repairs in a timely manner;
- 44.22 (iii) designate indoor and outdoor space used for child care on a facility site plan and
- 44.23 include the primary and secondary areas used for child care by the center;
- 44.24 (iv) make a current health and safety plan available on site; and
- 44.25 (v) ensure the facility is clean with structurally sound and functional furniture and
- 44.26 equipment that is appropriate to the age and size of a child who uses them;
- 44.27 (7) for a safe environment free of hazards including, but not limited to:
- 44.28 (i) items such as sharp objects, medicines, plastic bags, cleaning supplies, poisonous
- 44.29 plants, and chemicals must be stored out of reach of children; and
- 44.30 (ii) safe handling and disposing of bodily fluids and other potentially infectious
- 44.31 fluids that requires, at a minimum, the use of gloves, disinfection of appropriate surfaces,
- 44.32 and fluid disposal in a securely sealed plastic bag;
- 44.33 (8) for transporting a child, requiring:
- 44.34 (i) compliance with all seat belt and child passenger restraint system requirements
- 44.35 under sections 169.685 and 169.686; and

45.1 (ii) the driver of the vehicle holds a valid driver's license, appropriate to the vehicle  
 45.2 driven;

45.3 (9) requiring first aid and cardiopulmonary resuscitation training for program staff  
 45.4 with direct supervision of a child, including at least one staff person who completed  
 45.5 first aid training and cardiopulmonary resuscitation training be present at all times at the  
 45.6 program, during field trips, and when transporting a child; and

45.7 (10) for reporting suspected child maltreatment according to section 626.556 and for  
 45.8 reporting complaints about the operation of a child care program.

45.9 Subd. 13. **Emergency preparedness plan.** (a) A certified center must have a  
 45.10 written emergency preparedness plan for emergencies that require evacuation, sheltering,  
 45.11 or other protection of children, such as in the event of fire, natural disaster, intruder, or  
 45.12 other threatening situations that may pose a health or safety hazard to children. The plan  
 45.13 must be written on a form developed by the commissioner and updated at least annually.

45.14 The plan must include:

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

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

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

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

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

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

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

45.25 (8) procedures for staff and volunteer emergency preparedness training and practice  
 45.26 drills.

45.27 (b) The certification holder must train staff at orientation and annually on the  
 45.28 emergency preparedness plan and document training attendance in all personnel files. The  
 45.29 certified center must conduct at least quarterly one evacuation drill and one shelter-in-place  
 45.30 drill. The drills' date and time must be documented.

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

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

45.35 (1) the staff person's name, home address, telephone number, and date of birth;

46.1 (2) documentation that the staff person completed required orientation and annual  
 46.2 trainings; and

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

46.4 Subd. 15. **School-age care program guidelines.** The commissioner shall consult  
 46.5 with stakeholders, at least every five years, for input related to school-age care program  
 46.6 guidelines.

46.7 Subd. 16. **Certification standards.** The commissioner shall regularly consult with  
 46.8 stakeholders for input related to implementing the standards in this section.

46.9 Subd. 17. **Parental access.** An enrolled child's parent or legal guardian may visit  
 46.10 the certified center any time during the hours of operation.

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

46.12 Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~February 3, 2014~~ March 13,  
 46.13 2017, the maximum rate paid for child care assistance in any county or county price  
 46.14 cluster under the child care fund shall be ~~the greater of the 25th~~ the 50th percentile of the  
 46.15 ~~2011~~ most recent biennial child care provider rate survey ~~or the maximum rate effective~~  
 46.16 ~~November 28, 2011~~ under section 119B.02, subdivision 7. The commissioner may: (1)  
 46.17 assign a county with no reported provider prices to a similar price cluster; and (2) consider  
 46.18 county level access when determining final price clusters.

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

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

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

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

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

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

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

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

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

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

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

47.11 Sec. 31. Minnesota Statutes 2014, section 119B.13, subdivision 1a, is amended to read:

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

47.15 (b) The maximum rate paid to legal nonlicensed family child care providers must be  
47.16 68 percent of the county maximum hourly rate for licensed family child care providers. In  
47.17 counties or county price clusters where the maximum hourly rate for licensed family child  
47.18 care providers is higher than the maximum weekly rate for those providers divided by 50,  
47.19 the maximum hourly rate that may be paid to legal nonlicensed family child care providers  
47.20 is the rate equal to the maximum weekly rate for licensed family child care providers  
47.21 divided by 50 and then multiplied by 0.68. ~~The maximum payment to a provider for one~~  
47.22 ~~day of care must not exceed the maximum hourly rate times ten. The maximum payment~~  
47.23 ~~to a provider for one week of care must not exceed the maximum hourly rate times 50.~~

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

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

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

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

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

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

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

48.1 Sec. 32. Minnesota Statutes 2014, section 119B.13, subdivision 4, is amended to read:

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

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

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

48.9 Sec. 33. Minnesota Statutes 2015 Supplement, section 119B.13, subdivision 6, is  
48.10 amended to read:

48.11 Subd. 6. **Provider payments.** (a) The provider shall bill for services provided  
48.12 within ten days of the end of the service period. ~~If bills are submitted within ten days of~~  
48.13 ~~the end of the service period;~~ Payments under the child care fund shall be made within 30  
48.14 21 days of receiving a complete bill from the provider. Counties or the state may establish  
48.15 policies that make payments on a more frequent basis.

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

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

48.27 (d) A county or the commissioner may refuse to issue a child care authorization  
48.28 to a licensed or legal nonlicensed provider, revoke an existing child care authorization  
48.29 to a licensed or legal nonlicensed provider, stop payment issued to a licensed or legal  
48.30 nonlicensed provider, or refuse to pay a bill submitted by a licensed or legal nonlicensed  
48.31 provider if:

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



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

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

49.6 (4) the provider is operating after:

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

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

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

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

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

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

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

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

49.22 Sec. 34. Minnesota Statutes 2014, section 245A.04, subdivision 4, is amended to read:

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

49.26 (1) an inspection of the physical plant;

49.27 (2) an inspection of records and documents;

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

49.29 (4) observation of the program in operation; and

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

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

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

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

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

50.13 Sec. 35. Minnesota Statutes 2014, section 245A.09, subdivision 7, is amended to read:

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

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

50.18 (2) when the standards of another state or federal governmental agency or an  
50.19 independent accreditation body have been shown to require the same standards, methods,  
50.20 or alternative methods to achieve substantially the same intended outcomes as the  
50.21 licensing standards, the commissioner shall consider compliance with the governmental  
50.22 or accreditation standards to be equivalent to partial compliance with the licensing  
50.23 standards; and

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

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

50.31 (c) The commissioner shall work with the commissioners of health, public  
50.32 safety, administration, and education in consolidating duplicative licensing and  
50.33 certification rules and standards if the commissioner determines that consolidation is  
50.34 administratively feasible, would significantly reduce the cost of licensing, and would  
50.35 not reduce the protection given to persons receiving services in licensed programs.

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

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

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

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

51.12 Sec. 36. Minnesota Statutes 2014, section 245A.10, subdivision 2, is amended to read:

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

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

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

51.24 (1) in cases of financial hardship;

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

51.26 (3) for new providers; or

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

51.29 (d) Counties may allow providers to pay the applicant fees in paragraph (a) or (b) on  
51.30 an installment basis for up to one year. If the provider is receiving child care assistance  
51.31 payments from the state, the provider may have the fees under paragraph (a) or (b)  
51.32 deducted from the child care assistance payments for up to one year and the state shall  
51.33 reimburse the county for the county fees collected in this manner.

51.34 (e) For purposes of adult foster care and child foster care licensing, and licensing  
51.35 the physical plant of a community residential setting, under this chapter, a county agency

52.1 may charge a fee to a corporate applicant or corporate license holder to recover the actual  
52.2 cost of licensing inspections, not to exceed \$500 annually.

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

52.5 (1) in cases of financial hardship;

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

52.7 (3) for new providers.

52.8 Sec. 37. Minnesota Statutes 2014, section 245A.14, is amended by adding a  
52.9 subdivision to read:

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

52.12 Sec. 38. **[245A.1492] CHILD CARE EMERGENCY PLANNING AND**  
52.13 **RESPONSE.**

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

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

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

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

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

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

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

52.28 Sec. 39. Minnesota Statutes 2014, section 245A.151, is amended to read:

52.29 **245A.151 FIRE MARSHAL INSPECTION.**

52.30 When licensure under this chapter requires an inspection by a fire marshal to  
52.31 determine compliance with the State Fire Code under section 299F.011, a local fire code  
52.32 inspector approved trained by the state fire marshal may conduct the inspection. If a  
52.33 community does not have a local fire code inspector or if the local fire code inspector does

53.1 not perform the inspection, the state fire marshal must conduct the inspection. A local fire  
 53.2 code inspector or the state fire marshal may recover the cost of these inspections through a  
 53.3 fee of no more than \$50 per inspection charged to the applicant or license holder. The fees  
 53.4 collected by the state fire marshal under this section are appropriated to the commissioner  
 53.5 of public safety for the purpose of conducting the inspections.

53.6 Sec. 40. Minnesota Statutes 2015 Supplement, section 245A.16, subdivision 1, is  
 53.7 amended to read:

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

53.17 (1) dual licensure of family child care and child foster care, dual licensure of child  
 53.18 and adult foster care, and adult foster care and family child care;

53.19 (2) adult foster care maximum capacity;

53.20 (3) adult foster care minimum age requirement;

53.21 (4) child foster care maximum age requirement;

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

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

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

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

53.34 (b) County agencies must report information about disqualification reconsiderations  
 53.35 under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances

54.1 granted under paragraph (a), clause (5), to the commissioner at least monthly in a format  
54.2 prescribed by the commissioner.

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

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

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

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

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

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

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

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

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

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

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

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

54.29 Sec. 41. Minnesota Statutes 2014, section 245A.16, is amended by adding a  
54.30 subdivision to read:

54.31 Subd. 8. **Family child care licensing oversight.** (a) Only county staff trained by the  
54.32 commissioner on the family child care licensing standards in this chapter and Minnesota  
54.33 Rules, chapter 9502, shall conduct licensing inspections to fulfill the requirements of  
54.34 subdivision 1, paragraph (c). Training must occur within 90 days of beginning employment.

55.1 (b) The commissioner shall consult with county representatives to develop a formula  
55.2 to allocate county family child care licensing administrative aids.

55.3 (c) If a county fails to comply with the child care components of this section,  
55.4 the commissioner shall reduce or delay the state's county family child care licensing  
55.5 administrative aid payment by up to 50 percent.

55.6 Sec. 42. Minnesota Statutes 2014, section 245A.40, subdivision 1, is amended to read:

55.7 Subdivision 1. **Orientation.** The child care center license holder must ensure that  
55.8 every staff person and volunteer is given orientation training and successfully completes  
55.9 the training before starting assigned duties. The orientation training in this subdivision  
55.10 applies to volunteers who ~~will~~ shall have direct contact with or access to children and  
55.11 who are not under the direct supervision of a staff person. Completion of the orientation  
55.12 must be documented in the individual's personnel record. The orientation training must  
55.13 include information about:

55.14 (1) the center's philosophy, child care program, and procedures for maintaining the  
55.15 health and<sub>2</sub> safety<sub>2</sub> and fire standards and handling emergencies and accidents;

55.16 (2) specific job responsibilities;

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

55.18 (4) the reporting responsibilities in section 626.556, and Minnesota Rules, part  
55.19 9503.0130.

55.20 Sec. 43. Minnesota Statutes 2015 Supplement, section 245A.40, subdivision 3, is  
55.21 amended to read:

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

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

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

56.1 Sec. 44. Minnesota Statutes 2015 Supplement, section 245A.40, subdivision 4, is  
56.2 amended to read:

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

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

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

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

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

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

56.22 Sec. 45. Minnesota Statutes 2014, section 245A.40, subdivision 7, is amended to read:

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

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

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

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

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

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



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

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

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

57.11 (1) "Child growth and development training" has the meaning given it in subdivision  
57.12 2, paragraph (a).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

58.12 (iii) possesses an associate of arts degree in early childhood education, a  
58.13 baccalaureate degree in child development, or a technical college diploma in early  
58.14 childhood development.

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

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

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

58.25 Sec. 46. **[245A.41] CHILD CARE CENTER HEALTH AND SAFETY**  
58.26 **REQUIREMENTS.**

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

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

58.34 (b) Prior to admitting a child for care, the license holder must obtain documentation  
58.35 of the child's allergy, if any, from the child's parent or legal guardian. The license holder

59.1 must maintain current information of a child's allergy in the child's record. The allergy  
 59.2 information must include but not be limited to a description of the allergy, specific triggers,  
 59.3 avoidance techniques, symptoms of an allergic reaction, and procedures for responding to  
 59.4 an allergic reaction, including medication, dosages, and a doctor's contact information.  
 59.5 At least annually or when changes are made to allergy-related information in the child's  
 59.6 record, the license holder must train staff and volunteers on the allergy prevention and  
 59.7 response information. The license holder must document the date of the training in the  
 59.8 personnel record for each staff member.

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

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

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

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

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

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

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

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

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

59.28 (8) procedures for staff and volunteer emergency preparedness training and practice  
 59.29 drills.

59.30 (b) The license holder must train staff at orientation and at least annually on the  
 59.31 emergency preparedness plan and document training attendance in all personnel files. The  
 59.32 license holder must conduct drills according to the requirements in Minnesota Rules, part  
 59.33 9503.0110, subpart 3. The drills' date and time must be documented.

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

60.1 Sec. 47. Minnesota Statutes 2014, section 245A.50, subdivision 9, is amended to read:

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

60.15 Sec. 48. **[245A.51] FAMILY CHILD CARE HEALTH AND SAFETY**  
 60.16 **REQUIREMENTS.**

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

- 60.20 (1) for an infant, every six months;  
 60.21 (2) for a toddler, annually;  
 60.22 (3) for a child of preschool age, every 18 months; and  
 60.23 (4) for a child of school age, every three years.

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

60.28 (b) Before admitting a child for care, the license holder must obtain documentation  
 60.29 of the child's allergy, if any, from the child's parent or legal guardian. The license holder  
 60.30 must maintain current information of a child's allergy in the child's record. The allergy  
 60.31 information must include but not be limited to a description of the allergy, specific triggers,  
 60.32 avoidance techniques, symptoms of an allergic reaction, and procedures for responding to  
 60.33 an allergic reaction, including medication, dosages, and a doctor's contact information.  
 60.34 At least annually or when changes are made to the child's allergy information, the  
 60.35 license holder must train all staff and volunteers on the allergy prevention and response

61.1 information. The license holder must document the date of training in the personnel  
 61.2 record of each staff member.

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

61.5 Subd. 3. **Handling and disposal of biocontaminants.** The licensed family child  
 61.6 care provider must develop written policies and procedures for safely handling and  
 61.7 disposing of bodily fluids.

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

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

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

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

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

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

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

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

61.24 (8) procedures for staff and volunteer emergency preparedness training and practice  
 61.25 drills.

61.26 (b) The license holder must train caregivers at orientation and at least annually  
 61.27 on the emergency preparedness plan and document completion of this training. The  
 61.28 license holder must conduct drills according to the requirements in Minnesota Rules, part  
 61.29 9502.0435, subpart 8. The drills' date and time must be documented.

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

61.33 Sec. 49. Minnesota Statutes 2014, section 245A.66, subdivision 2, is amended to read:

61.34 Subd. 2. **Child care centers; risk reduction plan.** (a) Child care centers licensed  
 61.35 under this chapter and Minnesota Rules, chapter 9503, must develop a risk reduction plan

62.1 that identifies the general risks to children served by the child care center. The license  
62.2 holder must establish procedures to minimize identified risks, train staff on the procedures,  
62.3 and annually review the procedures.

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

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

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

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

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

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

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

62.28 (3) children leaving the facility without supervision;

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

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

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

62.33 (7) sunburn;

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

62.36 (9) children falling from changing tables; and

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

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

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

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

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

63.11 (2) nap-time supervision, including infant crib rooms as specified under section  
63.12 245A.02, subdivision 18, which requires that when an infant is placed in a crib to sleep,  
63.13 supervision occurs when a staff person is within sight or hearing of the infant. When  
63.14 supervision of a crib room is provided by sight or hearing, the center must have a plan to  
63.15 address the other supervision components;

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

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

63.19 (5) supervision of children in hallways.

63.20 Sec. 50. Minnesota Statutes 2014, section 245C.03, is amended by adding a  
63.21 subdivision to read:

63.22 Subd. 6a. **Nonlicensed child care programs.** Beginning October 1, 2017, the  
63.23 commissioner shall conduct background studies on any individual required under section  
63.24 119B.125 to have a background study completed under this chapter.

63.25 Sec. 51. Minnesota Statutes 2014, section 245C.04, subdivision 1, is amended to read:

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

63.29 (b) Effective October 1, 2017, the commissioner shall conduct a background study  
63.30 of an individual ~~required to be studied~~ specified under section 245C.03, ~~subdivision 1,~~  
63.31 who is newly affiliated with the license holder or at the time of reapplication for a license  
63.32 for a family child care license.

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

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

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

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

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

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

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

64.13          (d) The commissioner of human services shall conduct a background study of an  
64.14 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2)  
64.15 to (6), who is newly affiliated with a child foster care license holder. The county or  
64.16 private agency shall collect and forward to the commissioner the information required  
64.17 under section 245C.05, subdivisions 1 and 5. The background study conducted by the  
64.18 commissioner of human services under this paragraph must include a review of the  
64.19 information required under section 245C.08, subdivisions 1, 3, and 4.

64.20          (e) The commissioner shall conduct a background study of an individual specified  
64.21 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly  
64.22 affiliated with an adult foster care or family adult day services and effective October 1,  
64.23 2017, with a family child care license holder or a legal nonlicensed child care provider  
64.24 authorized under chapter 119B: (1) the county shall collect and forward to the commissioner  
64.25 the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and  
64.26 subdivision 5, paragraphs (a) and (b), and (d), for background studies conducted by the  
64.27 commissioner for all family adult day services and for adult foster care when the adult  
64.28 foster care license holder resides in the adult foster care residence, and for family child care  
64.29 and legal nonlicensed child care authorized under chapter 119B; (2) the license holder shall  
64.30 collect and forward to the commissioner the information required under section 245C.05,  
64.31 subdivisions 1, paragraphs (a) and (b); and 5, paragraphs (a) and (b), for background  
64.32 studies conducted by the commissioner for adult foster care when the license holder does  
64.33 not reside in the adult foster care residence; and (3) the background study conducted by  
64.34 the commissioner under this paragraph must include a review of the information required  
64.35 under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.



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

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

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

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

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

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

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

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

65.26 Sec. 52. Minnesota Statutes 2014, section 245C.05, subdivision 2b, is amended to read:

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

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

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

66.1 Sec. 53. Minnesota Statutes 2014, section 245C.05, subdivision 4, is amended to read:

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

66.5 (1) background study information to the commissioner;

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

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

66.9 (4) background study results to county agencies for background studies conducted by  
66.10 the commissioner for adult foster care and family adult day services and, effective October  
66.11 1, 2017, family child care and legal nonlicensed child care authorized under chapter 119B.

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

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

66.19 Sec. 54. Minnesota Statutes 2014, section 245C.05, subdivision 7, is amended to read:

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

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

66.27 (2) has been convicted of a crime constituting a disqualification under section  
66.28 245C.14.

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

66.31 (c) The commissioner, in consultation with the commissioner of corrections, shall  
66.32 develop forms and information necessary to implement this subdivision and shall provide  
66.33 the forms and information to the commissioner of corrections for distribution to local  
66.34 probation officers and corrections agents.

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

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

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

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

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

67.14 Subd. 2. **Background studies conducted by a county agency for family child care.**

67.15 (a) Prior to the implementation of NETStudy 2.0, for a background study studies conducted  
 67.16 by a county agency for family child care services, the commissioner shall review:

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

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

67.20 (i) individuals listed in section 245C.03, subdivision 1, paragraph (a), who are ages  
 67.21 13 through 23 living in the household where the licensed services will be provided; and

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

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

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

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

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

67.33 Subd. 4. **Juvenile court records.** (a) For a background study conducted by the  
 67.34 Department of Human Services, the commissioner shall review records from the juvenile

68.1 courts for an individual studied under section 245C.03, subdivision 1, paragraph (a), when  
68.2 the commissioner has reasonable cause.

68.3 (b) For a background study conducted by a county agency for family child care prior  
68.4 to the implementation of NETStudy 2.0, the commissioner shall review records from the  
68.5 juvenile courts for individuals listed in section 245C.03, subdivision 1, who are ages 13  
68.6 through 23 living in the household where the licensed services will be provided. The  
68.7 commissioner shall also review records from juvenile courts for any other individual listed  
68.8 under section 245C.03, subdivision 1, when the commissioner has reasonable cause.

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

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

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

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

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

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

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

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

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

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

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

69.6 (3) an individual who has a right to request a hearing under sections 245C.27 and  
69.7 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does  
69.8 not request a hearing within the specified time; or

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

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

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

69.25 (d) For background studies related to child foster care, the commissioner shall  
69.26 also notify the county or private agency that initiated the study of the results of the  
69.27 reconsideration.

69.28 (e) For background studies related to family child care, adult foster care<sub>2</sub>, and family  
69.29 adult day services, the commissioner shall also notify the county that initiated the study of  
69.30 the results of the reconsideration.

69.31 Sec. 60. Minnesota Statutes 2014, section 256.98, subdivision 8, is amended to read:

69.32 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of  
69.33 wrongfully obtaining assistance by a federal or state court or by an administrative hearing  
69.34 determination, or waiver thereof, through a disqualification consent agreement, or as part  
69.35 of any approved diversion plan under section 401.065, or any court-ordered stay which

70.1 carries with it any probationary or other conditions, in the Minnesota family investment  
70.2 program and any affiliated program to include the diversionary work program and the  
70.3 work participation cash benefit program, the food stamp or food support program, the  
70.4 general assistance program, the group residential housing program, or the Minnesota  
70.5 supplemental aid program shall be disqualified from that program. In addition, any person  
70.6 disqualified from the Minnesota family investment program shall also be disqualified from  
70.7 the food stamp or food support program. The needs of that individual shall not be taken  
70.8 into consideration in determining the grant level for that assistance unit:

- 70.9 (1) for one year after the first offense;
- 70.10 (2) for two years after the second offense; and
- 70.11 (3) permanently after the third or subsequent offense.

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

70.24 (b) A family receiving assistance through child care assistance programs  
70.25 under chapter 119B with a family member who is found to be guilty of wrongfully  
70.26 obtaining child care assistance by a federal court, state court, or an administrative  
70.27 hearing determination or waiver, through a disqualification consent agreement, as part  
70.28 of an approved diversion plan under section 401.065, or a court-ordered stay with  
70.29 probationary or other conditions, is disqualified from child care assistance programs. The  
70.30 disqualifications must be for periods of one year and two years for the first and second  
70.31 offenses, respectively. Subsequent violations must result in permanent disqualification.  
70.32 During the disqualification period, disqualification from any child care program must  
70.33 extend to all child care programs and must be immediately applied.

70.34 (c) A provider caring for children receiving assistance through child care assistance  
70.35 programs under chapter 119B is disqualified from receiving payment for child care  
70.36 services from the child care assistance program under chapter 119B when the provider is

71.1 found to have wrongfully obtained child care assistance by a federal court, state court,  
 71.2 or an administrative hearing determination or waiver under section 256.046, through a  
 71.3 disqualification consent agreement, as part of an approved diversion plan under section  
 71.4 401.065, or a court-ordered stay with probationary or other conditions. The disqualification  
 71.5 must be for a period of ~~one year~~ two years for the first offense ~~and two years for the~~  
 71.6 ~~second offense~~. Any subsequent violation must result in permanent disqualification.  
 71.7 The disqualification period must be imposed immediately after a determination is made  
 71.8 under this paragraph. During the disqualification period, the provider is disqualified from  
 71.9 receiving payment from any child care program under chapter 119B.

71.10 (d) Any person found to be guilty of wrongfully obtaining general assistance  
 71.11 medical care, MinnesotaCare for adults without children, and upon federal approval, all  
 71.12 categories of medical assistance and remaining categories of MinnesotaCare, except  
 71.13 for children through age 18, by a federal or state court or by an administrative hearing  
 71.14 determination, or waiver thereof, through a disqualification consent agreement, or as part  
 71.15 of any approved diversion plan under section 401.065, or any court-ordered stay which  
 71.16 carries with it any probationary or other conditions, is disqualified from that program. The  
 71.17 period of disqualification is one year after the first offense, two years after the second  
 71.18 offense, and permanently after the third or subsequent offense. The period of program  
 71.19 disqualification shall begin on the date stipulated on the advance notice of disqualification  
 71.20 without possibility of postponement for administrative stay or administrative hearing  
 71.21 and shall continue through completion unless and until the findings upon which the  
 71.22 sanctions were imposed are reversed by a court of competent jurisdiction. The period for  
 71.23 which sanctions are imposed is not subject to review. The sanctions provided under this  
 71.24 subdivision are in addition to, and not in substitution for, any other sanctions that may be  
 71.25 provided for by law for the offense involved.

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

71.27 Sec. 61. Minnesota Statutes 2014, section 256D.051, is amended to read:

71.28 **256D.051 FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.**

71.29 Subdivision 1. **Food stamp employment and training program.** The  
 71.30 commissioner shall implement a food stamp employment and training program in order to  
 71.31 meet the food stamp employment and training participation requirements of the United  
 71.32 States Department of Agriculture. ~~Unless exempt under subdivision 3a, each adult~~  
 71.33 ~~recipient in the unit must participate in the food stamp employment and training program~~  
 71.34 ~~each month that the person is eligible for food stamps. The person's participation in~~

72.1 ~~food stamp employment and training services must begin no later than the first day of~~  
 72.2 ~~the calendar month following the determination of eligibility for food stamps. With the~~  
 72.3 ~~county agency's consent, and To the extent of available resources, the person a recipient~~  
 72.4 ~~may voluntarily continue~~ volunteer to participate in food stamp employment and training  
 72.5 services for up to three additional consecutive months immediately following termination  
 72.6 of food stamp benefits in order to complete the provisions of the person's employability  
 72.7 development plan. A recipient who volunteers for employment and training services is  
 72.8 subject to work requirements found in Code of Federal Regulations, title 7, section 273.7.

72.9 Subd. 1a. **Notices and sanctions.** (a) At the time the county agency notifies the  
 72.10 household that it is eligible for food stamps, the county agency must inform all ~~mandatory~~  
 72.11 ~~employment and training services participants as identified in subdivision 1 in the~~  
 72.12 ~~household that they must comply with all food stamp employment and training program~~  
 72.13 ~~requirements each month, including the requirement to attend an initial orientation to the~~  
 72.14 ~~food stamp employment and training program and that food stamp eligibility will end~~  
 72.15 ~~unless the participants comply with the requirements specified in the notice.~~ adults of the  
 72.16 opportunity to volunteer for and participate in SNAP employment and training activities;  
 72.17 provide plain language material that explains the benefits of voluntary participation and  
 72.18 provide the name and address of the county's designated employment and training service  
 72.19 provider.

72.20 (b) The county must inform a recipient who is an able-bodied adult without  
 72.21 dependents that their SNAP benefits are limited to three months in a 36-month period  
 72.22 from the first full month of application unless the recipient meets the work requirements  
 72.23 found in Code of Federal Regulations, title 7, section 273.7.

72.24 ~~(b) A participant who fails without good cause to comply with food stamp~~  
 72.25 ~~employment and training program requirements of this section, including attendance at~~  
 72.26 ~~orientation, will lose food stamp eligibility for the following periods:~~

72.27 ~~(1) for the first occurrence, for one month or until the person complies with the~~  
 72.28 ~~requirements not previously complied with, whichever is longer;~~

72.29 ~~(2) for the second occurrence, for three months or until the person complies with the~~  
 72.30 ~~requirements not previously complied with, whichever is longer; or~~

72.31 ~~(3) for the third and any subsequent occurrence, for six months or until the person~~  
 72.32 ~~complies with the requirements not previously complied with, whichever is longer.~~

72.33 ~~If the participant is not the food stamp head of household, the person shall be~~  
 72.34 ~~considered an ineligible household member for food stamp purposes. If the participant is~~  
 72.35 ~~the food stamp head of household, the entire household is ineligible for food stamps as~~  
 72.36 ~~provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means~~



73.1 ~~circumstances beyond the control of the participant, such as illness or injury, illness or~~  
73.2 ~~injury of another household member requiring the participant's presence, a household~~  
73.3 ~~emergency, or the inability to obtain child care for children between the ages of six and~~  
73.4 ~~12 or to obtain transportation needed in order for the participant to meet the food stamp~~  
73.5 ~~employment and training program participation requirements.~~

73.6 ~~(e) The county agency shall mail or hand deliver a notice to the participant not later~~  
73.7 ~~than five days after determining that the participant has failed without good cause to~~  
73.8 ~~comply with food stamp employment and training program requirements which specifies~~  
73.9 ~~the requirements that were not complied with, the factual basis for the determination of~~  
73.10 ~~noncompliance, and the right to reinstate eligibility upon a showing of good cause for~~  
73.11 ~~failure to meet the requirements. The notice must ask the reason for the noncompliance~~  
73.12 ~~and identify the participant's appeal rights. The notice must request that the participant~~  
73.13 ~~inform the county agency if the participant believes that good cause existed for the failure~~  
73.14 ~~to comply and must state that the county agency intends to terminate eligibility for food~~  
73.15 ~~stamp benefits due to failure to comply with food stamp employment and training program~~  
73.16 ~~requirements.~~

73.17 ~~(d) If the county agency determines that the participant did not comply during the~~  
73.18 ~~month with all food stamp employment and training program requirements that were in~~  
73.19 ~~effect, and if the county agency determines that good cause was not present, the county~~  
73.20 ~~must provide a ten-day notice of termination of food stamp benefits. The amount of~~  
73.21 ~~food stamps that are withheld from the household and determination of the impact of~~  
73.22 ~~the sanction on other household members is governed by Code of Federal Regulations,~~  
73.23 ~~title 7, section 273.7.~~

73.24 ~~(e) The participant may appeal the termination of food stamp benefits under the~~  
73.25 ~~provisions of section 256.045.~~

73.26 **Subd. 2. County agency duties.** (a) The county agency shall provide to food stamp  
73.27 recipients a food stamp employment and training program. The program must include:

73.28 (1) orientation to the food stamp employment and training program;

73.29 (2) an individualized employability assessment and an individualized employability  
73.30 development plan that includes assessment of literacy, ability to communicate in the  
73.31 English language, educational and employment history, and that estimates the length of  
73.32 time it will take the participant to obtain employment. The employability assessment and  
73.33 development plan must be completed in consultation with the participant, must assess the  
73.34 participant's assets, barriers, and strengths, and must identify steps necessary to overcome  
73.35 barriers to employment. A copy of the employability development plan must be provided  
73.36 to the registrant;

74.1 (3) referral to available accredited remedial or skills training or career pathways  
 74.2 programs designed to address participant's barriers to employment;

74.3 (4) referral to available programs that provide subsidized or unsubsidized  
 74.4 employment as necessary;

74.5 (5) a job search program, including job seeking skills training; and

74.6 (6) other activities, to the extent of available resources designed by the county  
 74.7 agency to prepare the participant for permanent employment.

74.8 ~~In order to allow time for job search, the county agency may not require an individual~~  
 74.9 ~~to participate in the food stamp employment and training program for more than 32 hours~~  
 74.10 ~~a week. The county agency shall require an individual to spend at least eight hours a week~~  
 74.11 ~~in job search or other food stamp employment and training program activities.~~

74.12 (b) The county agency shall prepare an annual plan for the operation of its food  
 74.13 stamp employment and training program. The plan must be submitted to and approved by  
 74.14 the commissioner of employment and economic development. The plan must include:

74.15 (1) a description of the services to be offered by the county agency;

74.16 (2) a plan to coordinate the activities of all public and private nonprofit entities  
 74.17 providing employment-related services in order to avoid duplication of effort and to  
 74.18 provide a wide range of allowable activities and services more efficiently;

74.19 (3) a description of the factors that will be taken into account when determining a  
 74.20 client's employability development plan; and

74.21 (4) provisions to ensure that the county agency's employment and training service  
 74.22 ~~provider provides~~ providers provide each recipient with an orientation, employability  
 74.23 assessment, and employability development plan as specified in paragraph (a), clauses (1)  
 74.24 and (2), within 30 days of the recipient's eligibility for assistance request to participate in  
 74.25 employment and training.

74.26 Subd. 2a. **Duties of commissioner.** In addition to any other duties imposed by law,  
 74.27 the commissioner shall:

74.28 (1) based on this section and section 256D.052 and Code of Federal Regulations,  
 74.29 title 7, section 273.7, supervise the administration of food stamp employment and training  
 74.30 services to county agencies;

74.31 (2) disburse money appropriated for food stamp employment and training services  
 74.32 to county agencies based upon the county's costs as specified in section 256D.051,  
 74.33 subdivision 6c;

74.34 (3) accept and supervise the disbursement of any funds that may be provided by the  
 74.35 federal government or from other sources for use in this state for ~~food stamp~~ employment  
 74.36 and training services;

75.1 (4) cooperate with other agencies including any agency of the United States or of  
 75.2 another state in all matters concerning the powers and duties of the commissioner under  
 75.3 this section and section 256D.052; and

75.4 (5) in cooperation with the commissioner of employment and economic  
 75.5 development, ensure that each component of an employment and training program carried  
 75.6 out under this section is delivered through a statewide workforce development system,  
 75.7 unless the component is not available locally through such a system.

75.8 Subd. 3. **Participant duties.** In order to receive food stamp assistance employment  
 75.9 and training services, a registrant participant who volunteers shall: (1) cooperate with  
 75.10 the county agency in all aspects of the food stamp employment and training program;  
 75.11 and (2) accept any suitable employment, including employment offered through the Job  
 75.12 Training Partnership Act, and other employment and training options; and (3) participate  
 75.13 in food stamp employment and training activities assigned by the county agency. The  
 75.14 county agency may terminate employment and training assistance to a registrant voluntary  
 75.15 participant who fails to cooperate in the food stamp employment and training program, as  
 75.16 provided in subdivision 1a unless good cause is provided.

75.17 Subd. 3a. **Requirement to register work.** (a) To the extent required under Code  
 75.18 of Federal Regulations, title 7, section 273.7(a), each applicant for and recipient of  
 75.19 food stamps is required to register for work as a condition of eligibility for food stamp  
 75.20 benefits. Applicants and recipients are registered by signing an application or annual  
 75.21 reapplication for food stamps, and must be informed that they are registering for work  
 75.22 by signing the form.

75.23 (b) ~~The commissioner shall determine, within federal requirements, persons required~~  
 75.24 ~~to participate in the food stamp employment and training (FSET) program.~~

75.25 (c) ~~The following food stamp recipients are exempt from mandatory participation in~~  
 75.26 ~~food stamp employment and training services:~~

75.27 (1) ~~recipients of benefits under the Minnesota family investment program, Minnesota~~  
 75.28 ~~supplemental aid program, or the general assistance program;~~

75.29 (2) ~~a child;~~

75.30 (3) ~~a recipient over age 55;~~

75.31 (4) ~~a recipient who has a mental or physical illness, injury, or incapacity which is~~  
 75.32 ~~expected to continue for at least 30 days and which impairs the recipient's ability to obtain~~  
 75.33 ~~or retain employment as evidenced by professional certification or the receipt of temporary~~  
 75.34 ~~or permanent disability benefits issued by a private or government source;~~

75.35 (5) ~~a parent or other household member responsible for the care of either a~~  
 75.36 ~~dependent child in the household who is under age six or a person in the household who is~~

76.1 ~~professionally certified as having a physical or mental illness, injury, or incapacity. Only~~  
 76.2 ~~one parent or other household member may claim exemption under this provision;~~

76.3 ~~(6) a recipient receiving unemployment insurance or who has applied for~~  
 76.4 ~~unemployment insurance and has been required to register for work with the Department~~  
 76.5 ~~of Employment and Economic Development as part of the unemployment insurance~~  
 76.6 ~~application process;~~

76.7 ~~(7) a recipient participating each week in a drug addiction or alcohol abuse treatment~~  
 76.8 ~~and rehabilitation program, provided the operators of the treatment and rehabilitation~~  
 76.9 ~~program, in consultation with the county agency, recommend that the recipient not~~  
 76.10 ~~participate in the food stamp employment and training program;~~

76.11 ~~(8) a recipient employed or self-employed for 30 or more hours per week at~~  
 76.12 ~~employment paying at least minimum wage, or who earns wages from employment equal~~  
 76.13 ~~to or exceeding 30 hours multiplied by the federal minimum wage; or~~

76.14 ~~(9) a student enrolled at least half time in any school, training program, or institution~~  
 76.15 ~~of higher education. When determining if a student meets this criteria, the school's,~~  
 76.16 ~~program's or institution's criteria for being enrolled half time shall be used.~~

76.17 Subd. 3b. **Orientation.** The county agency or its employment and training service  
 76.18 ~~provider~~ providers must provide an orientation to food stamp employment and training  
 76.19 services to each ~~nonexempt food stamp recipient within 30 days of the date that food~~  
 76.20 ~~stamp eligibility is determined~~ recipient within 30 days of the date which they agree to  
 76.21 volunteer. The orientation must inform the participant of the ~~requirement to participate~~  
 76.22 benefits of participating in services, the date, time, and address to report to for services,  
 76.23 the name and telephone number of the food stamp employment and training service  
 76.24 provider, the consequences for failure without good cause to comply, the services and  
 76.25 support services available through food stamp employment and training services and other  
 76.26 providers of similar services, and must encourage the participant to view the food stamp  
 76.27 program as a temporary means of supplementing the family's food needs until the family  
 76.28 achieves self-sufficiency through employment. The orientation may be provided through  
 76.29 audio-visual methods, but the participant must have the opportunity for face-to-face  
 76.30 interaction with county agency staff.

76.31 Subd. 6b. **Federal reimbursement.** Federal financial participation from the United  
 76.32 States Department of Agriculture for food stamp employment and training expenditures  
 76.33 that are eligible for reimbursement through the food stamp employment and training  
 76.34 program are dedicated funds and are annually appropriated to the commissioner of human  
 76.35 services for the operation of the food stamp employment and training program. Federal  
 76.36 financial participation for the nonstate portion of food stamp employment and training

77.1 costs must be paid to the county agency or service provider that incurred the costs at  
77.2 a rate to be determined by the Departments of Human Services and Employment and  
77.3 Economic Development.

77.4 Subd. 6c. **Program funding.** Within the limits of available resources, the  
77.5 commissioner shall reimburse the actual costs of county agencies and their employment  
77.6 and training service providers for the provision of food stamp employment and training  
77.7 services, including participant support services, direct program services, and program  
77.8 administrative activities. The cost of services for each county's food stamp employment and  
77.9 training program shall not exceed the annual allocated amount. No more than 15 percent of  
77.10 program funds may be used for administrative activities. The county agency may expend  
77.11 county funds in excess of the limits of this subdivision without state reimbursement.

77.12 Program funds shall be allocated based on the county's average number of food  
77.13 stamp cases as compared to the statewide total number of such cases. The average number  
77.14 of cases shall be based on counts of cases as of March 31, June 30, September 30, and  
77.15 December 31 of the previous calendar year. The commissioner may reallocate unexpended  
77.16 money appropriated under this section to those county agencies that demonstrate a need  
77.17 for additional funds.

77.18 Subd. 7. **Registrant status.** A registrant under this section is not an employee for  
77.19 the purposes of workers' compensation, unemployment benefits, retirement, or civil service  
77.20 laws, and shall not perform work ordinarily performed by a regular public employee.

77.21 Subd. 8. **Voluntary quit.** A person who is required to participate in food stamp  
77.22 employment and training services is not eligible for food stamps if, without good cause,  
77.23 the person refuses a legitimate offer of, or quits, suitable employment within ~~60~~ 30 days  
77.24 before the date of application. A person who is required to participate in food stamp  
77.25 employment and training services and, without good cause, voluntarily quits suitable  
77.26 employment or refuses a legitimate offer of suitable employment while receiving food  
77.27 stamps shall be terminated from the food stamp program ~~as specified in subdivision 1a.~~

77.28 Subd. 9. **Subcontractors.** A county agency may, at its option, subcontract any or all  
77.29 of the duties under this section to a public or private entity approved by the commissioner  
77.30 of employment and economic development.

77.31 Subd. 18. ~~Work experience~~ **Workfare placements.** (a) To the extent of available  
77.32 resources, each county agency ~~must~~ may establish and operate a ~~work experience~~ workfare  
77.33 component in the food stamp employment and training program for recipients who are  
77.34 subject to a federal limit of three months of food stamp eligibility in any 36-month period.  
77.35 The purpose of the ~~work experience~~ workfare component is to enhance the participant's  
77.36 employability, self-sufficiency, and to provide meaningful, productive work activities.

78.1 (b) The commissioner shall assist counties in the design and implementation of these  
78.2 components. The commissioner must ensure that job placements under a ~~work experience~~  
78.3 workfare component comply with section 256J.72. Written or oral concurrence with job  
78.4 duties of persons placed under the ~~community work experience~~ workfare program shall be  
78.5 obtained from the appropriate exclusive bargaining representative.

78.6 (c) Worksites developed under this section are limited to projects that serve a useful  
78.7 public service such as health, social service, environmental protection, education, urban  
78.8 and rural development and redevelopment, welfare, recreation, public facilities, public  
78.9 safety, community service, services to aged or disabled citizens, and child care. To the  
78.10 extent possible, the prior training, skills, and experience of a recipient must be used in  
78.11 making appropriate ~~work experience~~ workfare assignments.

78.12 (d) Structured, supervised ~~volunteer~~ uncompensated work with an agency or  
78.13 organization that is monitored by the county service provider may, with the approval of  
78.14 the county agency, be used as a ~~work experience~~ workfare placement.

78.15 (e) As a condition of placing a person receiving food stamps in a program under this  
78.16 subdivision, the county agency shall first provide the recipient the opportunity:

78.17 (1) for placement in suitable subsidized or unsubsidized employment through  
78.18 participation in job search under section 256D.051; or

78.19 (2) for placement in suitable employment through participation in ~~on-the-job training~~  
78.20 a paid work experience, if such employment is available; or

78.21 (3) for placement in an educational program designed to increase job skills and  
78.22 employability.

78.23 (f) The county agency shall limit the maximum monthly number of hours that any  
78.24 participant may work in a ~~work experience~~ workfare placement to a number equal to the  
78.25 amount of the family's monthly food stamp allotment divided by the greater of the federal  
78.26 minimum wage or the applicable state minimum wage.

78.27 After a participant has been assigned to a position for ~~nine~~ six months, the participant  
78.28 may not continue in that assignment unless the maximum number of hours a participant  
78.29 works is no greater than the amount of the food stamp benefit divided by the rate of pay  
78.30 for individuals employed in the same or similar occupations by the same employer at  
78.31 the same site.

78.32 (g) The participant's employability development plan must include the length of time  
78.33 needed in the ~~work experience~~ workfare program, the need to continue job seeking activities  
78.34 while participating in ~~work experience~~ workfare, and the participant's employment goals.

78.35 (h) After each six months of a recipient's participation in a ~~work experience~~ workfare  
78.36 job placement, and at the conclusion of each ~~work experience~~ workfare assignment under

79.1 this section, the county agency shall reassess and revise, as appropriate, the participant's  
79.2 employability development plan.

79.3 (i) A participant has good cause for failure to cooperate with a ~~work experience~~  
79.4 workfare job placement if, in the judgment of the employment and training service  
79.5 provider, the reason for failure is reasonable and justified. ~~Good cause for purposes of this~~  
79.6 ~~section is defined in subdivision 1a, paragraph (b).~~

79.7 (j) A recipient who has failed without good cause to participate in or comply with the  
79.8 ~~work experience~~ workfare job placement shall be terminated from participation in ~~work~~  
79.9 ~~experience~~ workfare job activities. ~~If the recipient is not exempt from mandatory food~~  
79.10 ~~stamp employment and training program participation under subdivision 3a, the recipient~~  
79.11 ~~will be assigned to other mandatory program activities. If the recipient is exempt from~~  
79.12 ~~mandatory participation but is participating as a volunteer, the person shall be terminated~~  
79.13 ~~from the food stamp employment and training program.~~

79.14 Sec. 62. Minnesota Statutes 2014, section 256J.24, subdivision 5, is amended to read:

79.15 Subd. 5. **MFIP transitional standard.** (a) The MFIP transitional standard is based  
79.16 on the number of persons in the assistance unit eligible for both food and cash assistance.  
79.17 The amount of the transitional standard is published annually by the Department of  
79.18 Human Services.

79.19 (b) The commissioner of human services shall increase the cash assistance portion  
79.20 of the transitional standard under paragraph (a) by \$100.

79.21 **EFFECTIVE DATE.** This section is effective October 1, 2016.

79.22 Sec. 63. Minnesota Statutes 2015 Supplement, section 256M.41, subdivision 3,  
79.23 is amended to read:

79.24 Subd. 3. **Payments based on performance.** (a) The commissioner shall make  
79.25 payments under this section to each county board on a calendar year basis in an amount  
79.26 determined under paragraph (b).

79.27 (b) Calendar year allocations under subdivision 1 shall be paid to counties in the  
79.28 following manner:

79.29 (1) 80 percent of the allocation as determined in subdivision 1 must be paid to  
79.30 counties on or before July 10 of each year;

79.31 (2) ten percent of the allocation shall be withheld until the commissioner determines  
79.32 if the county has met the performance outcome threshold of 90 percent based on  
79.33 face-to-face contact with alleged child victims. In order to receive the performance  
79.34 allocation, the county child protection workers must have a timely face-to-face contact

80.1 with at least 90 percent of all alleged child victims of screened-in maltreatment reports.  
80.2 The standard requires that each initial face-to-face contact occur consistent with timelines  
80.3 defined in section 626.556, subdivision 10, paragraph (i). The commissioner shall make  
80.4 threshold determinations in ~~January~~ February of each year and payments to counties  
80.5 meeting the performance outcome threshold shall occur in ~~February~~ March of each year.

80.6 Any withheld funds from this appropriation for counties that do not meet this requirement  
80.7 shall be reallocated by the commissioner to those counties meeting the requirement; and

80.8 (3) ten percent of the allocation shall be withheld until the commissioner determines  
80.9 that the county has met the performance outcome threshold of 90 percent based on  
80.10 face-to-face visits by the case manager. In order to receive the performance allocation, the  
80.11 total number of visits made by caseworkers on a monthly basis to children in foster care  
80.12 ~~and children receiving child protection services while residing in their home~~ must be at  
80.13 least 90 percent of the total number of such visits that would occur if every child were  
80.14 visited once per month. The commissioner shall make such determinations in ~~January~~  
80.15 February of each year and payments to counties meeting the performance outcome  
80.16 threshold shall occur in ~~February~~ March of each year. Any withheld funds from this  
80.17 appropriation for counties that do not meet this requirement shall be reallocated by the  
80.18 commissioner to those counties meeting the requirement. ~~For 2015, the commissioner~~  
80.19 ~~shall only apply the standard for monthly foster care visits.~~

80.20 (c) The commissioner shall work with stakeholders and the Human Services  
80.21 Performance Council under section 402A.16 to develop recommendations for specific  
80.22 outcome measures that counties should meet in order to receive funds withheld under  
80.23 paragraph (b), and include in those recommendations a determination as to whether  
80.24 the performance measures under paragraph (b) should be modified or phased out. The  
80.25 commissioner shall report the recommendations to the legislative committees having  
80.26 jurisdiction over child protection issues by January 1, 2018.

80.27 **EFFECTIVE DATE.** This section is effective July 1, 2016, for allocations made in  
80.28 state fiscal year 2017 using calendar year 2016 data.

80.29 Sec. 64. Minnesota Statutes 2015 Supplement, section 256P.05, subdivision 1, is  
80.30 amended to read:

80.31 Subdivision 1. **Exempted programs.** Participants who qualify for ~~child care~~  
80.32 ~~assistance programs under chapter 119B~~, Minnesota supplemental aid under chapter  
80.33 256D; and group residential housing under chapter 256I on the basis of eligibility for  
80.34 Supplemental Security Income are exempt from this section. A participant who qualifies  
80.35 for CCAP under chapter 119B is subject to subdivision 2.



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

81.2 Sec. 65. Minnesota Statutes 2015 Supplement, section 256P.06, subdivision 3, is  
81.3 amended to read:

81.4 Subd. 3. **Income inclusions.** The following must be included in determining the  
81.5 income of an assistance unit:

81.6 (1) earned income; and

81.7 (2) unearned income, which includes:

81.8 (i) interest and dividends from investments and savings;

81.9 (ii) capital gains as defined by the Internal Revenue Service from any sale of real  
81.10 property;

81.11 (iii) proceeds from rent and contract for deed payments in excess of the principal  
81.12 and interest portion owed on property;

81.13 (iv) income from trusts, excluding special needs and supplemental needs trusts;

81.14 (v) interest income from loans made by the participant or household;

81.15 (vi) cash prizes and winnings;

81.16 (vii) unemployment insurance income;

81.17 (viii) retirement, survivors, and disability insurance payments;

81.18 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the  
81.19 purpose for which it is intended. Income and use of this income is subject to verification  
81.20 requirements under section 256P.04;

81.21 (x) retirement benefits;

81.22 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D,  
81.23 256I, and 256J;

81.24 (xii) tribal per capita payments unless excluded by federal and state law;

81.25 (xiii) income and payments from service and rehabilitation programs that meet  
81.26 or exceed the state's minimum wage rate;

81.27 (xiv) income from members of the United States armed forces unless excluded from  
81.28 income taxes according to federal or state law;

81.29 (xv) all child support payments for programs under chapters 119B, 256D, and 256I;

81.30 (xvi) the amount of ~~current~~ child support received that exceeds \$100 for assistance  
81.31 units with one child and \$200 for assistance units with two or more children for programs  
81.32 under chapter 256J; and

81.33 (xvii) spousal support.

82.1 Sec. 66. Minnesota Statutes 2015 Supplement, section 256P.07, subdivision 3, is  
82.2 amended to read:

82.3 Subd. 3. **Changes that must be reported.** An assistance unit must report the  
82.4 changes or anticipated changes specified in clauses (1) to (12) within ten days of the date  
82.5 they occur, at the time of recertification of eligibility under section 256P.04, subdivisions  
82.6 8 and 9, or within eight calendar days of a reporting period, whichever occurs first. An  
82.7 assistance unit must report other changes at the time of recertification of eligibility under  
82.8 section 256P.04, subdivisions 8 and 9, or at the end of a reporting period, as applicable.  
82.9 When an agency could have reduced or terminated assistance for one or more payment  
82.10 months if a delay in reporting a change specified under clauses (1) to (12) had not occurred,  
82.11 the agency must determine whether a timely notice could have been issued on the day  
82.12 that the change occurred. When a timely notice could have been issued, each month's  
82.13 overpayment subsequent to that notice must be considered a client error overpayment  
82.14 under section 119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must  
82.15 be reported within ten days must also be reported for the reporting period in which those  
82.16 changes occurred. Within ten days, an assistance unit must report:

82.17 (1) a change in earned income of \$100 per month or greater, with the exception  
82.18 of programs under chapter 119B;

82.19 (2) a change in unearned income of \$50 per month or greater, with the exception  
82.20 of programs under chapter 119B;

82.21 (3) a change in employment status and hours, with the exception of programs under  
82.22 chapter 119B;

82.23 (4) a change in address or residence;

82.24 (5) a change in household composition<sub>2</sub> with the exception of programs under  
82.25 chapter 256I;

82.26 (6) a receipt of a lump-sum payment, with the exception of programs under chapter  
82.27 119B;

82.28 (7) an increase in assets if over \$9,000<sub>2</sub> with the exception of programs under  
82.29 chapter 119B;

82.30 (8) a change in citizenship or immigration status;

82.31 (9) a change in family status<sub>2</sub> with the exception of programs under chapter 256I;

82.32 (10) a change in disability status of a unit member, with the exception of programs  
82.33 under chapter 119B;

82.34 (11) a new rent subsidy or a change in rent subsidy, with the exception of programs  
82.35 under chapter 119B; and

83.1 (12) a sale, purchase, or transfer of real property, with the exception of programs  
 83.2 under chapter 119B.

83.3 **EFFECTIVE DATE.** Clauses (1) to (3), (6), (11), and (12) are effective May 22,  
 83.4 2017.

83.5 Sec. 67. Minnesota Statutes 2015 Supplement, section 256P.07, subdivision 6, is  
 83.6 amended to read:

83.7 Subd. 6. **Child care assistance programs-specific reporting.** (a) In addition to  
 83.8 subdivision 3, an assistance unit under chapter 119B, within ten days of the change, must  
 83.9 report:

83.10 (1) a change in a parentally responsible individual's ~~visitation schedule or custody~~  
 83.11 ~~arrangement schedule~~ schedule for any child receiving ~~child care assistance program~~ CCAP  
 83.12 benefits; and

83.13 (2) a ~~change in permanent end~~ change in permanent end in a parentally responsible individual's authorized  
 83.14 activity status; and

83.15 (3) when the family's annual included income exceeds 85 percent of the state median  
 83.16 income, adjusted for family size.

83.17 (b) An assistance unit subject to section 119B.10, subdivisions 1, paragraph (g), and  
 83.18 3, paragraph (f), must report changes in authorized activity status.

83.19 (c) An assistance unit must notify the county when the assistance unit wants to  
 83.20 reduce the number of authorized hours for a child.

83.21 **EFFECTIVE DATE.** Paragraph (a), clause (1), is effective August 1, 2016.

83.22 Paragraph (a), clauses (2) and (3), and paragraphs (b) and (c) are effective May 22, 2017.

83.23 Sec. 68. **[260C.125] CASE TRANSFER PROCESS.**

83.24 Subdivision 1. Purpose. This section pertains to the transfer of responsibility for  
 83.25 the placement and care of an Indian child in out-of-home placement from the responsible  
 83.26 social services agency to a tribal title IV-E agency or an Indian tribe in and outside of  
 83.27 Minnesota with a title IV-E agreement.

83.28 Subd. 2. Establishment of transfer procedures. The responsible social services  
 83.29 agency shall establish and maintain procedures, in consultation with Indian tribes, for the  
 83.30 transfer of responsibility for placement and care of a child to a tribal agency. Transfer of a  
 83.31 child's case under this section shall not affect the child's title IV-E and Medicaid eligibility.

84.1 Subd. 3. **Title IV-E eligibility.** If a child's title IV-E eligibility has not been  
 84.2 determined by the responsible social services agency by the time of transfer, it shall be  
 84.3 established at the time of the transfer by the responsible social services agency.

84.4 Subd. 4. **Documentation and information.** Essential documents and information  
 84.5 shall be transferred to a tribal agency, including but not limited to:

84.6 (1) district court judicial determinations to the effect that continuation in the home  
 84.7 from which the child was removed would be contrary to the welfare of the child and that  
 84.8 reasonable efforts were made to ensure placement prevention and family reunification  
 84.9 pursuant to section 260.012;

84.10 (2) documentation related to the child's permanency proceeding under sections  
 84.11 260C.503 to 260C.521;

84.12 (3) documentation from the responsible social services agency related to the child's  
 84.13 title IV-E eligibility;

84.14 (4) documentation regarding the child's eligibility or potential eligibility for other  
 84.15 federal benefits;

84.16 (5) the child's case plan, developed pursuant to sections 475(1) and 475A of the  
 84.17 Social Security Act, including health and education records of the child pursuant to  
 84.18 section 475(1)(c) of the Social Security Act; and section 260C.212, subdivision 1, and  
 84.19 information; and

84.20 (6) documentation of the child's placement setting, including a copy of the most  
 84.21 recent provider's license.

84.22 Sec. 69. Minnesota Statutes 2015 Supplement, section 260C.203, is amended to read:

84.23 **260C.203 ADMINISTRATIVE OR COURT REVIEW OF PLACEMENTS.**

84.24 (a) Unless the court is conducting the reviews required under section 260C.202,  
 84.25 there shall be an administrative review of the out-of-home placement plan of each child  
 84.26 placed in foster care no later than 180 days after the initial placement of the child in foster  
 84.27 care and at least every six months thereafter if the child is not returned to the home of the  
 84.28 parent or parents within that time. The out-of-home placement plan must be monitored and  
 84.29 updated at each administrative review. The administrative review shall be conducted by  
 84.30 the responsible social services agency using a panel of appropriate persons at least one of  
 84.31 whom is not responsible for the case management of, or the delivery of services to, either  
 84.32 the child or the parents who are the subject of the review. The administrative review shall  
 84.33 be open to participation by the parent or guardian of the child and the child, as appropriate.

84.34 (b) As an alternative to the administrative review required in paragraph (a), the court  
 84.35 may, as part of any hearing required under the Minnesota Rules of Juvenile Protection

85.1 Procedure, conduct a hearing to monitor and update the out-of-home placement plan  
 85.2 pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph  
 85.3 (d). The party requesting review of the out-of-home placement plan shall give parties to  
 85.4 the proceeding notice of the request to review and update the out-of-home placement  
 85.5 plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193;  
 85.6 260C.201, subdivision 1; 260C.202; 260C.204; 260C.317; or 260D.06 shall satisfy the  
 85.7 requirement for the review so long as the other requirements of this section are met.

85.8 (c) As appropriate to the stage of the proceedings and relevant court orders, the  
 85.9 responsible social services agency or the court shall review:

85.10 (1) the safety, permanency needs, and well-being of the child;

85.11 (2) the continuing necessity for and appropriateness of the placement;

85.12 (3) the extent of compliance with the out-of-home placement plan;

85.13 (4) the extent of progress that has been made toward alleviating or mitigating the  
 85.14 causes necessitating placement in foster care;

85.15 (5) the projected date by which the child may be returned to and safely maintained in  
 85.16 the home or placed permanently away from the care of the parent or parents or guardian; and

85.17 (6) the appropriateness of the services provided to the child.

85.18 (d) When a child is age 14 or older;

85.19 (1) in addition to any administrative review conducted by the responsible social  
 85.20 services agency, at the in-court review required under section 260C.317, subdivision  
 85.21 3, clause (3), or 260C.515, subdivision 5 or 6, the court shall review the independent  
 85.22 living plan required under section 260C.212, subdivision 1, paragraph (c), clause (12),  
 85.23 and the provision of services to the child related to the well-being of the child as the  
 85.24 child prepares to leave foster care. The review shall include the actual plans related to  
 85.25 each item in the plan necessary to the child's future safety and well-being when the child  
 85.26 is no longer in foster care; and

85.27 ~~(e) At the court review required under paragraph (d) for a child age 14 or older,~~  
 85.28 ~~the following procedures apply:~~

85.29 ~~(1) six months before the child is expected to be discharged from foster care, the~~  
 85.30 ~~responsible social services agency shall give the written notice required under section~~  
 85.31 ~~260C.451, subdivision 1, regarding the right to continued access to services for certain~~  
 85.32 ~~children in foster care past age 18 and of the right to appeal a denial of social services~~  
 85.33 ~~under section 256.045. The agency shall file a copy of the notice, including the right to~~  
 85.34 ~~appeal a denial of social services, with the court. If the agency does not file the notice by~~  
 85.35 ~~the time the child is age 17-1/2, the court shall require the agency to give it;~~

86.1 (2) consistent with the requirements of the independent living plan, the court shall  
86.2 review progress toward or accomplishment of the following goals:

86.3 (i) the child has obtained a high school diploma or its equivalent;

86.4 (ii) the child has completed a driver's education course or has demonstrated the  
86.5 ability to use public transportation in the child's community;

86.6 (iii) the child is employed or enrolled in postsecondary education;

86.7 (iv) the child has applied for and obtained postsecondary education financial aid for  
86.8 which the child is eligible;

86.9 (v) the child has health care coverage and health care providers to meet the child's  
86.10 physical and mental health needs;

86.11 (vi) the child has applied for and obtained disability income assistance for which  
86.12 the child is eligible;

86.13 (vii) the child has obtained affordable housing with necessary supports, which does  
86.14 not include a homeless shelter;

86.15 (viii) the child has saved sufficient funds to pay for the first month's rent and a  
86.16 damage deposit;

86.17 (ix) the child has an alternative affordable housing plan, which does not include a  
86.18 homeless shelter, if the original housing plan is unworkable;

86.19 (x) the child, if male, has registered for the Selective Service; and

86.20 (xi) the child has a permanent connection to a caring adult; and

86.21 ~~(3) the court shall ensure that the responsible agency in conjunction with the~~  
86.22 ~~placement provider assists the child in obtaining the following documents prior to the~~  
86.23 ~~child's leaving foster care: a Social Security card; the child's birth certificate; a state~~  
86.24 ~~identification card or driver's license, tribal enrollment identification card, green card, or~~  
86.25 ~~school visa; the child's school, medical, and dental records; a contact list of the child's~~  
86.26 ~~medical, dental, and mental health providers; and contact information for the child's~~  
86.27 ~~siblings, if the siblings are in foster care.~~

86.28 ~~(f) For a child who will be discharged from foster care at age 18 or older, the~~  
86.29 ~~responsible social services agency is required to develop a personalized transition plan as~~  
86.30 ~~directed by the youth. The transition plan must be developed during the 90-day period~~  
86.31 ~~immediately prior to the expected date of discharge. The transition plan must be as~~  
86.32 ~~detailed as the child may elect and include specific options on housing, health insurance,~~  
86.33 ~~education, local opportunities for mentors and continuing support services, and work force~~  
86.34 ~~supports and employment services. The agency shall ensure that the youth receives, at~~  
86.35 ~~no cost to the youth, a copy of the youth's consumer credit report as defined in section~~  
86.36 ~~13C.001 and assistance in interpreting and resolving any inaccuracies in the report. The~~

87.1 ~~plan must include information on the importance of designating another individual to~~  
87.2 ~~make health care treatment decisions on behalf of the child if the child becomes unable~~  
87.3 ~~to participate in these decisions and the child does not have, or does not want, a relative~~  
87.4 ~~who would otherwise be authorized to make these decisions. The plan must provide the~~  
87.5 ~~child with the option to execute a health care directive as provided under chapter 145C.~~  
87.6 ~~The agency shall also provide the youth with appropriate contact information if the youth~~  
87.7 ~~needs more information or needs help dealing with a crisis situation through age 21.~~

87.8 Sec. 70. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 1,  
87.9 is amended to read:

87.10 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan  
87.11 shall be prepared within 30 days after any child is placed in foster care by court order or a  
87.12 voluntary placement agreement between the responsible social services agency and the  
87.13 child's parent pursuant to section 260C.227 or chapter 260D.

87.14 (b) An out-of-home placement plan means a written document which is prepared  
87.15 by the responsible social services agency jointly with the parent or parents or guardian  
87.16 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the  
87.17 child is an Indian child, the child's foster parent or representative of the foster care facility,  
87.18 and, where appropriate, the child. When a child is age 14 or older, the child may include  
87.19 two other individuals on the team preparing the child's out-of-home placement plan. The  
87.20 child may select one member of the case planning team to be designated as the child's  
87.21 adviser and to advocate with respect to the application of the reasonable and prudent  
87.22 parenting standards. The responsible social services agency may reject an individual  
87.23 selected by the child if the agency has good cause to believe that the individual would  
87.24 not act in the best interest of the child. For a child in voluntary foster care for treatment  
87.25 under chapter 260D, preparation of the out-of-home placement plan shall additionally  
87.26 include the child's mental health treatment provider. For a child 18 years of age or older,  
87.27 the responsible social services agency shall involve the child and the child's parents as  
87.28 appropriate. As appropriate, the plan shall be:

87.29 (1) submitted to the court for approval under section 260C.178, subdivision 7;

87.30 (2) ordered by the court, either as presented or modified after hearing, under section  
87.31 260C.178, subdivision 7, or 260C.201, subdivision 6; and

87.32 (3) signed by the parent or parents or guardian of the child, the child's guardian ad  
87.33 litem, a representative of the child's tribe, the responsible social services agency, and, if  
87.34 possible, the child.

88.1 (c) The out-of-home placement plan shall be explained to all persons involved in its  
88.2 implementation, including the child who has signed the plan, and shall set forth:

88.3 (1) a description of the foster care home or facility selected, including how the  
88.4 out-of-home placement plan is designed to achieve a safe placement for the child in the  
88.5 least restrictive, most family-like, setting available which is in close proximity to the home  
88.6 of the parent or parents or guardian of the child when the case plan goal is reunification,  
88.7 and how the placement is consistent with the best interests and special needs of the child  
88.8 according to the factors under subdivision 2, paragraph (b);

88.9 (2) the specific reasons for the placement of the child in foster care, and when  
88.10 reunification is the plan, a description of the problems or conditions in the home of the  
88.11 parent or parents which necessitated removal of the child from home and the changes the  
88.12 parent or parents must make ~~in order~~ for the child to safely return home;

88.13 (3) a description of the services offered and provided to prevent removal of the child  
88.14 from the home and to reunify the family including:

88.15 (i) the specific actions to be taken by the parent or parents of the child to eliminate  
88.16 or correct the problems or conditions identified in clause (2), and the time period during  
88.17 which the actions are to be taken; and

88.18 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made  
88.19 to achieve a safe and stable home for the child including social and other supportive  
88.20 services to be provided or offered to the parent or parents or guardian of the child, the  
88.21 child, and the residential facility during the period the child is in the residential facility;

88.22 (4) a description of any services or resources that were requested by the child or the  
88.23 child's parent, guardian, foster parent, or custodian since the date of the child's placement  
88.24 in the residential facility, and whether those services or resources were provided and if  
88.25 not, the basis for the denial of the services or resources;

88.26 (5) the visitation plan for the parent or parents or guardian, other relatives as defined  
88.27 in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not  
88.28 placed together in foster care, and whether visitation is consistent with the best interest  
88.29 of the child, during the period the child is in foster care;

88.30 (6) when a child cannot return to or be in the care of either parent, documentation  
88.31 of steps to finalize adoption as the permanency plan for the child through reasonable  
88.32 efforts to place the child for adoption. At a minimum, the documentation must include  
88.33 consideration of whether adoption is in the best interests of the child, child-specific  
88.34 recruitment efforts such as relative search and the use of state, regional, and national  
88.35 adoption exchanges to facilitate orderly and timely placements in and outside of the state.



89.1 A copy of this documentation shall be provided to the court in the review required under  
89.2 section 260C.317, subdivision 3, paragraph (b);

89.3 (7) when a child cannot return to or be in the care of either parent, documentation  
89.4 of steps to finalize the transfer of permanent legal and physical custody to a relative as  
89.5 the permanency plan for the child. This documentation must support the requirements of  
89.6 the kinship placement agreement under section 256N.22 and must include the reasonable  
89.7 efforts used to determine that it is not appropriate for the child to return home or be  
89.8 adopted, and reasons why permanent placement with a relative through a Northstar kinship  
89.9 assistance arrangement is in the child's best interest; how the child meets the eligibility  
89.10 requirements for Northstar kinship assistance payments; agency efforts to discuss adoption  
89.11 with the child's relative foster parent and reasons why the relative foster parent chose not  
89.12 to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or  
89.13 parents the permanent transfer of permanent legal and physical custody or the reasons  
89.14 why these efforts were not made;

89.15 (8) efforts to ensure the child's educational stability while in foster care, ~~including~~  
89.16 for a child who attained the minimum age for compulsory school attendance under state  
89.17 law and is enrolled full time in elementary or secondary school, or instructed in elementary  
89.18 or secondary education at home, or instructed in an independent study elementary or  
89.19 secondary program, or incapable of attending school on a full-time basis due to a medical  
89.20 condition that is documented and supported by regularly updated information in the child's  
89.21 case plan. Educational stability efforts include:

89.22 (i) efforts to ensure that the child remains in the same school in which the child was  
89.23 enrolled prior to placement or upon the child's move from one placement to another,  
89.24 including efforts to work with the local education authorities to ensure the child's  
89.25 educational stability and attendance; or

89.26 (ii) if it is not in the child's best interest to remain in the same school that the child  
89.27 was enrolled in prior to placement or move from one placement to another, efforts to  
89.28 ensure immediate and appropriate enrollment for the child in a new school;

89.29 (9) the educational records of the child including the most recent information  
89.30 available regarding:

89.31 (i) the names and addresses of the child's educational providers;

89.32 (ii) the child's grade level performance;

89.33 (iii) the child's school record;

89.34 (iv) a statement about how the child's placement in foster care takes into account  
89.35 proximity to the school in which the child is enrolled at the time of placement; and

89.36 (v) any other relevant educational information;

90.1 (10) the efforts by the ~~local~~ responsible social services agency to ensure the oversight  
90.2 and continuity of health care services for the foster child, including:

90.3 (i) the plan to schedule the child's initial health screens;

90.4 (ii) how the child's known medical problems and identified needs from the screens,  
90.5 including any known communicable diseases, as defined in section 144.4172, subdivision  
90.6 2, ~~will~~ shall be monitored and treated while the child is in foster care;

90.7 (iii) how the child's medical information ~~will~~ shall be updated and shared, including  
90.8 the child's immunizations;

90.9 (iv) who is responsible to coordinate and respond to the child's health care needs,  
90.10 including the role of the parent, the agency, and the foster parent;

90.11 (v) who is responsible for oversight of the child's prescription medications;

90.12 (vi) how physicians or other appropriate medical and nonmedical professionals ~~will~~  
90.13 shall be consulted and involved in assessing the health and well-being of the child and  
90.14 determine the appropriate medical treatment for the child; and

90.15 (vii) the responsibility to ensure that the child has access to medical care through  
90.16 either medical insurance or medical assistance;

90.17 (11) the health records of the child including information available regarding:

90.18 (i) the names and addresses of the child's health care and dental care providers;

90.19 (ii) a record of the child's immunizations;

90.20 (iii) the child's known medical problems, including any known communicable  
90.21 diseases as defined in section 144.4172, subdivision 2;

90.22 (iv) the child's medications; and

90.23 (v) any other relevant health care information such as the child's eligibility for  
90.24 medical insurance or medical assistance;

90.25 (12) an independent living plan for a child ~~age 14~~ years of age or older, developed in  
90.26 consultation with the child. The child may select one member of the case planning team to  
90.27 be designated as the child's adviser and to advocate with respect to the application of the  
90.28 reasonable and prudent parenting standards in subdivision 14. The plan should include,  
90.29 but not be limited to, the following objectives:

90.30 (i) educational, vocational, or employment planning;

90.31 (ii) health care planning and medical coverage;

90.32 (iii) transportation including, where appropriate, assisting the child in obtaining a  
90.33 driver's license;

90.34 (iv) money management, including the responsibility of the responsible social  
90.35 services agency to ensure that the ~~youth~~ child annually receives, at no cost to the ~~youth~~.

91.1 child, a consumer report as defined under section 13C.001 and assistance in interpreting  
91.2 and resolving any inaccuracies in the report;

91.3 (v) planning for housing;

91.4 (vi) social and recreational skills;

91.5 (vii) establishing and maintaining connections with the child's family and  
91.6 community; and

91.7 (viii) regular opportunities to engage in age-appropriate or developmentally  
91.8 appropriate activities typical for the child's age group, taking into consideration the  
91.9 capacities of the individual child; ~~and~~

91.10 (13) for a child in voluntary foster care for treatment under chapter 260D, diagnostic  
91.11 and assessment information, specific services relating to meeting the mental health care  
91.12 needs of the child, and treatment outcomes; and

91.13 (14) for a child 14 years of age or older, a signed acknowledgment that describes  
91.14 the child's rights regarding education, health care, visitation, safety and protection from  
91.15 exploitation, and court participation; receipt of the documents identified in section  
91.16 260C.45; and receipt of an annual credit report. The acknowledgment shall state that the  
91.17 rights were explained in an age-appropriate manner to the child.

91.18 (d) The parent or parents or guardian and the child each shall have the right to legal  
91.19 counsel in the preparation of the case plan and shall be informed of the right at the time  
91.20 of placement of the child. The child shall also have the right to a guardian ad litem.  
91.21 If unable to employ counsel from their own resources, the court shall appoint counsel  
91.22 upon the request of the parent or parents or the child or the child's legal guardian. The  
91.23 parent or parents may also receive assistance from any person or social services agency  
91.24 in preparation of the case plan.

91.25 After the plan has been agreed upon by the parties involved or approved or ordered  
91.26 by the court, the foster parents shall be fully informed of the provisions of the case plan  
91.27 and shall be provided a copy of the plan.

91.28 Upon discharge from foster care, the parent, adoptive parent, or permanent legal and  
91.29 physical custodian, as appropriate, and the child, if appropriate, must be provided with  
91.30 a current copy of the child's health and education record.

91.31 Sec. 71. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 14,  
91.32 is amended to read:

91.33 Subd. 14. **Support age-appropriate and developmentally appropriate activities**  
91.34 **for foster children.** (a) Responsible social services agencies and licensed child-placing  
91.35 agencies shall support a foster child's emotional and developmental growth by permitting

92.1 the child to participate in activities or events that are generally accepted as suitable  
 92.2 for children of the same chronological age or are developmentally appropriate for the  
 92.3 child. "Developmentally appropriate" means based on a child's cognitive, emotional,  
 92.4 physical, and behavioral capacities that are typical for an age or age group. Foster  
 92.5 parents and residential facility staff are permitted to allow foster children to participate in  
 92.6 extracurricular, social, or cultural activities that are typical for the child's age by applying  
 92.7 reasonable and prudent parenting standards.

92.8 (b) "Reasonable and prudent parenting" means the standards are characterized  
 92.9 by careful and sensible parenting decisions that maintain the child's health and safety,  
 92.10 cultural, religious, and are made in the child's tribal values, and best interest interests  
 92.11 while encouraging the child's emotional and developmental growth.

92.12 (c) The commissioner shall provide guidance about the childhood activities and  
 92.13 factors a foster parent and authorized residential facility staff must consider when applying  
 92.14 the reasonable and prudent parenting standards. The factors must include the:

- 92.15 (1) child's age, maturity, and developmental level;
- 92.16 (2) risk of activity;
- 92.17 (3) best interests of the child;
- 92.18 (4) importance of the experience in the child's emotional and developmental growth;
- 92.19 (5) importance of a family-like experience;
- 92.20 (6) behavioral history of the child; and
- 92.21 (7) wishes of the child's parent or legal guardian, as appropriate.

92.22 (d) A residential facility licensed under chapter 2960 must have at least one  
 92.23 staff person present on site, who is trained on the standards according to section  
 92.24 260C.515, subdivision 4, and authorized to apply the reasonable and prudent parenting  
 92.25 standards to decisions involving the approval of a foster child's participation in age and  
 92.26 developmentally appropriate extracurricular, social, or cultural activities.

92.27 (e) The foster parent or designated staff at residential facilities demonstrating  
 92.28 compliance with the reasonable and prudent parenting standards shall not incur civil  
 92.29 liability if a foster child is harmed or injured because of participating in approved  
 92.30 extracurricular, enrichment, cultural, and social activities.

92.31 Sec. 72. Minnesota Statutes 2015 Supplement, section 260C.215, subdivision 4,  
 92.32 is amended to read:

92.33 Subd. 4. **Duties of commissioner.** The commissioner of human services shall:

93.1 (1) provide practice guidance to responsible social services agencies and licensed  
93.2 child-placing agencies that reflect federal and state laws and policy direction on placement  
93.3 of children;

93.4 (2) develop criteria for determining whether a prospective adoptive or foster family  
93.5 has the ability to understand and validate the child's cultural background;

93.6 (3) provide a standardized training curriculum for adoption and foster care workers  
93.7 and administrators who work with children. Training must address the following objectives:

93.8 (i) developing and maintaining sensitivity to all cultures;

93.9 (ii) assessing values and their cultural implications;

93.10 (iii) making individualized placement decisions that advance the best interests of a  
93.11 particular child under section 260C.212, subdivision 2; and

93.12 (iv) issues related to cross-cultural placement;

93.13 (4) provide a training curriculum for all prospective adoptive and foster families  
93.14 that prepares them to care for the needs of adoptive and foster children taking into  
93.15 consideration the needs of children outlined in section 260C.212, subdivision 2, paragraph  
93.16 (b), and, as necessary, preparation is continued after placement of the child and includes  
93.17 the knowledge and skills related to reasonable and prudent parenting standards for the  
93.18 participation of the child in age or developmentally appropriate activities, according to  
93.19 section 260C.212, subdivision 14;

93.20 (5) develop and provide to responsible social services agencies and licensed  
93.21 child-placing agencies a home study format to assess the capacities and needs of  
93.22 prospective adoptive and foster families. The format must address problem-solving skills;  
93.23 parenting skills; evaluate the degree to which the prospective family has the ability  
93.24 to understand and validate the child's cultural background, and other issues needed to  
93.25 provide sufficient information for agencies to make an individualized placement decision  
93.26 consistent with section 260C.212, subdivision 2. For a study of a prospective foster parent,  
93.27 the format must also address the capacity of the prospective foster parent to provide a  
93.28 safe, healthy, smoke-free home environment. If a prospective adoptive parent has also  
93.29 been a foster parent, any update necessary to a home study for the purpose of adoption  
93.30 may be completed by the licensing authority responsible for the foster parent's license.  
93.31 If a prospective adoptive parent with an approved adoptive home study also applies for  
93.32 a foster care license, the license application may be made with the same agency which  
93.33 provided the adoptive home study; and

93.34 (6) consult with representatives reflecting diverse populations from the councils  
93.35 established under sections 3.922 and 15.0145, and other state, local, and community  
93.36 organizations.

94.1 Sec. 73. Minnesota Statutes 2015 Supplement, section 260C.451, subdivision 6,  
94.2 is amended to read:

94.3 Subd. 6. **Reentering foster care and accessing services after age 18 years of**  
94.4 **age and up to 21 years of age.** (a) Upon request of an individual ~~between the ages of~~  
94.5 ~~18 and 21~~ who had been under the guardianship of the commissioner and who has left  
94.6 foster care without being adopted, the responsible social services agency which had  
94.7 been the commissioner's agent for purposes of the guardianship shall develop with the  
94.8 individual a plan to increase the individual's ability to live safely and independently using  
94.9 the plan requirements of section 260C.212, subdivision 1, paragraph (c), clause (12), and  
94.10 to assist the individual to meet one or more of the eligibility criteria in subdivision 4 if  
94.11 the individual wants to reenter foster care. The responsible social services agency shall  
94.12 provide foster care as required to implement the plan. The responsible social services  
94.13 agency shall enter into a voluntary placement agreement under section 260C.229 with the  
94.14 individual if the plan includes foster care.

94.15 (b) Individuals who had not been under the guardianship of the commissioner of  
94.16 human services prior to 18 years of age ~~18 and are between the ages of 18 and 21~~ may ask  
94.17 to reenter foster care after age 18 and, to the extent funds are available, the responsible  
94.18 social services agency that had responsibility for planning for the individual before  
94.19 discharge from foster care may provide foster care or other services to the individual for  
94.20 the purpose of increasing the individual's ability to live safely and independently and to  
94.21 meet the eligibility criteria in subdivision 3a, if the individual:

94.22 (1) was in foster care for the six consecutive months prior to the person's 18th  
94.23 birthday and was not discharged home, adopted, or received into a relative's home under a  
94.24 transfer of permanent legal and physical custody under section 260C.515, subdivision 4; or

94.25 (2) was discharged from foster care while on runaway status after age 15.

94.26 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and  
94.27 other appropriate persons, the responsible social services agency shall develop a specific  
94.28 plan related to that individual's vocational, educational, social, or maturational needs and,  
94.29 to the extent funds are available, provide foster care as required to implement the plan.  
94.30 The responsible social services agency shall enter into a voluntary placement agreement  
94.31 with the individual if the plan includes foster care.

94.32 (d) ~~Youth~~ A child who left foster care while under guardianship of the commissioner  
94.33 of human services ~~retain~~ retains eligibility for foster care for placement at any time  
94.34 ~~between the ages of 18 and~~ prior to 21 years of age.

95.1 Sec. 74. Minnesota Statutes 2014, section 260C.451, is amended by adding a  
95.2 subdivision to read:

95.3 Subd. 9. **Administrative or court review of placements.** (a) The court shall  
95.4 conduct reviews at least annually to ensure the responsible social services agency is  
95.5 making reasonable efforts to finalize the permanency plan for the child.

95.6 (b) The court shall find that the responsible social services agency is making  
95.7 reasonable efforts to finalize the permanency plan for the child when the responsible  
95.8 social services agency:

95.9 (1) provides appropriate support to the child and foster care provider to ensure  
95.10 continuing stability and success in placement;

95.11 (2) works with the child to plan for transition to adulthood and assists the child in  
95.12 demonstrating progress in achieving related goals;

95.13 (3) works with the child to plan for independent living skills and assists the child in  
95.14 demonstrating progress in achieving independent living goals; and

95.15 (4) prepares the child for independence according to sections 260C.203, paragraph  
95.16 (d), and 260C.452, subdivision 4.

95.17 (c) The responsible social services agency must ensure that an administrative review  
95.18 that meets the requirements of this section and section 260C.203 is completed at least six  
95.19 months after each of the court's annual reviews.

95.20 Sec. 75. [260C.452] **SUCCESSFUL TRANSITION TO ADULTHOOD.**

95.21 Subdivision 1. **Scope.** This section pertains to a child who is under the guardianship  
95.22 of the commissioner of human services, or who has a permanency disposition of  
95.23 permanent custody to the agency, or who will leave foster care at 18 to 21 years of age.

95.24 Subd. 2. **Independent living plan.** When the child is 14 years of age or older,  
95.25 the responsible social services agency, in consultation with the child, shall complete  
95.26 the independent living plan according to section 260C.212, subdivision 1, paragraph  
95.27 (c), clause (12).

95.28 Subd. 3. **Notification.** Six months before the child is expected to be discharged from  
95.29 foster care, the responsible social services agency shall provide written notice regarding  
95.30 the right to continued access to services for certain children in foster care past 18 years of  
95.31 age and of the right to appeal a denial of social services under section 256.045.

95.32 Subd. 4. **Administrative or court review of placements.** (a) When the child is 14  
95.33 years of age or older, the court, in consultation with the child, shall review the independent  
95.34 living plan according to section 260C.203, paragraph (d).

96.1 (b) The responsible social services agency shall file a copy of the notification  
96.2 required in subdivision 3 with the court. If the responsible social services agency does  
96.3 not file the notice by the time the child is 17-1/2 years of age, the court shall require the  
96.4 responsible social services agency to file the notice.

96.5 (c) The court shall ensure that the responsible social services agency assists the child  
96.6 in obtaining the following documents before the child leaves foster care: a Social Security  
96.7 card; an official or certified copy of the child's birth certificate; a state identification card  
96.8 or driver's license, tribal enrollment identification card, green card, or school visa; health  
96.9 insurance information; the child's school, medical, and dental records; a contact list of  
96.10 the child's medical, dental, and mental health providers; and contact information for the  
96.11 child's siblings, if the siblings are in foster care.

96.12 (d) For a child who will be discharged from foster care at 18 years of age or older,  
96.13 the responsible social services agency must develop a personalized transition plan as  
96.14 directed by the child during the 90-day period immediately prior to the expected date of  
96.15 discharge. The transition plan must be as detailed as the child elects and include specific  
96.16 options, including but not limited to:

96.17 (1) affordable housing with necessary supports that does not include a homeless  
96.18 shelter;

96.19 (2) health insurance, including eligibility for medical assistance as defined in  
96.20 256B.055, subdivision 17;

96.21 (3) education, including application to the Education and Training Voucher Program;

96.22 (4) local opportunities for mentors and continuing support services, including the  
96.23 Healthy Transitions and Homeless Prevention program, if available;

96.24 (5) workforce supports and employment services;

96.25 (6) a copy of the child's consumer credit report as defined in section 13C.001 and  
96.26 assistance in interpreting and resolving any inaccuracies in the report, at no cost to the child;

96.27 (7) information on executing a health care directive under chapter 145C and on the  
96.28 importance of designating another individual to make health care decisions on behalf of  
96.29 the child if the child becomes unable to participate in decisions; and

96.30 (8) appropriate contact information through 21 years of age if the child needs  
96.31 information or help dealing with a crisis situation.

96.32 **Subd. 5. Notice of termination of foster care.** (a) When a child leaves foster care  
96.33 at 18 years of age or older, the responsible social services agency shall give the child  
96.34 written notice that foster care shall terminate 30 days from the date the notice is sent.

96.35 (b) The child or the child's guardian ad litem may file a motion asking the court to  
96.36 review the responsible social services agency's determination within 15 days of receiving



97.1 the notice. The child shall not be discharged from foster care until the motion is heard. The  
97.2 responsible social services agency shall work with the child to transition out of foster care.

97.3 (c) The written notice of termination of benefits shall be on a form prescribed by  
97.4 the commissioner and shall give notice of the right to have the responsible social services  
97.5 agency's determination reviewed by the court under this section or sections 260C.203,  
97.6 260C.317, and 260C.515, subdivision 5 or 6. A copy of the termination notice shall  
97.7 be sent to the child and the child's attorney, if any, the foster care provider, the child's  
97.8 guardian ad litem, and the court. The responsible social services agency is not responsible  
97.9 for paying foster care benefits for any period of time after the child leaves foster care.

97.10 Sec. 76. Minnesota Statutes 2015 Supplement, section 260C.521, subdivision 1,  
97.11 is amended to read:

97.12 Subdivision 1. **Child in permanent custody of responsible social services agency.**

97.13 (a) Court reviews of an order for permanent custody to the responsible social services  
97.14 agency for placement of the child in foster care must be conducted at least yearly at an  
97.15 in-court appearance hearing.

97.16 (b) The purpose of the review hearing is to ensure:

97.17 (1) the responsible social services agency made intensive, ongoing, and, as of the  
97.18 date of the hearing, unsuccessful effort to return the child home or secure a placement for  
97.19 the child with a fit and willing relative, custodian, or adoptive parent, and an order for  
97.20 permanent custody to the responsible social services agency for placement of the child in  
97.21 foster care continues to be in the best interests of the child and that no other permanency  
97.22 disposition order is in the best interests of the child;

97.23 (2) that the responsible social services agency is assisting the child to build  
97.24 connections to the child's family and community; ~~and~~

97.25 (3) that the responsible social services agency is appropriately planning with the  
97.26 child for development of independent living skills for the child and, as appropriate, for the  
97.27 orderly and successful transition to independent living adulthood that may occur if the  
97.28 child continues in foster care without another permanency disposition order;₂

97.29 (4) the child's foster family home or child care institution is following the reasonable  
97.30 and prudent parenting standards; and

97.31 (5) the child has regular, ongoing opportunities to engage in age or developmentally  
97.32 appropriate activities by consulting with the child in an age-appropriate manner about the  
97.33 opportunities.

98.1 (c) The court must review the child's out-of-home placement plan and the reasonable  
 98.2 efforts of the responsible social services agency to finalize an alternative permanent plan  
 98.3 for the child including the responsible social services agency's efforts to:

98.4 (1) ensure that permanent custody to the responsible social services agency with  
 98.5 placement of the child in foster care continues to be the most appropriate legal arrangement  
 98.6 for meeting the child's need for permanency and stability ~~or, if not, to identify and attempt~~  
 98.7 ~~to finalize another permanency disposition order under this chapter that would better serve~~  
 98.8 ~~the child's needs and best interests;~~ by reviewing the compelling reasons it continues not  
 98.9 to be in the best interest of the child to:

98.10 (i) return home;

98.11 (ii) be placed for adoption; or

98.12 (iii) be placed with a fit and willing relative through an order for permanent legal  
 98.13 and physical custody under section 260C.515, subdivision 4;

98.14 (2) identify a specific foster home for the child, if one has not already been identified;

98.15 (3) support continued placement of the child in the identified home, if one has been  
 98.16 identified;

98.17 (4) ensure appropriate services are provided to address the physical health, mental  
 98.18 health, and educational needs of the child during the period of foster care and also ensure  
 98.19 appropriate services or assistance to maintain relationships with appropriate family  
 98.20 members and the child's community; and

98.21 (5) plan for the child's independence upon the child's leaving foster care living as  
 98.22 required under section 260C.212, subdivision 1.

98.23 (d) The court may find that the responsible social services agency has made  
 98.24 reasonable efforts to finalize the permanent plan for the child when:

98.25 (1) the responsible social services agency has made reasonable efforts to identify a  
 98.26 more legally permanent home for the child than is provided by an order for permanent  
 98.27 custody to the agency for placement in foster care;

98.28 (2) the child has been asked about the child's desired permanency outcome; and

98.29 (3) the responsible social services agency's engagement of the child in planning for  
 98.30 ~~independent living~~ a successful transition to adulthood is reasonable and appropriate.

98.31 **Sec. 77. [260D.14] SUCCESSFUL TRANSITION TO ADULTHOOD FOR**  
 98.32 **CHILDREN IN VOLUNTARY PLACEMENT.**

98.33 **Subdivision 1. Case planning.** When the child is 14 years of age or older, the  
 98.34 responsible social services agency shall ensure a child in foster care under this chapter is  
 98.35 provided with the case plan requirements in section 260C.212, subdivisions 1 and 14.

99.1 Subd. 2. **Notification.** The responsible social services agency shall provide written  
99.2 notice of the right to continued access to services for certain children in foster care past 18  
99.3 years of age under section 260C.452, subdivision 3, and of the right to appeal a denial  
99.4 of social services under section 256.045. The notice must be provided to the child six  
99.5 months before the child's 18th birthday.

99.6 Subd. 3. **Administrative or court reviews.** When the child is 17 years of age or  
99.7 older, the administrative review or court hearing must include a review of the responsible  
99.8 social services agency's support for the child's successful transition to adulthood as  
99.9 required in section 260C.452, subdivision 4.

99.10 Sec. 78. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 2, is  
99.11 amended to read:

99.12 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings  
99.13 given them unless the specific content indicates otherwise:

99.14 (a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected  
99.15 occurrence or event which:

99.16 (1) is not likely to occur and could not have been prevented by exercise of due  
99.17 care; and

99.18 (2) if occurring while a child is receiving services from a facility, happens when the  
99.19 facility and the employee or person providing services in the facility are in compliance  
99.20 with the laws and rules relevant to the occurrence or event.

99.21 (b) "Commissioner" means the commissioner of human services.

99.22 (c) "Facility" means:

99.23 (1) a licensed or unlicensed day care facility, residential facility, agency, hospital,  
99.24 sanitarium, or other facility or institution required to be licensed under sections 144.50 to  
99.25 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245D;

99.26 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter  
99.27 124E; or

99.28 (3) a nonlicensed personal care provider organization as defined in section  
99.29 256B.0625, subdivision 19a.

99.30 (d) "Family assessment" means a comprehensive assessment of child safety, risk of  
99.31 subsequent child maltreatment, and family strengths and needs that is applied to a child  
99.32 maltreatment report that does not allege sexual abuse or substantial child endangerment.  
99.33 Family assessment does not include a determination as to whether child maltreatment  
99.34 occurred but does determine the need for services to address the safety of family members  
99.35 and the risk of subsequent maltreatment.

100.1 (e) "Investigation" means fact gathering related to the current safety of a child  
100.2 and the risk of subsequent maltreatment that determines whether child maltreatment  
100.3 occurred and whether child protective services are needed. An investigation must be used  
100.4 when reports involve sexual abuse or substantial child endangerment, and for reports of  
100.5 maltreatment in facilities required to be licensed under chapter 245A or 245D; under  
100.6 sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05,  
100.7 subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider  
100.8 association as defined in section 256B.0625, subdivision 19a.

100.9 (f) "Mental injury" means an injury to the psychological capacity or emotional  
100.10 stability of a child as evidenced by an observable or substantial impairment in the child's  
100.11 ability to function within a normal range of performance and behavior with due regard to  
100.12 the child's culture.

100.13 (g) "Neglect" means the commission or omission of any of the acts specified under  
100.14 clauses (1) to (9), other than by accidental means:

100.15 (1) failure by a person responsible for a child's care to supply a child with necessary  
100.16 food, clothing, shelter, health, medical, or other care required for the child's physical or  
100.17 mental health when reasonably able to do so;

100.18 (2) failure to protect a child from conditions or actions that seriously endanger the  
100.19 child's physical or mental health when reasonably able to do so, including a growth delay,  
100.20 which may be referred to as a failure to thrive, that has been diagnosed by a physician and  
100.21 is due to parental neglect;

100.22 (3) failure to provide for necessary supervision or child care arrangements  
100.23 appropriate for a child after considering factors as the child's age, mental ability, physical  
100.24 condition, length of absence, or environment, when the child is unable to care for the  
100.25 child's own basic needs or safety, or the basic needs or safety of another child in their care;

100.26 (4) failure to ensure that the child is educated as defined in sections 120A.22 and  
100.27 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's  
100.28 child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

100.29 (5) nothing in this section shall be construed to mean that a child is neglected solely  
100.30 because the child's parent, guardian, or other person responsible for the child's care in  
100.31 good faith selects and depends upon spiritual means or prayer for treatment or care of  
100.32 disease or remedial care of the child in lieu of medical care; except that a parent, guardian,  
100.33 or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report  
100.34 if a lack of medical care may cause serious danger to the child's health. This section does  
100.35 not impose upon persons, not otherwise legally responsible for providing a child with  
100.36 necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

101.1 (6) prenatal exposure to a controlled substance, as defined in section 253B.02,  
101.2 subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal  
101.3 symptoms in the child at birth, results of a toxicology test performed on the mother at  
101.4 delivery or the child at birth, medical effects or developmental delays during the child's  
101.5 first year of life that medically indicate prenatal exposure to a controlled substance, or the  
101.6 presence of a fetal alcohol spectrum disorder;

101.7 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

101.8 (8) chronic and severe use of alcohol or a controlled substance by a parent or  
101.9 person responsible for the care of the child that adversely affects the child's basic needs  
101.10 and safety; or

101.11 (9) emotional harm from a pattern of behavior which contributes to impaired  
101.12 emotional functioning of the child which may be demonstrated by a substantial and  
101.13 observable effect in the child's behavior, emotional response, or cognition that is not  
101.14 within the normal range for the child's age and stage of development, with due regard to  
101.15 the child's culture.

101.16 (h) "Nonmaltreatment mistake" means:

101.17 (1) at the time of the incident, the individual was performing duties identified in the  
101.18 center's child care program plan required under Minnesota Rules, part 9503.0045;

101.19 (2) the individual has not been determined responsible for a similar incident that  
101.20 resulted in a finding of maltreatment for at least seven years;

101.21 (3) the individual has not been determined to have committed a similar  
101.22 nonmaltreatment mistake under this paragraph for at least four years;

101.23 (4) any injury to a child resulting from the incident, if treated, is treated only with  
101.24 remedies that are available over the counter, whether ordered by a medical professional or  
101.25 not; and

101.26 (5) except for the period when the incident occurred, the facility and the individual  
101.27 providing services were both in compliance with all licensing requirements relevant to the  
101.28 incident.

101.29 This definition only applies to child care centers licensed under Minnesota  
101.30 Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of  
101.31 substantiated maltreatment by the individual, the commissioner of human services shall  
101.32 determine that a nonmaltreatment mistake was made by the individual.

101.33 (i) "Operator" means an operator or agency as defined in section 245A.02.

101.34 (j) "Person responsible for the child's care" means (1) an individual functioning  
101.35 within the family unit and having responsibilities for the care of the child such as a  
101.36 parent, guardian, or other person having similar care responsibilities, or (2) an individual

102.1 functioning outside the family unit and having responsibilities for the care of the child  
102.2 such as a teacher, school administrator, other school employees or agents, or other lawful  
102.3 custodian of a child having either full-time or short-term care responsibilities including,  
102.4 but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching,  
102.5 and coaching.

102.6 (k) "Physical abuse" means any physical injury, mental injury, or threatened injury,  
102.7 inflicted by a person responsible for the child's care on a child other than by accidental  
102.8 means, or any physical or mental injury that cannot reasonably be explained by the child's  
102.9 history of injuries, or any aversive or deprivation procedures, or regulated interventions,  
102.10 that have not been authorized under section 125A.0942 or 245.825.

102.11 Abuse does not include reasonable and moderate physical discipline of a child  
102.12 administered by a parent or legal guardian which does not result in an injury. Abuse does  
102.13 not include the use of reasonable force by a teacher, principal, or school employee as  
102.14 allowed by section 121A.582. Actions which are not reasonable and moderate include, but  
102.15 are not limited to, any of the following:

102.16 (1) throwing, kicking, burning, biting, or cutting a child;

102.17 (2) striking a child with a closed fist;

102.18 (3) shaking a child under age three;

102.19 (4) striking or other actions which result in any nonaccidental injury to a child  
102.20 under 18 months of age;

102.21 (5) unreasonable interference with a child's breathing;

102.22 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

102.23 (7) striking a child under age one on the face or head;

102.24 (8) striking a child who is at least age one but under age four on the face or head,  
102.25 which results in an injury;

102.26 (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled  
102.27 substances which were not prescribed for the child by a practitioner, in order to control or  
102.28 punish the child; or other substances that substantially affect the child's behavior, motor  
102.29 coordination, or judgment or that results in sickness or internal injury, or subjects the  
102.30 child to medical procedures that would be unnecessary if the child were not exposed  
102.31 to the substances;

102.32 (10) unreasonable physical confinement or restraint not permitted under section  
102.33 609.379, including but not limited to tying, caging, or chaining; or

102.34 (11) in a school facility or school zone, an act by a person responsible for the child's  
102.35 care that is a violation under section 121A.58.

103.1 (l) "Practice of social services," for the purposes of subdivision 3, includes but is  
103.2 not limited to employee assistance counseling and the provision of guardian ad litem and  
103.3 parenting time expeditor services.

103.4 (m) "Report" means any communication received by the local welfare agency,  
103.5 police department, county sheriff, or agency responsible for child protection pursuant to  
103.6 this section that describes neglect or physical or sexual abuse of a child and contains  
103.7 sufficient content to identify the child and any person believed to be responsible for the  
103.8 neglect or abuse, if known.

103.9 (n) "Sexual abuse" means the subjection of a child by a person responsible for the  
103.10 child's care, by a person who has a significant relationship to the child, as defined in  
103.11 section 609.341, or by a person in a position of authority, as defined in section 609.341,  
103.12 subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual  
103.13 conduct in the first degree), 609.343 (criminal sexual conduct in the second degree),  
103.14 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in  
103.15 the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse  
103.16 also includes any act which involves a minor which constitutes a violation of prostitution  
103.17 offenses under sections 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual  
103.18 abuse includes a child who is identified as a victim of sex trafficking regardless of who is  
103.19 the alleged perpetrator. Sexual abuse includes child sex trafficking as defined in section  
103.20 609.321, subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which  
103.21 includes the status of a parent or household member who has committed a violation which  
103.22 requires registration as an offender under section 243.166, subdivision 1b, paragraph (a)  
103.23 or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

103.24 (o) "Substantial child endangerment" means a person responsible for a child's care,  
103.25 by act or omission, commits or attempts to commit an act against a child under their  
103.26 care that constitutes any of the following:

103.27 (1) egregious harm as defined in section 260C.007, subdivision 14;

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

103.29 (3) neglect as defined in paragraph (g), clause (2), that substantially endangers the  
103.30 child's physical or mental health, including a growth delay, which may be referred to as  
103.31 failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

103.32 (4) murder in the first, second, or third degree under section 609.185, 609.19, or  
103.33 609.195;

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

103.35 (6) assault in the first, second, or third degree under section 609.221, 609.222, or  
103.36 609.223;

104.1 (7) solicitation, inducement, and promotion of prostitution under section 609.322;

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

104.3 (9) solicitation of children to engage in sexual conduct under section 609.352;

104.4 (10) malicious punishment or neglect or endangerment of a child under section

104.5 609.377 or 609.378;

104.6 (11) use of a minor in sexual performance under section 617.246; or

104.7 (12) parental behavior, status, or condition which mandates that the county attorney

104.8 file a termination of parental rights petition under section 260C.503, subdivision 2.

104.9 (p) "Threatened injury" means a statement, overt act, condition, or status that

104.10 represents a substantial risk of physical or sexual abuse or mental injury. Threatened

104.11 injury includes, but is not limited to, exposing a child to a person responsible for the

104.12 child's care, as defined in paragraph (j), clause (1), who has:

104.13 (1) subjected a child to, or failed to protect a child from, an overt act or condition

104.14 that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a

104.15 similar law of another jurisdiction;

104.16 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph

104.17 (b), clause (4), or a similar law of another jurisdiction;

104.18 (3) committed an act that has resulted in an involuntary termination of parental rights

104.19 under section 260C.301, or a similar law of another jurisdiction; or

104.20 (4) committed an act that has resulted in the involuntary transfer of permanent

104.21 legal and physical custody of a child to a relative under Minnesota Statutes 2010, section

104.22 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a

104.23 similar law of another jurisdiction.

104.24 A child is the subject of a report of threatened injury when the responsible social

104.25 services agency receives birth match data under paragraph (q) from the Department of

104.26 Human Services.

104.27 (q) Upon receiving data under section 144.225, subdivision 2b, contained in a

104.28 birth record or recognition of parentage identifying a child who is subject to threatened

104.29 injury under paragraph (p), the Department of Human Services shall send the data to the

104.30 responsible social services agency. The data is known as "birth match" data. Unless the

104.31 responsible social services agency has already begun an investigation or assessment of the

104.32 report due to the birth of the child or execution of the recognition of parentage and the

104.33 parent's previous history with child protection, the agency shall accept the birth match

104.34 data as a report under this section. The agency may use either a family assessment or

104.35 investigation to determine whether the child is safe. All of the provisions of this section

104.36 apply. If the child is determined to be safe, the agency shall consult with the county



105.1 attorney to determine the appropriateness of filing a petition alleging the child is in need  
105.2 of protection or services under section 260C.007, subdivision 6, clause (16), in order to  
105.3 deliver needed services. If the child is determined not to be safe, the agency and the county  
105.4 attorney shall take appropriate action as required under section 260C.503, subdivision 2.

105.5 (r) Persons who conduct assessments or investigations under this section shall take  
105.6 into account accepted child-rearing practices of the culture in which a child participates  
105.7 and accepted teacher discipline practices, which are not injurious to the child's health,  
105.8 welfare, and safety.

105.9 Sec. 79. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 3c,  
105.10 is amended to read:

105.11 Subd. 3c. **Local welfare agency, Department of Human Services or Department**  
105.12 **of Health responsible for assessing or investigating reports of maltreatment.** (a)

105.13 The ~~county~~ local welfare agency is the agency responsible for assessing or investigating  
105.14 allegations of maltreatment in child foster care, family child care, legally ~~unlicensed~~

105.15 nonlicensed child care, juvenile correctional facilities licensed under section 241.021

105.16 located in the local welfare agency's county, and reports involving children served by an

105.17 ~~unlicensed~~ a nonlicensed personal care provider organization under section 256B.0659.

105.18 Copies of findings related to personal care provider organizations under section 256B.0659  
105.19 must be forwarded to the Department of Human Services provider enrollment.

105.20 (b) The Department of Human Services is the agency responsible for assessing or  
105.21 investigating allegations of maltreatment in certified centers under chapter 119B and in  
105.22 facilities licensed under chapters 245A and 245D, except for child foster care and family  
105.23 child care.

105.24 (c) The Department of Health is the agency responsible for assessing or investigating  
105.25 allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58  
105.26 and 144A.46.

105.27 Sec. 80. Minnesota Statutes 2014, section 626.556, subdivision 3e, is amended to read:

105.28 Subd. 3e. **Agency responsible for assessing or investigating reports of sexual**

105.29 **abuse.** The local welfare agency is the agency responsible for investigating allegations

105.30 of sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual

105.31 functioning within the family unit as a person responsible for the child's care, or a person

105.32 with a significant relationship to the child if that person resides in the child's household.

105.33 Effective May 29, 2017, the local welfare agency is also responsible for investigating

105.34 when a child is identified as a victim of sex trafficking.

106.1 Sec. 81. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 10b,  
106.2 is amended to read:

106.3 Subd. 10b. **Duties of commissioner; neglect or abuse in facility.** (a) This section  
106.4 applies to the commissioners of human services, health, and education. The commissioner  
106.5 of the agency responsible for assessing or investigating the report shall immediately  
106.6 assess or investigate if the report alleges that:

106.7 (1) a child who is in the care of a facility as defined in subdivision 2 is neglected,  
106.8 physically abused, sexually abused, or is the victim of maltreatment in a facility by an  
106.9 individual in that facility, or has been so neglected or abused, or been the victim of  
106.10 maltreatment in a facility by an individual in that facility within the three years preceding  
106.11 the report; or

106.12 (2) a child was neglected, physically abused, sexually abused, or is the victim of  
106.13 maltreatment in a facility by an individual in a facility defined in subdivision 2, while in  
106.14 the care of that facility within the three years preceding the report.

106.15 (b) The commissioner of the agency responsible for assessing or investigating the  
106.16 report shall arrange for the transmittal to the commissioner of reports received by local  
106.17 agencies and may delegate to a local welfare agency the duty to investigate reports. In  
106.18 conducting an investigation under this section, the commissioner has the powers and  
106.19 duties specified for local welfare agencies under this section. The commissioner of the  
106.20 agency responsible for assessing or investigating the report or local welfare agency may  
106.21 interview any children who are or have been in the care of a facility under investigation  
106.22 and their parents, guardians, or legal custodians.

106.23 ~~(b)~~ (c) Prior to any interview, the commissioner of the agency responsible for  
106.24 assessing or investigating the report or local welfare agency shall notify the parent,  
106.25 guardian, or legal custodian of a child who will be interviewed in the manner provided  
106.26 for in subdivision 10d, paragraph (a). If reasonable efforts to reach the parent, guardian,  
106.27 or legal custodian of a child in an out-of-home placement have failed, the child may be  
106.28 interviewed if there is reason to believe the interview is necessary to protect the child or  
106.29 other children in the facility. The commissioner of the agency responsible for assessing  
106.30 or investigating the report or local agency must provide the information required in this  
106.31 subdivision to the parent, guardian, or legal custodian of a child interviewed without  
106.32 parental notification as soon as possible after the interview. When the investigation is  
106.33 completed, any parent, guardian, or legal custodian notified under this subdivision shall  
106.34 receive the written memorandum provided for in subdivision 10d, paragraph (c).

106.35 ~~(e)~~ (d) In conducting investigations under this subdivision the commissioner or  
106.36 local welfare agency shall obtain access to information consistent with subdivision 10,

107.1 paragraphs (h), (i), and (j). In conducting assessments or investigations under this  
107.2 subdivision, the commissioner of education shall obtain access to reports and investigative  
107.3 data that are relevant to a report of maltreatment and are in the possession of a school  
107.4 facility as defined in subdivision 2, paragraph (c), notwithstanding the classification of the  
107.5 data as educational or personnel data under chapter 13. This includes, but is not limited  
107.6 to, school investigative reports, information concerning the conduct of school personnel  
107.7 alleged to have committed maltreatment of students, information about witnesses, and any  
107.8 protective or corrective action taken by the school facility regarding the school personnel  
107.9 alleged to have committed maltreatment.

107.10 ~~(d)~~ (e) The commissioner may request assistance from the local social services  
107.11 agency.

107.12 Sec. 82. Minnesota Statutes 2014, section 626.556, subdivision 10f, is amended to read:

107.13 Subd. 10f. **Notice of determinations.** Within ten working days of the conclusion  
107.14 of a family assessment, the local welfare agency shall notify the parent or guardian of  
107.15 the child of the need for services to address child safety concerns or significant risk of  
107.16 subsequent child maltreatment. The local welfare agency and the family may also jointly  
107.17 agree that family support and family preservation services are needed. Within ten working  
107.18 days of the conclusion of an investigation, the local welfare agency or agency responsible  
107.19 for investigating the report shall notify the parent or guardian of the child, the person  
107.20 determined to be maltreating the child, and, if applicable, the director of the facility, of  
107.21 the determination and a summary of the specific reasons for the determination. When the  
107.22 investigation involves a child foster care setting that is monitored by a private licensing  
107.23 agency under section 245A.16, the local welfare agency responsible for investigating the  
107.24 report shall notify the private licensing agency of the determination and shall provide a  
107.25 summary of the specific reasons for the determination. The notice to the private licensing  
107.26 agency must include identifying private data, but not the identity of the reporter of  
107.27 maltreatment. The notice must also include a certification that the information collection  
107.28 procedures under subdivision 10, paragraphs (h), (i), and (j), were followed and a notice of  
107.29 the right of a data subject to obtain access to other private data on the subject collected,  
107.30 created, or maintained under this section. In addition, the notice shall include the length of  
107.31 time that the records ~~will~~ shall be kept under subdivision 11c. The investigating agency  
107.32 shall notify the parent or guardian of the child who is the subject of the report, and any  
107.33 person or facility determined to have maltreated a child, of their appeal or review rights  
107.34 under this section. The notice must also state that a finding of maltreatment may result  
107.35 in denial of a license application or background study disqualification under chapter

108.1 245C related to employment or services that are licensed by the Department of Human  
 108.2 Services under chapter 245A, the Department of Health under chapter 144 or 144A, the  
 108.3 Department of Corrections under section 241.021, and from providing services related to  
 108.4 ~~an unlicensed~~ a nonlicensed personal care provider organization under chapter 256B.

108.5 Sec. 83. **REPEALER.**

108.6 (a) Minnesota Statutes 2014, section 119B.07, is repealed effective May 22, 2017.

108.7 (b) Minnesota Statutes 2014, section 119B.125, subdivision 5, is repealed effective  
 108.8 January 2, 2017.

108.9 (c) Minnesota Statutes 2015 Supplement, section 119B.125, subdivision 8, is  
 108.10 repealed effective the day following final enactment.

108.11 (d) Minnesota Rules, parts 3400.0040, subparts 6a and 6b; 3400.0110, subpart 2a;  
 108.12 and 3400.0170, subparts 7 and 8, are repealed effective January 2, 2017.

108.13 (e) Minnesota Rules, part 3400.0110, subpart 10, is repealed effective May 22, 2017.

108.14 (f) Minnesota Rules, parts 9502.0405, subpart 4, item C; 9502.0425, subpart 18;  
 108.15 9503.0100; 9503.0140, subpart 5; 9503.0145, subpart 6; and 9503.0155, subpart 11, are  
 108.16 repealed.

### 108.17 **ARTICLE 3**

#### 108.18 **CONTINUING CARE**

108.19 Section 1. Minnesota Statutes 2014, section 245A.02, is amended by adding a  
 108.20 subdivision to read:

108.21 Subd. 23. **Corporate foster care.** "Corporate foster care" means a child foster  
 108.22 care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care  
 108.23 licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, that is not the primary  
 108.24 residence of the license holder for the entire period of licensure.

108.25 Sec. 2. Minnesota Statutes 2014, section 245A.02, is amended by adding a subdivision  
 108.26 to read:

108.27 Subd. 24. **Person's own home.** "Person's own home" means a setting where the  
 108.28 person decides who lives in the home, who provides services, and who is responsible for  
 108.29 maintenance of the home. If the home is owned by another entity, the lease or rental  
 108.30 agreement is in the person's name. If the person has a legal guardian, the court may identify  
 108.31 the responsibilities of the guardian to include signing a lease agreement on behalf of the  
 108.32 person and making decisions about service providers. A person living with another person  
 108.33 related by blood, marriage, or adoption is considered to be living in the person's own home.

109.1 Sec. 3. Minnesota Statutes 2014, section 245A.03, subdivision 7, is amended to read:

109.2 Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an  
 109.3 initial license for ~~child foster care licensed under Minnesota Rules, parts 2960.3000 to~~  
 109.4 ~~2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to~~  
 109.5 ~~9555.6265, under this chapter for a physical location that will not be the primary residence~~  
 109.6 ~~of the license holder for the entire period of licensure~~ corporate foster care. If a license is  
 109.7 issued during this moratorium, and the license holder changes the license holder's primary  
 109.8 residence away from the physical location of the foster care license, the commissioner  
 109.9 shall revoke the license according to section 245A.07. ~~The commissioner shall not~~  
 109.10 ~~issue an initial license for a community residential setting licensed under chapter 245D.~~  
 109.11 ~~Exceptions to the moratorium include:~~

109.12 (b) The commissioner shall not issue an initial license for a community residential  
 109.13 setting (CRS) licensed under chapter 245D.

109.14 (c) The moratorium does not apply to foster care settings that are required to be  
 109.15 registered under chapter 144D.

109.16 (d) In approving an exception under this paragraph, the commissioner shall consider  
 109.17 the need-determination process as defined in section 256B.4915, the availability of  
 109.18 foster care licensed beds in the geographic area in which the licensee operates, and the  
 109.19 recommendation of the local county board. The commissioner's determination shall be  
 109.20 final. Exceptions to the moratorium under this subdivision include:

109.21 ~~(1) foster care settings that are required to be registered under chapter 144D;~~

109.22 ~~(2) (1) foster care licenses replacing foster care licenses in existence on May 15,~~  
 109.23 ~~2009, or community residential setting CRS licenses replacing adult foster care licenses~~  
 109.24 ~~in existence on December 31, 2013, and determined to be needed by the commissioner~~  
 109.25 ~~under paragraph (b); or~~

109.26 ~~(3) (2) new foster care licenses or community residential setting CRS licenses~~  
 109.27 ~~determined to be needed by the commissioner under paragraph (b) for the closure of a~~  
 109.28 ~~nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated~~  
 109.29 ~~services that limits the capacity of state-operated facilities; or allowing movement to the~~  
 109.30 ~~community for people who no longer require the level of care provided in state-operated~~  
 109.31 ~~facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision~~  
 109.32 ~~24; for:~~

109.33 (i) closing or reducing capacity of a nursing facility, intermediate care facility for  
 109.34 individuals with developmental disabilities, or regional treatment center; restructuring  
 109.35 state-operated services; or allowing movement to the community for individuals who no

110.1 longer require the level of care provided in state-operated facilities as provided under  
 110.2 section 256B.092, subdivision 13 or 256B.49, subdivision 24;

110.3 (ii) an individual requiring hospital level care;

110.4 (iii) an individual transitioning from residential care waiver service to foster care  
 110.5 service, when:

110.6 (A) the individual's case manager provided information about the choice of services,  
 110.7 service providers, and location of services to help the individual make an informed  
 110.8 choice; and

110.9 (B) the individual's foster care services are less than or equal to the cost of the  
 110.10 individual's residential care waiver services;

110.11 (iv) an individual transitioning from a nonlicensed setting to a licensed foster care  
 110.12 or CRS, when:

110.13 (A) the individual's case manager provided information about the choice of services,  
 110.14 service providers, and location of services to help the individual make an informed  
 110.15 choice; and

110.16 (B) the individual's services provided in the licensed foster care or CRS are less than  
 110.17 or equal to the cost of the individual's nonlicensed setting services;

110.18 (v) children who would otherwise reside in a hospital, nursing facility, intermediate  
 110.19 care facility for individuals with developmental disabilities, or an out-of-state placement;

110.20 (vi) planned out-of-home respite care for individuals receiving home and  
 110.21 community-based services waivers and living with the individual's primary caregiver,  
 110.22 up to 40 new beds;

110.23 (vii) individuals who now live on their own and require a return to a foster care  
 110.24 licensed setting within 18 months of leaving a foster care licensed setting because of  
 110.25 health and safety concerns; or

110.26 (viii) individuals demitted from a foster care licensed setting or CRS, using the  
 110.27 process described in section 245D.10, subdivision 3 or 3a, and who are in need of a foster  
 110.28 care licensed setting or CRS, if the commissioner determines granting the exception shall  
 110.29 allow the individual to live in the individual's community of choice, up to 15 beds per year.

110.30 ~~(4) new foster care licenses or community residential setting licenses determined~~  
 110.31 ~~to be needed by the commissioner under paragraph (b) for persons requiring hospital~~  
 110.32 ~~level care; or~~

110.33 ~~(5) new foster care licenses or community residential setting licenses determined to~~  
 110.34 ~~be needed by the commissioner for the transition of people from personal care assistance~~  
 110.35 ~~to the home and community-based services.~~

111.1 ~~(b) The commissioner shall determine the need for newly licensed foster care~~  
111.2 ~~homes or community residential settings as defined under this subdivision. As part of the~~  
111.3 ~~determination, the commissioner shall consider the availability of foster care capacity in~~  
111.4 ~~the area in which the licensee seeks to operate, and the recommendation of the local~~  
111.5 ~~county board. The determination by the commissioner must be final. A determination of~~  
111.6 ~~need is not required for a change in ownership at the same address.~~

111.7 ~~(e) (e) When an adult resident served by the program moves out of a foster home~~  
111.8 ~~that is not the primary residence of the license holder according to section 256B.49,~~  
111.9 ~~subdivision 15, paragraph (f), or the adult community residential setting CRS, the county~~  
111.10 ~~lead agency shall immediately inform the Department of Human Services Licensing~~  
111.11 ~~Division. The department shall decrease the statewide licensed capacity for adult foster~~  
111.12 ~~care settings where the physical location is not the primary residence of the license~~  
111.13 ~~holder, or for adult community residential settings, if the voluntary changes described in~~  
111.14 ~~paragraph (e) are not sufficient to meet the savings required by reductions in licensed bed~~  
111.15 ~~capacity under Laws 2011, First Special Session chapter 9, article 7, sections 1 and 40,~~  
111.16 ~~paragraph (f), and maintain statewide long-term care residential services capacity within~~  
111.17 ~~budgetary limits. Implementation of the statewide licensed capacity reduction shall begin~~  
111.18 ~~on July 1, 2013. The commissioner shall delicense up to 128 beds by June 30, 2014, using~~  
111.19 ~~the needs determination process. Prior to any involuntary reduction of licensed capacity,~~  
111.20 ~~the commissioner shall consult with lead agencies and license holders to determine which~~  
111.21 ~~adult foster care settings, where the physical location is not the primary residence of the~~  
111.22 ~~license holder, or community residential settings, are licensed for up to five beds, but have~~  
111.23 ~~operated at less than full capacity for 12 or more months as of March 1, 2014. The settings~~  
111.24 ~~that meet these criteria must be the first to be considered for an involuntary decrease~~  
111.25 ~~in statewide licensed capacity, up to a maximum of 35 beds. If more than 35 beds are~~  
111.26 ~~identified that meet these criteria, the commissioner shall prioritize the selection of those~~  
111.27 ~~beds to be closed based on the length of time the beds have been vacant. The longer a bed~~  
111.28 ~~has been vacant, the higher priority it must be given for closure. Under this paragraph,~~  
111.29 ~~the commissioner has the authority to reduce unused licensed capacity of a current foster~~  
111.30 ~~care program, or the community residential settings, to accomplish the consolidation or~~  
111.31 ~~closure of settings. Under this paragraph, the commissioner has the authority to manage~~  
111.32 ~~statewide capacity, including adjusting the capacity available to each county and adjusting~~  
111.33 ~~statewide available capacity, to meet the statewide needs identified through the process in~~  
111.34 ~~paragraph (e). A decreased licensed capacity according to this paragraph is not subject to~~  
111.35 ~~appeal under this chapter.~~

112.1 ~~(d) Residential settings that would otherwise be subject to the decreased license~~  
112.2 ~~capacity established in paragraph (c) shall be exempt if the license holder's beds are~~  
112.3 ~~occupied by residents whose primary diagnosis is mental illness and the license holder is~~  
112.4 ~~certified under the requirements in subdivision 6a or section 245D.33.~~

112.5 ~~(e) A resource need determination process, managed at the state level, using the~~  
112.6 ~~available reports required by section 144A.351, and other data and information shall~~  
112.7 ~~be used to determine where the reduced capacity required under paragraph (c) will be~~  
112.8 ~~implemented. The commissioner shall consult with the stakeholders described in section~~  
112.9 ~~144A.351, and employ a variety of methods to improve the state's capacity to meet~~  
112.10 ~~long-term care service needs within budgetary limits, including seeking proposals from~~  
112.11 ~~service providers or lead agencies to change service type, capacity, or location to improve~~  
112.12 ~~services, increase the independence of residents, and better meet needs identified by the~~  
112.13 ~~long-term care services reports and statewide data and information. By February 1, 2013,~~  
112.14 ~~and August 1, 2014, and each following year, the commissioner shall provide information~~  
112.15 ~~and data on the overall capacity of licensed long-term care services, actions taken under~~  
112.16 ~~this subdivision to manage statewide long-term care services and supports resources, and~~  
112.17 ~~any recommendations for change to the legislative committees with jurisdiction over~~  
112.18 ~~health and human services budget.~~

112.19 (f) At the time of application and reapplication for licensure, the applicant and the  
112.20 license holder that are subject to the moratorium or an exclusion established in paragraph  
112.21 (a) are required to inform the commissioner whether the physical location where the foster  
112.22 care will be provided is or will be the primary residence of the license holder for the entire  
112.23 period of licensure. If the primary residence of the applicant or license holder changes, the  
112.24 applicant or license holder must notify the commissioner immediately. The commissioner  
112.25 shall print on the foster care license certificate whether or not the physical location is the  
112.26 primary residence of the license holder.

112.27 (g) Consistent with the requirements of section 256B.4915, the commissioner has  
112.28 the authority to manage statewide capacity of licensed corporate foster care and CRSs,  
112.29 including adjusting the capacity within a geographic region or consolidating or reducing  
112.30 foster care or CRS licensed beds to meet the statewide needs identified through the  
112.31 process in section 256B.4915.

112.32 (h) The commissioner must provide written notice of the reduction of licensed beds  
112.33 to a license holder whose corporate foster care or CRS beds were decreased. Notice  
112.34 must be given by certified mail or personal service, state the reason the licensed beds  
112.35 were reduced, and inform the license holder of the right to reconsideration. The request  
112.36 for reconsideration from the license holder must be submitted in writing and, if mailed,



113.1 postmarked and sent to the commissioner within 20 calendar days after the license holder  
 113.2 received the notice of reduction in licensed beds.

113.3 ~~(g) License holders of foster care homes identified under paragraph (f) that are not~~  
 113.4 ~~the primary residence of the license holder and that also provide services in the foster care~~  
 113.5 ~~home that are covered by a federally approved home and community-based services~~  
 113.6 ~~waiver, as authorized under section 256B.0915, 256B.092, or 256B.49, must inform the~~  
 113.7 ~~human services licensing division that the license holder provides or intends to provide~~  
 113.8 ~~these waiver-funded services.~~

113.9 Sec. 4. Minnesota Statutes 2015 Supplement, section 245D.03, subdivision 1, is  
 113.10 amended to read:

113.11 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of  
 113.12 home and community-based services to persons with disabilities and persons age 65 and  
 113.13 older pursuant to this chapter. The licensing standards in this chapter govern the provision  
 113.14 of basic support services and intensive support services.

113.15 (b) Basic support services provide the level of assistance, supervision, and care that  
 113.16 is necessary to ensure the health and welfare of the person and do not include services that  
 113.17 are specifically directed toward the training, treatment, habilitation, or rehabilitation of  
 113.18 the person. Basic support services include:

113.19 (1) in-home and out-of-home respite care services as defined in section 245A.02,  
 113.20 subdivision 15, and under the brain injury, community alternative care, community access  
 113.21 for disability inclusion, developmental disability, and elderly waiver plans, excluding  
 113.22 out-of-home respite care provided to children in a family child foster care home licensed  
 113.23 under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license  
 113.24 holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and  
 113.25 8, or successor provisions; and section 245D.061 or successor provisions, which must  
 113.26 be stipulated in the statement of intended use required under Minnesota Rules, part  
 113.27 2960.3000, subpart 4;

113.28 (2) adult companion services as defined under the brain injury, community access  
 113.29 for disability inclusion, and elderly waiver plans, excluding adult companion services  
 113.30 provided under the Corporation for National and Community Services Service, Senior  
 113.31 Companion Program established under the ~~Domestic Volunteer Service Act of 1973, Public~~  
 113.32 ~~Law 98-288~~ Code of Federal Regulations, title 45, subpart B, chapter 25, part 2551 et seq.;

113.33 (3) personal support as defined under the developmental disability waiver plan;

113.34 (4) 24-hour emergency assistance, personal emergency response as defined under  
 113.35 the community access for disability inclusion and developmental disability waiver plans;

- 114.1 (5) night supervision services as defined under the brain injury waiver plan; ~~and~~
- 114.2 (6) homemaker services as defined under the community access for disability
- 114.3 inclusion, brain injury, community alternative care, developmental disability, and elderly
- 114.4 waiver plans, excluding providers licensed by the Department of Health under chapter
- 114.5 144A and those providers providing cleaning services only; and
- 114.6 (7) individual community living support under section 256B.0915, subdivision 3j.
- 114.7 (c) Intensive support services provide assistance, supervision, and care that is
- 114.8 necessary to ensure the health and welfare of the person and services specifically directed
- 114.9 toward the training, habilitation, or rehabilitation of the person. Intensive support services
- 114.10 include:
- 114.11 (1) intervention services, including:
- 114.12 (i) behavioral support services as defined under the brain injury and community
- 114.13 access for disability inclusion waiver plans;
- 114.14 (ii) in-home or out-of-home crisis respite services as defined under the developmental
- 114.15 disability waiver plan; and
- 114.16 (iii) specialist services as defined under the current developmental disability waiver
- 114.17 plan;
- 114.18 (2) in-home support services, including:
- 114.19 (i) in-home family support and supported living services as defined under the
- 114.20 developmental disability waiver plan;
- 114.21 (ii) independent living services training as defined under the brain injury and
- 114.22 community access for disability inclusion waiver plans; and
- 114.23 (iii) semi-independent living services;
- 114.24 (3) residential supports and services, including:
- 114.25 (i) supported living services as defined under the developmental disability waiver
- 114.26 plan provided in a family or corporate child foster care residence, a family adult foster
- 114.27 care residence, a community residential setting, or a supervised living facility;
- 114.28 (ii) foster care services as defined in the brain injury, community alternative care,
- 114.29 and community access for disability inclusion waiver plans provided in a family or
- 114.30 corporate child foster care residence, a family adult foster care residence, or a community
- 114.31 residential setting; and
- 114.32 (iii) residential services provided to more than four persons with developmental
- 114.33 disabilities in a supervised living facility, including ICFs/DD;
- 114.34 (4) day services, including:
- 114.35 (i) structured day services as defined under the brain injury waiver plan;

- 115.1 (ii) day training and habilitation services under sections 252.41 to 252.46, and as  
 115.2 defined under the developmental disability waiver plan; and
- 115.3 (iii) prevocational services as defined under the brain injury and community access  
 115.4 for disability inclusion waiver plans; and
- 115.5 (5) supported employment as defined under the brain injury, developmental  
 115.6 disability, and community access for disability inclusion waiver plans.

115.7 **EFFECTIVE DATE.** This section is effective July 1, 2016.

115.8 Sec. 5. Minnesota Statutes 2015 Supplement, section 256B.441, subdivision 30,  
 115.9 is amended to read:

115.10 Subd. 30. **Median total care-related cost per diem and other operating per diem**  
 115.11 **determined.** (a) The commissioner shall determine the median total care-related per  
 115.12 diem to be used in subdivision 50 and the median other operating per diem to be used in  
 115.13 subdivision 51 using the cost reports from nursing facilities in Anoka, Carver, Dakota,  
 115.14 Hennepin, Ramsey, Scott, and Washington Counties.

115.15 (b) The median total care-related per diem shall be equal to the median ~~direct care~~  
 115.16 ~~cost~~ total care-related per diem for a RUG's weight of 1.00 for facilities located in the  
 115.17 counties listed in paragraph (a).

115.18 (c) The median other operating per diem shall be equal to the median other  
 115.19 operating per diem for facilities located in the counties listed in paragraph (a). The other  
 115.20 operating per diem shall be the sum of each facility's administrative costs, dietary costs,  
 115.21 housekeeping costs, laundry costs, and maintenance and plant operations costs divided  
 115.22 by each facility's resident days.

115.23 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2016.

115.24 Sec. 6. Minnesota Statutes 2014, section 256B.4912, is amended by adding a  
 115.25 subdivision to read:

115.26 Subd. 11. **Annual data submission.** (a) In a manner determined by the  
 115.27 commissioner, home and community-based services waiver providers enrolled under this  
 115.28 section shall submit data to the commissioner on the following:

- 115.29 (1) wages of workers;
- 115.30 (2) benefits paid;
- 115.31 (3) staff retention rates;
- 115.32 (4) amount of overtime paid;
- 115.33 (5) amount of travel time paid;

116.1 (6) vacancy rates; and

116.2 (7) other data elements determined by the commissioner.

116.3 (b) The commissioner may adjust reporting requirements for some individual  
116.4 self-employed workers.

116.5 (c) This subdivision also applies to providers of personal care assistance services  
116.6 under section 256B.0625, subdivision 19a; community first services and supports under  
116.7 section 256B.85; consumer support grants under section 256.476; nursing services and  
116.8 home health services under section 256B.0625, subdivision 6a; home care nursing  
116.9 services under section 256B.0625, subdivision 7; intermediate care facilities for persons  
116.10 with developmental disabilities under section 256B.501; and day training and habilitation  
116.11 providers serving residents of intermediate care facilities for persons with developmental  
116.12 disabilities under section 256B.501.

116.13 (d) This data shall be submitted annually each calendar year on a date specified  
116.14 by the commissioner. The commissioner shall give providers at least 30 calendar days  
116.15 to submit the data. Failure to submit the data requested may result in delays to medical  
116.16 assistance reimbursement.

116.17 (e) Individually identifiable data submitted to the commissioner in this section are  
116.18 considered private data on individuals, as defined by section 13.02, subdivision 12.

116.19 (f) The commissioner shall analyze data annually for workforce assessments and its  
116.20 impact on service access.

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

116.22 Sec. 7. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 10,  
116.23 is amended to read:

116.24 Subd. 10. **Updating payment values and additional information.** (a) From  
116.25 January 1, 2014, through December 31, 2017, the commissioner shall develop and  
116.26 implement uniform procedures to refine terms and adjust values used to calculate payment  
116.27 rates in this section.

116.28 (b) No later than July 1, 2014, the commissioner shall, within available resources,  
116.29 begin to conduct research and gather data and information from existing state systems or  
116.30 other outside sources on the following items:

116.31 (1) differences in the underlying cost to provide services and care across the state; and

116.32 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides,  
116.33 and units of transportation for all day services, which must be collected from providers  
116.34 using the rate management worksheet and entered into the rates management system; and

117.1 (3) the distinct underlying costs for services provided by a license holder under  
117.2 sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services  
117.3 provided by a license holder certified under section 245D.33.

117.4 (c) Using a statistically valid set of rates management system data, the commissioner,  
117.5 in consultation with stakeholders, shall analyze for each service the average difference  
117.6 in the rate on December 31, 2013, and the framework rate at the individual, provider,  
117.7 lead agency, and state levels. The commissioner shall issue semiannual reports to the  
117.8 stakeholders on the difference in rates by service and by ~~county~~ lead agency during the  
117.9 banding period under section 256B.4913, subdivision 4a. The commissioner shall issue  
117.10 the first report by October 1, 2014.

117.11 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders,  
117.12 shall begin the review and evaluation of the following values already in subdivisions 6 to  
117.13 9, or issues that impact all services, including, but not limited to:

- 117.14 (1) values for transportation rates for day services;
- 117.15 (2) values for transportation rates in residential services;
- 117.16 (3) values for services where monitoring technology replaces staff time;
- 117.17 (4) values for indirect services;
- 117.18 (5) values for nursing;
- 117.19 (6) component values for independent living skills;
- 117.20 (7) component values for family foster care that reflect licensing requirements;
- 117.21 (8) adjustments to other components to replace the budget neutrality factor;
- 117.22 (9) remote monitoring technology for nonresidential services;
- 117.23 (10) values for basic and intensive services in residential services;
- 117.24 (11) values for the facility use rate in day services, and the weightings used in the  
117.25 day service ratios and adjustments to those weightings;
- 117.26 (12) values for workers' compensation as part of employee-related expenses;
- 117.27 (13) values for unemployment insurance as part of employee-related expenses;
- 117.28 (14) a component value to reflect costs for individuals with rates previously adjusted  
117.29 for the inclusion of group residential housing rate 3 costs, only for any individual enrolled  
117.30 as of December 31, 2013; and
- 117.31 (15) any changes in state or federal law with an impact on the underlying cost of  
117.32 providing home and community-based services.

117.33 (e) The commissioner shall report to the chairs and the ranking minority members of  
117.34 the legislative committees and divisions with jurisdiction over health and human services  
117.35 policy and finance with the information and data gathered under paragraphs (b) to (d)  
117.36 on the following dates:

118.1 (1) January 15, 2015, with preliminary results and data;

118.2 (2) January 15, 2016, with a status implementation update, and additional data  
118.3 and summary information;

118.4 (3) January 15, 2017, with the full report; and

118.5 (4) January 15, 2019, with another full report, and a full report once every four  
118.6 years thereafter.

118.7 (f) Based on the commissioner's evaluation of the information and data collected in  
118.8 paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by  
118.9 January 15, 2015, to address any issues identified during the first year of implementation.  
118.10 After January 15, 2015, the commissioner may make recommendations to the legislature  
118.11 to address potential issues.

118.12 (g) The commissioner shall implement a regional adjustment factor to all rate  
118.13 calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to  
118.14 implementation, the commissioner shall consult with stakeholders on the methodology to  
118.15 calculate the adjustment.

118.16 (h) The commissioner shall provide a public notice via LISTSERV in October of  
118.17 each year beginning October 1, 2014, containing information detailing legislatively  
118.18 approved changes in:

118.19 (1) calculation values including derived wage rates and related employee and  
118.20 administrative factors;

118.21 (2) service utilization;

118.22 (3) ~~county and tribal~~ lead agency allocation changes; and

118.23 (4) information on adjustments made to calculation values and the timing of those  
118.24 adjustments.

118.25 The information in this notice must be effective January 1 of the following year.

118.26 (i) No later than July 1, 2016, the commissioner shall develop and implement, in  
118.27 consultation with stakeholders, a methodology sufficient to determine the shared staffing  
118.28 levels necessary to meet, at a minimum, health and welfare needs of individuals who  
118.29 will be living together in shared residential settings, and the required shared staffing  
118.30 activities described in subdivision 2, paragraph (l). This determination methodology must  
118.31 ensure staffing levels are adaptable to meet the needs and desired outcomes for current and  
118.32 prospective residents in shared residential settings.

118.33 (j) When the available shared staffing hours in a residential setting are insufficient to  
118.34 meet the needs of an individual who enrolled in residential services after January 1, 2014,  
118.35 or insufficient to meet the needs of an individual with a service agreement adjustment

119.1 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing  
119.2 hours shall be used.

119.3 Sec. 8. Minnesota Statutes 2014, section 256B.4914, subdivision 11, is amended to read:

119.4 Subd. 11. **Payment implementation.** Upon implementation of the payment  
119.5 methodologies under this section, those payment rates supersede rates established in  
119.6 ~~county~~ lead agency contracts for recipients receiving waiver services under section  
119.7 256B.092 or 256B.49.

119.8 Sec. 9. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 14,  
119.9 is amended to read:

119.10 Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead  
119.11 agencies must identify individuals with exceptional needs that cannot be met under the  
119.12 disability waiver rate system. The commissioner shall use that information to evaluate  
119.13 and, if necessary, approve an alternative payment rate for those individuals. Whether  
119.14 granted, denied, or modified, the commissioner shall respond to all exception requests in  
119.15 writing. The commissioner shall include in the written response the basis for the action  
119.16 and provide notification of the right to appeal under paragraph (h).

119.17 (b) Lead agencies must act on an exception request within 30 days and notify the  
119.18 initiator of the request of their recommendation in writing. A lead agency shall submit all  
119.19 exception requests along with its recommendation to the commissioner.

119.20 (c) An application for a rate exception may be submitted for the following criteria:

119.21 (1) an individual has service needs that cannot be met through additional units  
119.22 of service;

119.23 (2) an individual's rate determined under subdivisions 6, 7, 8, and 9 is so insufficient  
119.24 that it has resulted in an individual receiving a notice of discharge from the individual's  
119.25 provider; ~~or~~

119.26 (3) an individual's service needs, including behavioral changes, require a level of  
119.27 service which necessitates a change in provider or which requires the current provider to  
119.28 propose service changes beyond those currently authorized; or

119.29 (4) an individual's service needs cannot be met through a weighted county average  
119.30 rate as defined in 256B.4913, subdivision 4a.

119.31 (d) Exception requests must include the following information:

119.32 (1) the service needs required by each individual that are not accounted for in  
119.33 subdivisions 6, 7, 8, and 9;

120.1 (2) the service rate requested and the difference from the rate determined in  
120.2 subdivisions 6, 7, 8, and 9;

120.3 (3) a basis for the underlying costs used for the rate exception and any accompanying  
120.4 documentation; and

120.5 (4) any contingencies for approval.

120.6 (e) Approved rate exceptions shall be managed within lead agency allocations under  
120.7 sections 256B.092 and 256B.49.

120.8 (f) Individual disability waiver recipients, an interested party, or the license holder  
120.9 that would receive the rate exception increase may request that a lead agency submit an  
120.10 exception request. A lead agency that denies such a request shall notify the individual  
120.11 waiver recipient, interested party, or license holder of its decision and the reasons for  
120.12 denying the request in writing no later than 30 days after the request has been made and  
120.13 shall submit its denial to the commissioner in accordance with paragraph (b). The reasons  
120.14 for the denial must be based on the failure to meet the criteria in paragraph (c).

120.15 (g) The commissioner shall determine whether to approve or deny an exception  
120.16 request no more than 30 days after receiving the request. If the commissioner denies the  
120.17 request, the commissioner shall notify the lead agency and the individual disability waiver  
120.18 recipient, the interested party, and the license holder in writing of the reasons for the denial.

120.19 (h) The individual disability waiver recipient may appeal any denial of an exception  
120.20 request by either the lead agency or the commissioner, pursuant to sections 256.045 and  
120.21 256.0451. When the denial of an exception request results in the proposed demission of a  
120.22 waiver recipient from a residential or day habilitation program, the commissioner shall  
120.23 issue a temporary stay of demission, when requested by the disability waiver recipient,  
120.24 consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c).  
120.25 The temporary stay shall remain in effect until the lead agency can provide an informed  
120.26 choice of appropriate, alternative services to the disability waiver.

120.27 (i) Providers may petition lead agencies to update values that were entered  
120.28 incorrectly or erroneously into the rate management system, based on past service level  
120.29 discussions and determination in subdivision 4, without applying for a rate exception.

120.30 (j) The starting date for the rate exception will be the later of the date of the  
120.31 recipient's change in support or the date of the request to the lead agency for an exception.

120.32 (k) The commissioner shall track all exception requests received and their  
120.33 dispositions. The commissioner shall issue quarterly public exceptions statistical reports,  
120.34 including the number of exception requests received and the numbers granted, denied,  
120.35 withdrawn, and pending. The report shall include the average amount of time required to  
120.36 process exceptions.



121.1 (l) No later than January 15, 2016, the commissioner shall provide research  
 121.2 findings on the estimated fiscal impact, the primary cost drivers, and common population  
 121.3 characteristics of recipients with needs that cannot be met by the framework rates.

121.4 (m) No later than July 1, 2016, the commissioner shall develop and implement,  
 121.5 in consultation with stakeholders, a process to determine eligibility for rate exceptions  
 121.6 for individuals with rates determined under the methodology in section 256B.4913,  
 121.7 subdivision 4a. Determination of eligibility for an exception will occur as annual service  
 121.8 renewals are completed.

121.9 (n) Approved rate exceptions will be implemented at such time that the individual's  
 121.10 rate is no longer banded and remain in effect in all cases until an individual's needs change  
 121.11 as defined in paragraph (c).

121.12 Sec. 10. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 15,  
 121.13 is amended to read:

121.14 Subd. 15. ~~County or tribal~~ **Lead agency allocations.** (a) Upon implementation of  
 121.15 the disability waiver rates management system on January 1, 2014, the commissioner shall  
 121.16 establish a method of tracking and reporting the fiscal impact of the disability waiver rates  
 121.17 management system on individual lead agencies.

121.18 (b) Beginning January 1, 2014, the commissioner shall make annual adjustments to  
 121.19 lead agencies' home and community-based waived service budget allocations to adjust  
 121.20 for rate differences and the resulting impact on ~~county~~ lead agency allocations upon  
 121.21 implementation of the disability waiver rates system.

121.22 (c) Lead agencies exceeding their allocations shall be subject to the provisions under  
 121.23 sections 256B.0916, subdivision 11, and 256B.49, subdivision 26.

121.24 Sec. 11. **[256B.4915] MANAGEMENT OF STATEWIDE CORPORATE FOSTER**  
 121.25 **CARE AND COMMUNITY RESIDENTIAL LICENSED SETTING CAPACITY.**

121.26 Subdivision 1. **Recommendations.** (a) The commissioner shall consult with  
 121.27 stakeholders including lead agencies, recipients of long-term services and supports,  
 121.28 advocates, and service providers, to develop recommendations to improve the state's  
 121.29 capacity to meet long-term care services and supports needs within budgetary limits. The  
 121.30 commissioner may request proposals from service providers and lead agencies for:

121.31 (1) change of service type, capacity, or location;

121.32 (2) how to increase the independence of individuals receiving services; and

121.33 (3) how to meet the needs identified by the long-term care services and supports  
 121.34 reports under section 144A.351 and related statewide data and information.

122.1 (b) By August 15 of each year, the commissioner shall provide information and  
 122.2 recommendations to the legislative committees with jurisdiction over health and human  
 122.3 services policy and finance on:

122.4 (1) need determination data;

122.5 (2) the overall statewide capacity of licensed home and community-based services  
 122.6 and settings;

122.7 (3) how the overall statewide capacity of licensed home and community-based  
 122.8 services and settings impacts the state's ability to support individuals in the community; and

122.9 (4) actions taken to manage statewide capacity of licensed home and  
 122.10 community-based services and settings, including the number and location of licensed  
 122.11 corporate foster care and community residential settings.

122.12 Subd. 2. **Reporting requirements.** The commissioner shall provide  
 122.13 recommendations on capacity improvement processes by February 15, 2018, to the  
 122.14 legislative committees with jurisdiction over health and human services policy and finance.

122.15 Sec. 12. Minnesota Statutes 2014, section 256B.493, subdivision 3, is amended to read:

122.16 Subd. 3. **Application Voluntary closure process.** (a) The commissioner shall  
 122.17 establish a process for the application, review, and approval of proposals from license  
 122.18 holders for the closure of adult foster care settings.

122.19 (b) When an application for a planned voluntary closure rate adjustment is submitted,  
 122.20 the license holder shall provide written notification within five working days to the lead  
 122.21 agencies responsible for authorizing the licensed services for the residents of the affected  
 122.22 adult foster care settings. This notification shall be deemed confidential until the license  
 122.23 holder has received approval of the application by the commissioner.

122.24 Sec. 13. Minnesota Statutes 2014, section 256B.493, subdivision 4, is amended to read:

122.25 Subd. 4. **Review and approval process.** (a) To be considered for approval, an  
 122.26 application must include:

122.27 (1) a description of the proposed closure plan, which must identify the home or homes  
 122.28 and occupied beds for which a planned voluntary closure rate adjustment is requested;

122.29 (2) the proposed timetable for any proposed closure, including the proposed dates  
 122.30 for notification to residents and the affected lead agencies, commencement of closure,  
 122.31 and completion of closure;

122.32 (3) the proposed relocation plan jointly developed by the counties of financial  
 122.33 responsibility, the residents and their legal representatives, if any, who wish to continue to

123.1 receive services from the provider, and the providers for current residents of any adult  
 123.2 foster care home designated for closure; and

123.3 (4) documentation in a format approved by the commissioner that all the adult foster  
 123.4 care homes receiving a planned closure rate adjustment under the plan have accepted joint  
 123.5 and several liability for recovery of overpayments under section 256B.0641, subdivision  
 123.6 2, for the facilities designated for closure under this plan.

123.7 (b) In reviewing and approving closure proposals, the commissioner shall give first  
 123.8 priority to proposals that:

123.9 (1) target counties and geographic areas which have:

123.10 (i) need for other types of services;

123.11 (ii) need for specialized services;

123.12 (iii) higher than average per capita use of foster care settings where the license  
 123.13 holder does not reside; or

123.14 (iv) residents not living in the geographic area of their choice;

123.15 (2) demonstrate savings of medical assistance expenditures; and

123.16 (3) demonstrate that alternative services are based on the recipient's choice of  
 123.17 provider and are consistent with federal law, state law, and federally approved waiver plans.

123.18 The commissioner shall also consider any information provided by service  
 123.19 recipients, their legal representatives, family members, or the lead agency on the impact of  
 123.20 the planned closure on the recipients and the services they need.

123.21 (c) The commissioner shall select proposals that best meet the criteria established in  
 123.22 this subdivision for planned closure of adult foster care settings. The commissioner shall  
 123.23 notify license holders of the selections approved by the commissioner.

123.24 (d) For each proposal approved by the commissioner, a contract must be established  
 123.25 between the commissioner, the counties of financial responsibility, and the participating  
 123.26 license holder.

123.27 Sec. 14. **PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY**  
 123.28 **1, 2016.**

123.29 (a) The commissioner of human services shall increase reimbursement rates, grants,  
 123.30 allocations, individual limits, and rate limits, as applicable, by 2.72 percent for the rate  
 123.31 period beginning July 1, 2016, for services rendered on or after that date. County or tribal  
 123.32 contracts for services specified in this section must be amended to pass through with these  
 123.33 rate increases within 60 days of the effective date.

123.34 (b) The rate changes described in this section must be provided to:

124.1 (1) the following services within the home and community-based waiver for persons  
124.2 with developmental disabilities under Minnesota Statutes, section 256B.092: extended  
124.3 personal care, personal support, chore, respite care services except for crisis respite  
124.4 services, homemaker cleaning services, and consumer-directed community supports  
124.5 budgets;

124.6 (2) the following services within the community access for disability inclusion  
124.7 waiver under Minnesota Statutes, section 256B.49: extended personal care, chore, respite  
124.8 care services, homemaker cleaning services, and consumer-directed community supports  
124.9 budgets;

124.10 (3) the following services within the community alternative care waiver under  
124.11 Minnesota Statutes, section 256B.49: extended personal care, chore, respite care services,  
124.12 homemaker cleaning services, and consumer-directed community supports budgets;

124.13 (4) the following services within the brain injury waiver under Minnesota Statutes,  
124.14 section 256B.49: extended personal care, chore, respite care services, homemaker  
124.15 cleaning services, and consumer-directed community supports budgets;

124.16 (5) the following services within the elderly waiver under Minnesota Statutes,  
124.17 section 256B.0915: extended personal care, companion, chore, respite care services,  
124.18 homemaker cleaning services, and consumer-directed community supports budgets;

124.19 (6) the following services within the alternative care program under Minnesota  
124.20 Statutes, section 256B.0913: personal care, companion, chore, respite care services,  
124.21 homemaker cleaning services, and consumer-directed community supports budgets;

124.22 (7) personal care services and qualified professional supervision of personal care  
124.23 services under Minnesota Statutes, section 256B.0625, subdivision 6a or 19a; and

124.24 (8) consumer support grants under Minnesota Statutes, section 256.476.

124.25 (c) A managed care plan or county-based purchasing plan receiving state payments  
124.26 for the services in paragraph (b) must include the increases in paragraph (a) in payments  
124.27 to providers. To implement the rate increase in this section, capitation rates paid by the  
124.28 commissioner to managed care organizations under Minnesota Statutes, section 256B.69,  
124.29 shall reflect a 2.72 percent increase for the specified services provided on or after July  
124.30 1, 2016.

124.31 (d) Counties and tribes shall increase the budget for each recipient of  
124.32 consumer-directed community supports by the amounts in paragraph (a) on the effective  
124.33 dates in paragraph (a).

124.34 (e) To implement the provisions of this section, the commissioner shall increase  
124.35 applicable service rates in the disability waiver payment system authorized in Minnesota  
124.36 Statutes, sections 256B.4913 and 256B.4914.

125.1 (f) A provider that receives a rate adjustment under paragraph (a) shall use 90  
125.2 percent of the additional revenue to increase compensation-related costs for employees  
125.3 directly employed by the program on or after July 1, 2016, except:

125.4 (1) persons employed in the central office of a corporation or entity that has an  
125.5 ownership interest in the provider or exercises control over the provider; and

125.6 (2) persons paid by the provider under a management contract.

125.7 (g) Compensation-related costs include:

125.8 (1) wages and salaries, including overtime and travel time;

125.9 (2) the employer's share of FICA taxes, Medicare taxes, state and federal  
125.10 unemployment taxes, workers' compensation, and mileage reimbursement;

125.11 (3) the employer's share of health and dental insurance, life insurance, disability  
125.12 insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
125.13 employee retirement accounts; and

125.14 (4) other employee benefits provided, such as training of employees, as specified in  
125.15 the distribution plan and required under paragraph (i) and approved by the commissioner.

125.16 (h) Nothing in this subdivision prevents a provider as an employer from allocating the  
125.17 increase in revenues across the eligible compensation-related costs listed in paragraph (g).

125.18 (i) For a provider that has employees who are represented by an exclusive bargaining  
125.19 representative, the provider shall obtain a letter of acceptance of the distribution plan  
125.20 required under paragraph (j), for the members of the bargaining unit, signed by the  
125.21 exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall be  
125.22 deemed to have met all the requirements of this section for the members of the bargaining  
125.23 unit. Upon request, the provider shall produce a letter of acceptance for the commissioner.

125.24 (j) A provider that receives a rate adjustment under paragraph (a), that is subject to  
125.25 paragraph (f), shall prepare and, upon request, submit to the commissioner a distribution  
125.26 plan that specifies the amount of money that is subject to the requirements of paragraph (f)  
125.27 the provider expects to receive, including the amount of money that will be distributed  
125.28 to increase compensation for employees. The distribution plan must also include the  
125.29 provider's policy for scheduling overtime. The provider's policy must not limit the  
125.30 scheduling of overtime hours where an individual's service needs are unmet without a  
125.31 worker exceeding 40 hours per week of work. The provider's overtime scheduling policy  
125.32 must provide for a process that reliably and expeditiously provides services to recipients.

125.33 (k) Within six months of the effective date of the rate adjustment, the provider shall  
125.34 post the distribution plan required under paragraph (j) for a period of at least six weeks in  
125.35 an area of the provider's operation to which all eligible employees have access and shall  
125.36 provide instructions for employees who do not believe they received the wage and other

126.1 compensation-related increases specified in the distribution plan. The instructions must  
126.2 include a mailing address, e-mail address, and telephone number that the employees may  
126.3 use to contact the commissioner or the commissioner's representative.

126.4 **EFFECTIVE DATE.** This section is effective July 1, 2016.

126.5 Sec. 15. **RESIDENTIAL CARE VOLUNTARY CLOSURE RATE**  
126.6 **ADJUSTMENT.**

126.7 Subdivision 1. **Applicability.** The residential care voluntary closure rate adjustment  
126.8 is available to an enrolled provider registered under Minnesota Statutes, section 157.17,  
126.9 who delivers the service of residential care through the home and community-based  
126.10 services waivers under Minnesota Statutes, sections 256B.0915, 256B.092, and 256B.49.

126.11 Subd. 2. **Voluntary closure process.** (a) The commissioner shall establish a  
126.12 process for the submission, review, and approval of proposals from an enrolled provider  
126.13 for voluntarily closing a residential care service setting.

126.14 (b) When a proposal for a planned closure rate adjustment is submitted, the enrolled  
126.15 provider shall provide written notification within five business days to the lead agencies  
126.16 responsible for authorizing the waiver services for the affected residents. This notification  
126.17 shall be confidential until the enrolled provider has received approval of the proposal by  
126.18 the commissioner.

126.19 Subd. 3. **Review and approval process.** (a) To be considered, a proposal must  
126.20 include:

126.21 (1) a description of a closure plan that identifies the residential care service settings  
126.22 registered under Minnesota Statutes, section 157.17, for which a planned closure rate  
126.23 adjustment is requested;

126.24 (2) a timetable for closure, including the dates notifying the affected residents and  
126.25 lead agencies, commencement of closure, and completion of closure;

126.26 (3) a description for each resident and each resident's legal representative that  
126.27 describes the home and community-based services waivers of the affected resident, case  
126.28 manager or care coordinator, and lead agency responsible for authorizing services for the  
126.29 resident;

126.30 (4) a relocation plan for the resident jointly developed by the lead agency and the  
126.31 resident, and the resident's legal representative, if any; and

126.32 (5) documentation in a format determined by the commissioner that all residential  
126.33 care service settings receiving a planned closure rate adjustment have accepted joint  
126.34 and several liability for recovery of overpayments under Minnesota Statutes, section  
126.35 256B.0641, subdivision 2, for the facilities designated for closure.

127.1 (b) The commissioner shall approve proposals that:  
127.2 (1) provide sufficient time for the resident to transition to new services;  
127.3 (2) identify the types of services and supports the resident needs; and  
127.4 (3) demonstrate that alternative services are based on the resident's choice of provider  
127.5 and are consistent with federal law, state law, and federally approved waiver plans.

127.6 (c) The commissioner shall notify enrolled providers whether the proposal is  
127.7 approved or disapproved.

127.8 Subd. 4. **Notification of approved proposal.** (a) When the residential care provider  
127.9 is notified that the proposal was approved, the provider shall provide written notification  
127.10 within five business days to:

127.11 (1) lead agencies responsible for authorizing the residential care waiver services for  
127.12 the affected residents; and

127.13 (2) residents, any legal representatives, and family members involved.

127.14 (b) Notification must occur at least 45 calendar days prior to the implementation of  
127.15 the proposal and adjustment to the service rate.

127.16 Subd. 5. **Adjustment to rates.** (a) For purposes of this section, the commissioner  
127.17 shall establish enhanced medical assistance payment rates under Minnesota Statutes,  
127.18 sections 256B.0915 or 256B.4913 and 256B.4914, to facilitate an orderly transition from  
127.19 residential care service settings to other community-based settings.

127.20 (b) The enhanced payment rate shall be effective the day after the first resident  
127.21 moved until the day the last resident moved, not to exceed six months. The commissioner  
127.22 may approve an exception to the monthly cost limits for elderly waiver participants after a  
127.23 provider is approved for the voluntary closure rate.

127.24 (c) The enhanced payment rate may be approved with an effective date no earlier  
127.25 than July 1, 2017, and not to exceed June 30, 2018.

127.26 **EFFECTIVE DATE.** This section is effective upon federal approval to discontinue  
127.27 the home and community-based services waivers for service and residential care and  
127.28 expires on June 30, 2018. The commissioner of human services shall notify the revisor of  
127.29 statutes once federal approval is obtained.

127.30 Sec. 16. **REPEALER.**

127.31 Minnesota Statutes 2014, section 256B.493, subdivisions 1 and 2, are repealed.

128.1 **ARTICLE 4**

128.2 **MENTAL HEALTH**

128.3 Section 1. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 3,  
128.4 is amended to read:

128.5 Subd. 3. ~~Reform projects~~ Certified community behavioral health clinics  
128.6 (CCBHCs). (a) The commissioner shall establish standards for a state certification  
128.7 of clinics as process for certified community behavioral health clinics, in accordance  
128.8 (CCBHCs) to be eligible for the prospective payment system in paragraph (f). CCBHCs  
128.9 must:

128.10 (1) comply with the CCBHC criteria published on or before September 1, 2015, by  
128.11 the United States Department of Health and Human Services. Certification standards  
128.12 established by the commissioner shall require that:

128.13 ~~(1)~~ (2) employ or contract for clinic staff who have backgrounds in diverse  
128.14 disciplines, ~~include~~ including licensed mental health professionals, and staff who are  
128.15 culturally and linguistically trained to serve the needs of the clinic's patient population;

128.16 ~~(2)~~ (3) ensure that clinic services are available and accessible to patients of all ages  
128.17 and genders and that crisis management services are available 24 hours per day;

128.18 ~~(3)~~ (4) establish fees for clinic services are established for non-medical assistance  
128.19 patients using a sliding fee scale and to ensure that services to patients are not denied or  
128.20 limited due to a patient's inability to pay for services;

128.21 ~~(4) clinics provide coordination of care across settings and providers to ensure~~  
128.22 ~~seamless transitions for patients across the full spectrum of health services, including~~  
128.23 ~~acute, chronic, and behavioral needs. Care coordination may be accomplished through~~  
128.24 ~~partnerships or formal contracts with federally qualified health centers, inpatient~~  
128.25 ~~psychiatric facilities, substance use and detoxification facilities, community-based mental~~  
128.26 ~~health providers, and other community services, supports, and providers including~~  
128.27 ~~schools, child welfare agencies, juvenile and criminal justice agencies, Indian Health~~  
128.28 ~~Services clinics, tribally licensed health care and mental health facilities, urban Indian~~  
128.29 ~~health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in~~  
128.30 ~~centers, acute care hospitals, and hospital outpatient clinics;~~

128.31 (5) comply with quality assurance reporting requirements and other reporting  
128.32 requirements, including any required reporting of encounter data, clinical outcomes data,  
128.33 and quality data;

128.34 ~~(5) services provided by clinics include~~ (6) provide crisis mental health services,  
128.35 including withdrawal management, emergency crisis intervention services, and



129.1 stabilization services; screening, assessment, and diagnosis services, including risk  
129.2 assessments and level of care determinations; patient-centered treatment planning;  
129.3 outpatient mental health and substance use services; targeted case management;  
129.4 psychiatric rehabilitation services; peer support and counselor services and family support  
129.5 services; and intensive community-based mental health services, including mental health  
129.6 services for members of the armed forces and veterans; and

129.7 ~~(6) clinics comply with quality assurance reporting requirements and other reporting~~  
129.8 ~~requirements, including any required reporting of encounter data, clinical outcomes data,~~  
129.9 ~~and quality data.~~

129.10 (7) provide coordination of care across settings and providers to ensure seamless  
129.11 transitions for patients across the full spectrum of health services, including acute, chronic,  
129.12 and behavioral needs. Care coordination may be accomplished through partnerships  
129.13 or formal contracts with counties, health plans, pharmacists, pharmacies, rural health  
129.14 clinics, federally qualified health centers, inpatient psychiatric facilities, substance use and  
129.15 detoxification facilities, community-based mental health providers, and other community  
129.16 services, supports, and providers including schools, child welfare agencies, juvenile and  
129.17 criminal justice agencies, Indian Health Services clinics, tribally licensed health care  
129.18 and mental health facilities, urban Indian health clinics, Department of Veterans Affairs  
129.19 medical centers, outpatient clinics, drop-in centers, acute care hospitals, and hospital  
129.20 outpatient clinics;

129.21 (8) be certified as mental health clinics under section 245.69, subdivision 2;

129.22 (9) comply with standards relating to integrated treatment for co-occurring mental  
129.23 illness and substance use disorders in adults or children under Minnesota Rules, chapter  
129.24 9533;

129.25 (10) comply with standards relating to mental health services in Minnesota Rules,  
129.26 parts 9505.0370 to 9505.0372;

129.27 (11) be licensed to provide chemical dependency treatment under Minnesota Rules,  
129.28 parts 9530.6405 to 9530.6505;

129.29 (12) be certified to provide children's therapeutic services and supports under  
129.30 section 256B.0943;

129.31 (13) be certified to provide adult rehabilitative mental health services under section  
129.32 256B.0623;

129.33 (14) be enrolled with the department to provide mental health crisis response  
129.34 services under section 256B.0624;

129.35 (15) be enrolled with the department to provide mental health targeted case  
129.36 management under section 256B.0625, subdivision 20;

130.1 (16) comply with standards relating to mental health case management in Minnesota  
130.2 Rules, parts 9520.0900 to 9520.0926; and

130.3 (17) provide services that comply with the evidence-based practices described in  
130.4 paragraph (e).

130.5 (b) If an entity is unable to provide one or more of the services listed in paragraph  
130.6 (a), clauses (6) to (17), the commissioner may certify the entity as a CCBHC if it has a  
130.7 current contract with another entity with the required authority to provide that service and  
130.8 that meets federal CCBHC criteria as a designated collaborating organization; or, to the  
130.9 extent allowed by the federal CCBHC criteria, the commissioner may approve a referral  
130.10 arrangement. The CCBHC must meet federal requirements regarding the type and scope  
130.11 of services provided directly by the CCBHC.

130.12 (c) Notwithstanding other statutes that require county approval for a service listed in  
130.13 paragraph (a), clause (6), a clinic that otherwise meets CCBHC requirements may receive  
130.14 the prospective payment under paragraph (f) for those services without county approval.  
130.15 There is no county share when medical assistance pays the CCBHC prospective payment.  
130.16 As part of the certification process in paragraph (a), the commissioner shall require a letter  
130.17 of support from the CCBHC's host county confirming that the CCBHC and the counties it  
130.18 serves have an ongoing relationship to facilitate access and continuity of care, especially  
130.19 for individuals who are uninsured or who may go on and off medical assistance.

130.20 (d) When the standards listed in paragraph (a) or other applicable standards conflict  
130.21 in incompatible ways or overlap in duplicative ways, the commissioner may grant a  
130.22 variance to state requirements as long as the variance does not conflict with federal  
130.23 requirements. When standards overlap, the commissioner may decide to substitute all or  
130.24 a part of a licensure or certification that is substantially the same as another licensure  
130.25 or certification. The commissioner shall consult with stakeholders, as described in  
130.26 subdivision 4, before granting a variance under this paragraph.

130.27 (e) The commissioner shall issue a list of required and recommended evidence-based  
130.28 practices to be delivered by CCBHCs. The commissioner may update the list to reflect  
130.29 advances in outcomes research and medical services for persons living with mental  
130.30 illnesses or substance use disorders. The commissioner shall consider the adequacy of  
130.31 evidence to support the efficacy of the practice, the quality of workforce available, and the  
130.32 current availability of the practice in the state. At least 30 days before issuing the initial list  
130.33 and any revisions, the commissioner shall provide stakeholders an opportunity to comment.

130.34 ~~(b)~~ (f) The commissioner shall establish standards and methodologies for a  
130.35 prospective payment system for medical assistance payments for mental health services  
130.36 delivered by certified community behavioral health clinics, in accordance with guidance

131.1 issued ~~on or before September 1, 2015,~~ by the Centers for Medicare and Medicaid  
 131.2 Services. During the operation of the demonstration project, payments shall comply with  
 131.3 federal requirements for a ~~90 percent~~ an enhanced federal medical assistance percentage.  
 131.4 The commissioner may include quality bonus payments in the prospective payment  
 131.5 system based on federal criteria and on a clinic's provision of the evidence-based practices  
 131.6 in paragraph (e). The prospective payment system does not apply to MinnesotaCare.  
 131.7 Implementation of the prospective payment system is effective July 1, 2017, or upon  
 131.8 federal approval, whichever is later.

131.9 (g) The commissioner shall seek federal approval to continue federal financial  
 131.10 participation in payment for CCBHC services after the federal demonstration period  
 131.11 ends for CCBHCs certified during the demonstration period that continue to meet the  
 131.12 CCBHC certification standards in paragraph (a). Payment for CCBHC services shall  
 131.13 cease effective July 1, 2019, if continued federal financial participation for the payment  
 131.14 of CCBHC services cannot be obtained.

131.15 (h) The commissioner shall give preference to clinics that:

131.16 (1) have at least one location in both rural and urban areas, as defined by federal  
 131.17 criteria;

131.18 (2) provide a comprehensive range of services and evidence-based practices for all  
 131.19 age groups, with fully coordinated and integrated services; and

131.20 (3) enhance the state's ability to meet the federal priorities to be selected as a  
 131.21 CCBHC demonstration state.

131.22 (i) The commissioner shall recertify CCBHCs at least every three years. The  
 131.23 commissioner shall establish a process for decertification and shall require corrective  
 131.24 action, medical assistance repayment, or decertification of a CCBHC that no longer  
 131.25 meets the requirements in this section or fails to meet the standards in the application  
 131.26 and certification process.

131.27 **EFFECTIVE DATE.** This section is effective upon enactment, unless otherwise  
 131.28 noted.

131.29 Sec. 2. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 4, is  
 131.30 amended to read:

131.31 Subd. 4. **Public participation.** In developing ~~the projects and implementing~~  
 131.32 certified community behavioral health clinics (CCBHCs) under subdivision 3, the  
 131.33 commissioner shall consult, collaborate, and partner with mental health providers,  
 131.34 substance use disorder treatment providers, advocacy organizations, licensed mental

132.1 health professionals, counties, tribes, hospitals, other health care providers, and Minnesota  
132.2 public health care program enrollees who receive mental health services and their families.

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

132.4 Sec. 3. Minnesota Statutes 2014, section 245.99, subdivision 2, is amended to read:

132.5 Subd. 2. **Rental assistance.** The program shall pay up to 90 days of housing  
132.6 assistance for persons with a serious ~~and persistent~~ mental illness who require inpatient or  
132.7 residential care for stabilization. The commissioner of human services may extend the  
132.8 length of assistance on a case-by-case basis.

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

132.10 Sec. 4. Minnesota Statutes 2014, section 254B.01, subdivision 4a, is amended to read:

132.11 Subd. 4a. **Culturally specific program.** (a) "Culturally specific program" means a  
132.12 substance use disorder treatment service program or subprogram that is recovery-focused  
132.13 and culturally specific when the program:

132.14 (1) improves service quality to and outcomes of a specific population by advancing  
132.15 health equity to help eliminate health disparities; and

132.16 (2) ensures effective, equitable, comprehensive, and respectful quality care services  
132.17 that are responsive to an individual within a specific population's values, beliefs and  
132.18 practices, health literacy, preferred language, and other communication needs.

132.19 (b) A tribally licensed substance use disorder program that is designated as serving  
132.20 a culturally specific population by the applicable tribal government is deemed to satisfy  
132.21 this subdivision.

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

132.23 Sec. 5. Minnesota Statutes 2015 Supplement, section 254B.05, subdivision 5, is  
132.24 amended to read:

132.25 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for  
132.26 chemical dependency services and service enhancements funded under this chapter.

132.27 (b) Eligible chemical dependency treatment services include:

132.28 (1) outpatient treatment services that are licensed according to Minnesota Rules,  
132.29 parts 9530.6405 to 9530.6480, or applicable tribal license;

132.30 (2) medication-assisted therapy services that are licensed according to Minnesota  
132.31 Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

133.1 (3) medication-assisted therapy plus enhanced treatment services that meet the  
133.2 requirements of clause (2) and provide nine hours of clinical services each week;

133.3 (4) high, medium, and low intensity residential treatment services that are licensed  
133.4 according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable  
133.5 tribal license which provide, respectively, 30, 15, and five hours of clinical services each  
133.6 week;

133.7 (5) hospital-based treatment services that are licensed according to Minnesota Rules,  
133.8 parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under  
133.9 sections 144.50 to 144.56;

133.10 (6) adolescent treatment programs that are licensed as outpatient treatment programs  
133.11 according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment  
133.12 programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430  
133.13 to 2960.0490, or applicable tribal license;

133.14 (7) high-intensity residential treatment services that are licensed according to  
133.15 Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal  
133.16 license, which provide 30 hours of clinical services each week provided by a state-operated  
133.17 vendor or to clients who have been civilly committed to the commissioner, present the  
133.18 most complex and difficult care needs, and are a potential threat to the community; and

133.19 (8) room and board facilities that meet the requirements of subdivision 1a.

133.20 (c) The commissioner shall establish higher rates for programs that meet the  
133.21 requirements of paragraph (b) and one of the following additional requirements:

133.22 (1) programs that serve parents with their children if the program:

133.23 (i) provides on-site child care during the hours of treatment activity that:

133.24 (A) is licensed under chapter 245A as a child care center under Minnesota Rules,  
133.25 chapter 9503; or

133.26 (B) meets the licensure exclusion criteria of section 245A.03, subdivision 2,  
133.27 paragraph (a), clause (6), and meets the requirements under Minnesota Rules, part  
133.28 9530.6490, subpart 4; or

133.29 (ii) arranges for off-site child care during hours of treatment activity at a facility that  
133.30 is licensed under chapter 245A as:

133.31 (A) a child care center under Minnesota Rules, chapter 9503; or

133.32 (B) a family child care home under Minnesota Rules, chapter 9502;

133.33 (2) culturally specific programs as defined in section 254B.01, subdivision 4a, or  
133.34 programs or subprograms serving special populations, if the program or subprogram meets  
133.35 the following requirements in Minnesota Rules, part 9530.6605, subpart 13;

134.1 (i) is designed to address the unique needs of individuals who share a common  
134.2 language, racial, ethnic, or social background;

134.3 (ii) is governed with significant input from individuals of that specific background;  
134.4 and

134.5 (iii) employs individuals to provide individual or group therapy, at least 50 percent  
134.6 of whom are of that specific background.

134.7 (3) programs that offer medical services delivered by appropriately credentialed  
134.8 health care staff in an amount equal to two hours per client per week if the medical  
134.9 needs of the client and the nature and provision of any medical services provided are  
134.10 documented in the client file; and

134.11 (4) programs that offer services to individuals with co-occurring mental health and  
134.12 chemical dependency problems if:

134.13 (i) the program meets the co-occurring requirements in Minnesota Rules, part  
134.14 9530.6495;

134.15 (ii) 25 percent of the counseling staff are licensed mental health professionals, as  
134.16 defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing  
134.17 candidates under the supervision of a licensed alcohol and drug counselor supervisor and  
134.18 licensed mental health professional, except that no more than 50 percent of the mental  
134.19 health staff may be students or licensing candidates with time documented to be directly  
134.20 related to provisions of co-occurring services;

134.21 (iii) clients scoring positive on a standardized mental health screen receive a mental  
134.22 health diagnostic assessment within ten days of admission;

134.23 (iv) the program has standards for multidisciplinary case review that include a  
134.24 monthly review for each client that, at a minimum, includes a licensed mental health  
134.25 professional and licensed alcohol and drug counselor, and their involvement in the review  
134.26 is documented;

134.27 (v) family education is offered that addresses mental health and substance abuse  
134.28 disorders and the interaction between the two; and

134.29 (vi) co-occurring counseling staff ~~will~~ shall receive eight hours of co-occurring  
134.30 disorder training annually.

134.31 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program  
134.32 that provides arrangements for off-site child care must maintain current documentation at  
134.33 the chemical dependency facility of the child care provider's current licensure to provide  
134.34 child care services. Programs that provide child care according to paragraph (c), clause  
134.35 (1), must be deemed in compliance with the licensing requirements in Minnesota Rules,  
134.36 part 9530.6490.

135.1 (e) Adolescent residential programs that meet the requirements of Minnesota  
 135.2 Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the  
 135.3 requirements in paragraph (c), clause (4), items (i) to (iv).

135.4 (f) Subject to federal approval, chemical dependency services that are otherwise  
 135.5 covered as direct face-to-face services may be provided via two-way interactive video.  
 135.6 The use of two-way interactive video must be medically appropriate to the condition and  
 135.7 needs of the person being served. Reimbursement shall be at the same rates and under the  
 135.8 same conditions that would otherwise apply to direct face-to-face services. The interactive  
 135.9 video equipment and connection must comply with Medicare standards in effect at the  
 135.10 time the service is provided.

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

135.12 Sec. 6. Minnesota Statutes 2015 Supplement, section 256.478, is amended to read:

135.13 **256.478 HOME AND COMMUNITY-BASED SERVICES TRANSITIONS**  
 135.14 **GRANTS TRANSITION TO COMMUNITY INITIATIVE.**

135.15 Subdivision 1. Eligibility. (a) Individuals are eligible for the transition to  
 135.16 community initiative if they meet the following criteria:

135.17 (1) the individual would otherwise remain at the Anoka Metro Regional Treatment  
 135.18 Center or the Minnesota Security Hospital;

135.19 (2) the individual's discharge would be significantly delayed without the additional  
 135.20 resources available through the transitions to community initiative; and

135.21 (3) the individual met treatment objectives and no longer needs hospital-level care or  
 135.22 a secure treatment setting.

135.23 (b) Individuals who are in a community hospital and on the waiting list for Anoka  
 135.24 Metro Regional Treatment Center but for whom alternative community placement would  
 135.25 be appropriate may also be eligible for the transition to community initiative upon  
 135.26 commissioner approval.

135.27 Subd. 2. Transition grants. (a) The commissioner shall make available home  
 135.28 and community-based services transition grants to serve individuals who do not meet  
 135.29 eligibility criteria for the medical assistance program under section 256B.056 or 256B.057,  
 135.30 but who otherwise meet the criteria under section 256B.092, subdivision 13, or 256B.49,  
 135.31 subdivision 24.

135.32 (b) Grants established under paragraph (a) may be used to serve individuals who do  
 135.33 not meet eligibility criteria for the medical assistance program under section 256B.056 or

136.1 256B.057, but who otherwise meet the criteria under subdivision 1, and to pay for services  
136.2 and supports not eligible for reimbursement under medical assistance.

136.3 Sec. 7. Minnesota Statutes 2014, section 256B.0622, is amended by adding a  
136.4 subdivision to read:

136.5 Subd. 12. **Start-up grants.** The commissioner may, within available appropriations,  
136.6 disburse grant funding to counties, Indian tribes, or mental health service providers to  
136.7 establish additional assertive community treatment teams, intensive residential treatment  
136.8 services, or crisis residential services.

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

136.10 Sec. 8. Minnesota Statutes 2014, section 256B.0915, subdivision 3b, is amended to read:

136.11 **Subd. 3b. Cost limits for elderly waiver applicants who reside in a nursing**  
136.12 **facility or another eligible facility.** (a) For a person who is a nursing facility resident  
136.13 at the time of requesting a determination of eligibility for elderly waived services,  
136.14 a monthly conversion budget limit for the cost of elderly waived services may be  
136.15 requested. The monthly conversion budget limit for the cost of elderly waiver services shall  
136.16 ~~be the resident class assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, for~~  
136.17 ~~that resident in the nursing facility where the resident currently resides until July 1 of the~~  
136.18 ~~state fiscal year in which the resident assessment system as described in section 256B.438~~  
136.19 ~~for nursing home rate determination is implemented. Effective on July 1 of the state fiscal~~  
136.20 ~~year in which the resident assessment system as described in section 256B.438 for nursing~~  
136.21 ~~home rate determination is implemented, the monthly conversion budget limit for the cost~~  
136.22 ~~of elderly waiver services shall be based on the per diem nursing facility rate as determined~~  
136.23 ~~by the resident assessment system as described in section 256B.438 for residents in~~  
136.24 ~~the nursing facility where the elderly waiver applicant currently resides. The monthly~~  
136.25 ~~conversion budget limit shall be calculated by multiplying the per diem by 365, divided by~~  
136.26 ~~12, and reduced by the recipient's maintenance needs allowance as described in subdivision~~  
136.27 ~~1d. The initially approved monthly conversion budget limit shall be adjusted annually as~~  
136.28 ~~described in subdivision 3a, paragraph (a). The limit under this subdivision paragraph~~  
136.29 ~~only applies to persons discharged from a nursing facility after a minimum 30-day stay~~  
136.30 ~~and found eligible for waived services on or after July 1, 1997. For conversions from the~~  
136.31 ~~nursing home to the elderly waiver with consumer directed community support services,~~  
136.32 ~~the nursing facility per diem used to calculate the monthly conversion budget limit must~~  
136.33 ~~be reduced by a percentage equal to the percentage difference between the consumer~~



137.1 directed services budget limit that would be assigned according to the federally approved  
 137.2 waiver plan and the corresponding community case mix cap, but not to exceed 50 percent.

137.3 (b) A person who meets elderly waiver eligibility criteria and the eligibility criteria  
 137.4 under section 256.478, subdivision 1, is eligible for a special monthly budget limit for the  
 137.5 cost of elderly waived services up to \$21,610 per month. The monthly limit shall be  
 137.6 adjusted annually as described in subdivision 3a, paragraphs (a) and (e). For individuals  
 137.7 using a special monthly budget under the elderly waiver with consumer-directed  
 137.8 community support services, the special monthly budget limit must be reduced as  
 137.9 described in paragraph (a).

137.10 (c) The commissioner may provide an additional payment for documented costs  
 137.11 between a threshold determined by the commissioner and the special monthly budget limit  
 137.12 to a managed care plan for elderly waiver services provided to a person who is (1) eligible  
 137.13 for a special monthly budget limit under paragraph (b), and (2) enrolled in a managed care  
 137.14 plan that provides elderly waiver services under section 256B.69

137.15 ~~(b)~~ (d) For monthly conversion budget limits under paragraph (a) and special  
 137.16 monthly budget limits under paragraph (b), the service rate limits for adult foster care  
 137.17 under subdivision 3d and customized living under subdivision 3e may be exceeded, if  
 137.18 necessary for the provider to meet identified needs and provide services as approved in the  
 137.19 coordinated service and support plan, providing that the total cost of all services does not  
 137.20 exceed the monthly conversion or special budget limit. Service rates shall be established  
 137.21 using tools provided by the commissioner. The following costs must be included in  
 137.22 determining the total monthly costs for the waiver client:

137.23 (1) cost of all waived services, including specialized supplies and equipment and  
 137.24 environmental accessibility adaptations; and

137.25 (2) cost of skilled nursing, home health aide, and personal care services reimbursable  
 137.26 by medical assistance.

137.27 **EFFECTIVE DATE.** This section is effective upon federal approval. The  
 137.28 commissioner of human services shall notify the revisor of statutes once federal approval  
 137.29 is obtained.

137.30 Sec. 9. Minnesota Statutes 2014, section 256B.092, subdivision 13, is amended to read:

137.31 Subd. 13. **Waiver allocations for transition populations.** (a) The commissioner  
 137.32 shall make available additional waiver allocations and additional necessary resources  
 137.33 ~~to assure timely discharges from the Anoka Metro Regional Treatment Center and the~~  
 137.34 ~~Minnesota Security Hospital in St. Peter~~ for individuals who meet the following eligibility  
 137.35 criteria: under section 256.478, subdivision 1.

- 138.1 ~~(1) are otherwise eligible for the developmental disabilities waiver under this section;~~  
 138.2 ~~(2) who would otherwise remain at the Anoka Metro Regional Treatment Center or~~  
 138.3 ~~the Minnesota Security Hospital;~~  
 138.4 ~~(3) whose discharge would be significantly delayed without the available waiver~~  
 138.5 ~~allocation; and~~  
 138.6 ~~(4) who have met treatment objectives and no longer meet hospital level of care.~~  
 138.7 (b) Additional waiver allocations under this subdivision must meet cost-effectiveness  
 138.8 requirements of the federal approved waiver plan.  
 138.9 (c) Any corporate foster care home developed under this subdivision must be  
 138.10 considered an exception under section 245A.03, subdivision 7, paragraph (a).

138.11 Sec. 10. Minnesota Statutes 2015 Supplement, section 256B.49, subdivision 24,  
 138.12 is amended to read:

138.13 Subd. 24. **Waiver allocations for transition populations.** (a) The commissioner  
 138.14 shall make available additional waiver allocations and additional necessary resources  
 138.15 ~~to assure timely discharges from the Anoka Metro Regional Treatment Center and the~~  
 138.16 ~~Minnesota Security Hospital in St. Peter for individuals who meet the following eligibility~~  
 138.17 ~~criteria: established under section 256.478, subdivision 1.~~

138.18 ~~(1) are otherwise eligible for the brain injury, community access for disability~~  
 138.19 ~~inclusion, or community alternative care waivers under this section;~~

138.20 ~~(2) who would otherwise remain at the Anoka Metro Regional Treatment Center or~~  
 138.21 ~~the Minnesota Security Hospital;~~

138.22 ~~(3) whose discharge would be significantly delayed without the available waiver~~  
 138.23 ~~allocation; and~~

138.24 ~~(4) who have met treatment objectives and no longer meet hospital level of care.~~

138.25 (b) Additional waiver allocations under this subdivision must meet cost-effectiveness  
 138.26 requirements of the federal approved waiver plan.

138.27 (c) Any corporate foster care home developed under this subdivision must be  
 138.28 considered an exception under section 245A.03, subdivision 7, paragraph (a).

138.29 Sec. 11. **COMMUNITY-BASED COMPETENCY RESTORATION SERVICES.**

138.30 (a) The commissioner shall provide grants to adult mental health initiatives, counties,  
 138.31 Indian tribes, or community mental health providers for planning and development of  
 138.32 community-based competency assessment and restoration services to support individuals  
 138.33 who, according to Minnesota Rules of Criminal Procedure, rule 20.01, have been referred

139.1 for examination or found by a court to be incapable of understanding the criminal  
139.2 proceedings or participating in their defense.

139.3 (b) Grants will be issued through a competitive request for proposals process. Grant  
139.4 applications shall provide details on how the intended service will address identified needs  
139.5 and must demonstrate collaboration between county or tribal social services, community  
139.6 mental health providers, and the courts. Applicants must demonstrate the ability to sustain  
139.7 the project after one-time state grant funding is no longer available. Grants funded under  
139.8 this section must include funding for applicants from rural areas.

139.9 **ARTICLE 5**

139.10 **OPERATIONS**

139.11 Section 1. Minnesota Statutes 2014, section 245A.10, subdivision 4, is amended to read:

139.12 Subd. 4. **License or certification fee for certain programs.** (a) Child care centers  
139.13 shall pay an annual nonrefundable license fee based on the following schedule:

139.14		Child Care Center
139.15	Licensed Capacity	License Fee
139.16	1 to 24 persons	\$200
139.17	25 to 49 persons	\$300
139.18	50 to 74 persons	\$400
139.19	75 to 99 persons	\$500
139.20	100 to 124 persons	\$600
139.21	125 to 149 persons	\$700
139.22	150 to 174 persons	\$800
139.23	175 to 199 persons	\$900
139.24	200 to 224 persons	\$1,000
139.25	225 or more persons	\$1,100

139.26 (b)(1) A program licensed to provide one or more of the home and community-based  
139.27 services and supports identified under chapter 245D to persons with disabilities or age  
139.28 65 and older, shall pay an annual nonrefundable license fee based on a flat rate of \$450  
139.29 plus one-half of one percent of revenues derived from the provision of services that would  
139.30 require licensure under chapter 245D during after subtracting the first \$100,000 received  
139.31 for the calendar year immediately preceding the year in which the license fee is paid,  
139.32 ~~according to the following schedule:~~

139.33	<del>License Holder Annual Revenue</del>	<del>License Fee</del>
139.34	<del>less than or equal to \$10,000</del>	<del>\$200</del>
139.35	<del>greater than \$10,000 but less than or</del>	
139.36	<del>equal to \$25,000</del>	<del>\$300</del>

140.1	<del>greater than \$25,000 but less than or</del>	
140.2	<del>equal to \$50,000</del>	\$400
140.3	<del>greater than \$50,000 but less than or</del>	
140.4	<del>equal to \$100,000</del>	\$500
140.5	<del>greater than \$100,000 but less than or</del>	
140.6	<del>equal to \$150,000</del>	\$600
140.7	<del>greater than \$150,000 but less than or</del>	
140.8	<del>equal to \$200,000</del>	\$800
140.9	<del>greater than \$200,000 but less than or</del>	
140.10	<del>equal to \$250,000</del>	\$1,000
140.11	<del>greater than \$250,000 but less than or</del>	
140.12	<del>equal to \$300,000</del>	\$1,200
140.13	<del>greater than \$300,000 but less than or</del>	
140.14	<del>equal to \$350,000</del>	\$1,400
140.15	<del>greater than \$350,000 but less than or</del>	
140.16	<del>equal to \$400,000</del>	\$1,600
140.17	<del>greater than \$400,000 but less than or</del>	
140.18	<del>equal to \$450,000</del>	\$1,800
140.19	<del>greater than \$450,000 but less than or</del>	
140.20	<del>equal to \$500,000</del>	\$2,000
140.21	<del>greater than \$500,000 but less than or</del>	
140.22	<del>equal to \$600,000</del>	\$2,250
140.23	<del>greater than \$600,000 but less than or</del>	
140.24	<del>equal to \$700,000</del>	\$2,500
140.25	<del>greater than \$700,000 but less than or</del>	
140.26	<del>equal to \$800,000</del>	\$2,750
140.27	<del>greater than \$800,000 but less than or</del>	
140.28	<del>equal to \$900,000</del>	\$3,000
140.29	<del>greater than \$900,000 but less than or</del>	
140.30	<del>equal to \$1,000,000</del>	\$3,250
140.31	<del>greater than \$1,000,000 but less than or</del>	
140.32	<del>equal to \$1,250,000</del>	\$3,500
140.33	<del>greater than \$1,250,000 but less than or</del>	
140.34	<del>equal to \$1,500,000</del>	\$3,750
140.35	<del>greater than \$1,500,000 but less than or</del>	
140.36	<del>equal to \$1,750,000</del>	\$4,000
140.37	<del>greater than \$1,750,000 but less than or</del>	
140.38	<del>equal to \$2,000,000</del>	\$4,250
140.39	<del>greater than \$2,000,000 but less than or</del>	
140.40	<del>equal to \$2,500,000</del>	\$4,500
140.41	<del>greater than \$2,500,000 but less than or</del>	
140.42	<del>equal to \$3,000,000</del>	\$4,750
140.43	<del>greater than \$3,000,000 but less than or</del>	
140.44	<del>equal to \$3,500,000</del>	\$5,000
140.45	<del>greater than \$3,500,000 but less than or</del>	
140.46	<del>equal to \$4,000,000</del>	\$5,500
140.47	<del>greater than \$4,000,000 but less than or</del>	
140.48	<del>equal to \$4,500,000</del>	\$6,000

141.1	<del>greater than \$4,500,000 but less than or</del>	
141.2	<del>equal to \$5,000,000</del>	\$6,500
141.3	<del>greater than \$5,000,000 but less than or</del>	
141.4	<del>equal to \$7,500,000</del>	\$7,000
141.5	<del>greater than \$7,500,000 but less than or</del>	
141.6	<del>equal to \$10,000,000</del>	\$8,500
141.7	<del>greater than \$10,000,000 but less than</del>	
141.8	<del>or equal to \$12,500,000</del>	\$10,000
141.9	<del>greater than \$12,500,000 but less than</del>	
141.10	<del>or equal to \$15,000,000</del>	\$14,000
141.11	<del>greater than \$15,000,000</del>	\$18,000

141.12 (2) If requested, the license holder shall provide the commissioner information to  
 141.13 verify the license holder's annual revenues or other information as needed, including  
 141.14 copies of documents submitted to the Department of Revenue.

141.15 ~~(3) At each annual renewal, a license holder may elect to pay the highest renewal~~  
 141.16 ~~fee, and not provide annual revenue information to the commissioner.~~

141.17 ~~(4)~~ (3) A license holder that knowingly provides the commissioner incorrect revenue  
 141.18 amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in  
 141.19 the amount of double the fee the provider should have paid.

141.20 ~~(5) Notwithstanding clause (1), a license holder providing services under one or~~  
 141.21 ~~more licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual~~  
 141.22 ~~license fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid~~  
 141.23 ~~by the license holder for all licenses held under chapter 245B for calendar year 2013.~~  
 141.24 ~~For calendar year 2017 and thereafter, the license holder shall pay an annual license fee~~  
 141.25 ~~according to clause (1).~~

141.26 (c) A chemical dependency treatment program licensed under Minnesota Rules,  
 141.27 parts 9530.6405 to 9530.6505, to provide chemical dependency treatment shall pay an  
 141.28 annual nonrefundable license fee based on the following schedule:

141.29	Licensed Capacity	License Fee
141.30	1 to 24 persons	\$600
141.31	25 to 49 persons	\$800
141.32	50 to 74 persons	\$1,000
141.33	75 to 99 persons	\$1,200
141.34	100 or more persons	\$1,400

141.35 (d) A chemical dependency program licensed under Minnesota Rules, parts  
 141.36 9530.6510 to 9530.6590, to provide detoxification services shall pay an annual  
 141.37 nonrefundable license fee based on the following schedule:

141.38	Licensed Capacity	License Fee
141.39	1 to 24 persons	\$760

142.1	25 to 49 persons	\$960
142.2	50 or more persons	\$1,160

142.3 (e) Except for child foster care, a residential facility licensed under Minnesota Rules,  
 142.4 chapter 2960, to serve children shall pay an annual nonrefundable license fee based on  
 142.5 the following schedule:

142.6	Licensed Capacity	License Fee
142.7	1 to 24 persons	\$1,000
142.8	25 to 49 persons	\$1,100
142.9	50 to 74 persons	\$1,200
142.10	75 to 99 persons	\$1,300
142.11	100 or more persons	\$1,400

142.12 (f) A residential facility licensed under Minnesota Rules, parts 9520.0500 to  
 142.13 9520.0670, to serve persons with mental illness shall pay an annual nonrefundable license  
 142.14 fee based on the following schedule:

142.15	Licensed Capacity	License Fee
142.16	1 to 24 persons	\$2,525
142.17	25 or more persons	\$2,725

142.18 (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to  
 142.19 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable  
 142.20 license fee based on the following schedule:

142.21	Licensed Capacity	License Fee
142.22	1 to 24 persons	\$450
142.23	25 to 49 persons	\$650
142.24	50 to 74 persons	\$850
142.25	75 to 99 persons	\$1,050
142.26	100 or more persons	\$1,250

142.27 (h) A program licensed to provide independent living assistance for youth under  
 142.28 section 245A.22 shall pay an annual nonrefundable license fee of \$1,500.

142.29 (i) A private agency licensed to provide foster care and adoption services under  
 142.30 Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable  
 142.31 license fee of \$875.

142.32 (j) A program licensed as an adult day care center licensed under Minnesota Rules,  
 142.33 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on  
 142.34 the following schedule:

142.35	Licensed Capacity	License Fee
142.36	1 to 24 persons	\$500
142.37	25 to 49 persons	\$700

143.1	50 to 74 persons	\$900
143.2	75 to 99 persons	\$1,100
143.3	100 or more persons	\$1,300

143.4 (k) A program licensed to provide treatment services to persons with sexual  
 143.5 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts  
 143.6 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

143.7 (l) A mental health center or mental health clinic requesting certification for  
 143.8 purposes of insurance and subscriber contract reimbursement under Minnesota Rules,  
 143.9 parts 9520.0750 to 9520.0870, shall pay a certification fee of \$1,550 per year. If the  
 143.10 mental health center or mental health clinic provides services at a primary location with  
 143.11 satellite facilities, the satellite facilities shall be certified with the primary location without  
 143.12 an additional charge.

143.13 Sec. 2. Minnesota Statutes 2014, section 245A.10, subdivision 8, is amended to read:

143.14 Subd. 8. **Deposit of license fees.** A human services licensing account is created in  
 143.15 the ~~state government~~ special revenue fund. Fees collected under subdivisions 3 and 4 must  
 143.16 be deposited in the human services licensing account and are ~~annually~~ appropriated to the  
 143.17 commissioner for licensing activities authorized under this chapter.

## 143.18 ARTICLE 6

### 143.19 DIRECT CARE AND TREATMENT

143.20 Section 1. Minnesota Statutes 2015 Supplement, section 245.4889, subdivision 1,  
 143.21 is amended to read:

143.22 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized  
 143.23 to make grants from available appropriations to assist:

143.24 (1) counties;

143.25 (2) Indian tribes;

143.26 (3) children's collaboratives under section 124D.23 or 245.493; or

143.27 (4) mental health service providers.

143.28 (b) The following services are eligible for grants under this section:

143.29 (1) services to children with emotional disturbances as defined in section 245.4871,  
 143.30 subdivision 15, and their families;

143.31 (2) transition services under section 245.4875, subdivision 8, for young adults under  
 143.32 age 21 and their families;

143.33 (3) respite care services for children with severe emotional disturbances who are at  
 143.34 risk of out-of-home placement;

- 144.1 (4) children's mental health crisis services;
- 144.2 (5) mental health services for people from cultural and ethnic minorities;
- 144.3 (6) children's mental health screening and follow-up diagnostic assessment and
- 144.4 treatment;
- 144.5 (7) services to promote and develop the capacity of providers to use evidence-based
- 144.6 practices in providing children's mental health services;
- 144.7 (8) school-linked mental health services;
- 144.8 (9) building evidence-based mental health intervention capacity for children birth to
- 144.9 age five;
- 144.10 (10) suicide prevention and counseling services that use text messaging statewide;
- 144.11 (11) mental health first aid training;
- 144.12 (12) training for parents, collaborative partners, and mental health providers on the
- 144.13 impact of adverse childhood experiences and trauma and development of an interactive
- 144.14 Web site to share information and strategies to promote resilience and prevent trauma;
- 144.15 (13) transition age services to develop or expand mental health treatment and
- 144.16 supports for adolescents and young adults 26 years of age or younger;
- 144.17 (14) early childhood mental health consultation;
- 144.18 (15) evidence-based interventions for youth at risk of developing or experiencing a
- 144.19 first episode of psychosis, and a public awareness campaign on the signs and symptoms of
- 144.20 psychosis; ~~and~~
- 144.21 (16) psychiatric consultation for primary care practitioners; and
- 144.22 (17) sustaining extended-stay inpatient psychiatric hospital services for children
- 144.23 and adolescents.
- 144.24 (c) Services under paragraph (b) must be designed to help each child to function and
- 144.25 remain with the child's family in the community and delivered consistent with the child's
- 144.26 treatment plan. Transition services to eligible young adults under paragraph (b) must be
- 144.27 designed to foster independent living in the community.

144.28 Sec. 2. Minnesota Statutes 2014, section 246.54, as amended by Laws 2015, chapter

144.29 71, article 4, section 2, is amended to read:

144.30 **246.54 LIABILITY OF COUNTY; REIMBURSEMENT.**

144.31 Subdivision 1. ~~County portion for cost of care~~ **Generally.** (a) Except for chemical

144.32 dependency services provided under sections 254B.01 to 254B.09, the client's county

144.33 shall pay to the state of Minnesota a portion of the cost of care provided in a regional

144.34 treatment center or a state nursing facility to a client legally settled in that county. A

144.35 county's payment shall be made from the county's own sources of revenue and payments



145.1 shall equal a percentage of the cost of care, as determined by the commissioner, for each  
145.2 day, or the portion thereof, that the client spends at a regional treatment center or a state  
145.3 nursing facility ~~according to the following schedule:~~

145.4 Subd. 1a. **Anoka Metro Regional Treatment Center.** (a) A county shall pay  
145.5 for care provided at Anoka Metro Regional Treatment Center shall be according to the  
145.6 following schedule:

145.7 (1) zero percent for the first 30 days;

145.8 (2) 20 percent for days 31 and over if the stay is determined to be clinically  
145.9 appropriate for the client; and

145.10 (3) 100 percent for each day during the stay, including the day of admission, when  
145.11 the facility determines that it is clinically appropriate for the client to be discharged.

145.12 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80  
145.13 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph  
145.14 (a), clause (2), the county shall be responsible for paying the state only the remaining  
145.15 amount. The county shall not be entitled to reimbursement from the client, the client's  
145.16 estate, or from the client's relatives, except as provided in section 246.53.

145.17 Subd. 1b. **Community behavioral health hospitals.** A county shall pay for care  
145.18 provided at state-operated community-based behavioral health hospitals shall be according  
145.19 to the following schedule:

145.20 (1) 100 percent for each day during the stay, including the day of admission, when  
145.21 the facility determines that it is clinically appropriate for the client to be discharged; and

145.22 (2) the county shall not be entitled to reimbursement from the client, the client's  
145.23 estate, or from the client's relatives, except as provided in section 246.53.

145.24 Subd. 1c. **State-operated forensic services.** A county shall pay for care provided at  
145.25 state-operated forensic services shall be according to the following schedule:

145.26 (1) Minnesota Security Hospital: ten percent for each day, or portion thereof, that the  
145.27 client spends in a Minnesota Security Hospital program. If payments received by the state  
145.28 under sections 246.50 to 246.53 for services provided at the Minnesota Security Hospital  
145.29 exceed 90 percent of the cost of care, the county shall be responsible for paying the state  
145.30 only the remaining amount. The county shall not be entitled to reimbursement from the  
145.31 client, the client's estate, or the client's relatives except as provided in section 246.53;

145.32 (2) forensic nursing home: ten percent for each day, or portion thereof, that the client  
145.33 spends in a forensic nursing home program. If payments received by the state under  
145.34 sections 246.50 to 246.53 for services provided at the forensic nursing home exceed 90  
145.35 percent of the cost of care, the county shall be responsible for paying the state only the

146.1 remaining amount. The county shall not be entitled to reimbursement from the client, the  
146.2 client's estate, or the client's relatives except as provided in section 246.53;

146.3 (3) forensic transition services: 50 percent for each day, or portion thereof, that the  
146.4 client spends in a forensic transition services program. If payments received by the state  
146.5 under sections 246.50 to 246.53 for services provided at the forensic transition services  
146.6 exceed 50 percent of the cost of care, the county shall be responsible for paying the state  
146.7 only the remaining amount. The county shall not be entitled to reimbursement from the  
146.8 client, the client's estate, or the client's relatives except as provided in section 246.53; and

146.9 (4) residential competency restoration program:

146.10 (i) 20 percent for each day, or portion thereof, that the client spends in a residential  
146.11 competency restoration program while the client is in need of restoration services;

146.12 (ii) 50 percent for each day, or portion thereof, that the client spends in a residential  
146.13 competency restoration program once the client no longer needs restoration services; and

146.14 (iii) 100 percent for each day, or portion thereof, once charges against a client have  
146.15 been resolved or dropped.

146.16 ~~Subd. 2. **Exceptions.** (a) Subdivision 1 does not apply to services provided at the~~  
146.17 ~~Minnesota Security Hospital. For services at the Minnesota Security Hospital, a county's~~  
146.18 ~~payment shall be made from the county's own sources of revenue and payments. Excluding~~  
146.19 ~~the state-operated forensic transition service, payments to the state from the county shall~~  
146.20 ~~equal ten percent of the cost of care, as determined by the commissioner, for each day, or~~  
146.21 ~~the portion thereof, that the client spends at the facility. For the state-operated forensic~~  
146.22 ~~transition service, payments to the state from the county shall equal 50 percent of the cost of~~  
146.23 ~~care, as determined by the commissioner, for each day, or the portion thereof, that the client~~  
146.24 ~~spends in the program. If payments received by the state under sections 246.50 to 246.53~~  
146.25 ~~for services provided at the Minnesota Security Hospital, excluding the state-operated~~  
146.26 ~~forensic transition service, exceed 90 percent of the cost of care, the county shall be~~  
146.27 ~~responsible for paying the state only the remaining amount. If payments received by the~~  
146.28 ~~state under sections 246.50 to 246.53 for the state-operated forensic transition service~~  
146.29 ~~exceed 50 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 from the client's relatives, except as provided in section 246.53.~~

146.32 ~~(b) Regardless of the facility to which the client is committed, subdivision 1 does~~  
146.33 ~~not apply to the following individuals:~~

146.34 ~~(1) clients who are committed as sexual psychopathic personalities under section~~  
146.35 ~~253D.02, subdivision 15; and~~

147.1 (2) clients who are committed as sexually dangerous persons under section 253D.02,  
147.2 subdivision 16.

147.3 **Sec. 3. [246.701] ESTABLISHING OFFICE OF SPECIAL INVESTIGATIONS**  
147.4 **LAW ENFORCEMENT DIVISION.**

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

147.7 (b) "Arrest" has the meaning given in section 629.30.

147.8 (c) "Law enforcement agency" has the meaning given in section 626.84, subdivision  
147.9 1, paragraph (f).

147.10 Subd. 2. **Establishing Office of Special Investigations Law Enforcement**

147.11 **Division.** (a) The commissioner of human services may establish a law enforcement  
147.12 agency known as the Department of Human Services Office of Special Investigations  
147.13 Law Enforcement Division.

147.14 (b) The commissioner of human services may appoint peace officers, as defined in  
147.15 section 626.84, subdivision 1, paragraph (c), to the Office of Special Investigations Law  
147.16 Enforcement Division.

147.17 (c) Peace officers described in paragraph (b) must meet all applicable training and  
147.18 licensing requirements according to chapter 626 and are subject to the Peace Officer  
147.19 Discipline Procedures Act in section 626.89.

147.20 Subd. 3. **Limited jurisdiction.** (a) The jurisdiction of the Office of Special  
147.21 Investigations Law Enforcement Division is limited to the arrest of individuals (1) who  
147.22 reside at a state-operated facility, and (2) are committed to the commissioner or for whom  
147.23 the commissioner is the legal guardian.

147.24 (b) The jurisdiction of the Office of Special Investigations Law Enforcement  
147.25 Division is limited to the authority to arrest when there is probable cause that an individual  
147.26 described in paragraph (a) committed a crime at a state-operated facility or escaped  
147.27 custody in violation of section 609.485.

147.28 (c) The Office of Special Investigations Law Enforcement Division's jurisdiction  
147.29 under this section is statewide.

147.30 Subd. 4. **Liability.** Nothing in this section subjects peace officers of the Office of  
147.31 Special Investigations Law Enforcement Division to civil liability actions not expressly  
147.32 stated in section 3.736 or 626.89.

147.33 Sec. 4. Minnesota Statutes 2014, section 246B.01, subdivision 2b, is amended to read:

148.1 Subd. 2b. **Cost of care.** "Cost of care" means the commissioner's charge for housing  
 148.2 ~~and~~, treatment, aftercare services, and supervision provided to any person admitted to or  
 148.3 on provisional discharge from the Minnesota sex offender program.

148.4 For purposes of this subdivision, "charge for housing ~~and~~, treatment, aftercare  
 148.5 services, and supervision" means the cost of services, treatment, maintenance, bonds issued  
 148.6 for capital improvements, depreciation of buildings and equipment, and indirect costs  
 148.7 related to the operation of state facilities. The commissioner may determine the charge for  
 148.8 services on an anticipated average per diem basis as an all-inclusive charge per facility.

148.9 Sec. 5. Minnesota Statutes 2014, section 246B.035, is amended to read:

148.10 **246B.035 ANNUAL PERFORMANCE REPORT REQUIRED.**

148.11 The executive director of the Minnesota sex offender program shall submit  
 148.12 electronically a performance report to the chairs and ranking minority members of the  
 148.13 legislative committees and divisions with jurisdiction over funding for the program by  
 148.14 ~~January~~ February 15 of each year beginning in ~~2010~~ 2017. The report must include the  
 148.15 following:

148.16 (1) a description of the program, including the strategic mission, goals, objectives,  
 148.17 and outcomes;

148.18 (2) the programwide per diem reported in a standard calculated method as outlined  
 148.19 in the program policies and procedures;

148.20 (3) program annual statistics as outlined in the departmental policies and procedures;  
 148.21 and

148.22 (4) the sex offender program evaluation report required under section 246B.03. The  
 148.23 executive director shall submit a printed copy upon request.

148.24 Sec. 6. Minnesota Statutes 2014, section 246B.10, is amended to read:

148.25 **246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.**

148.26 (a) The following criteria apply to clients provisionally discharged.

148.27 (b) The civilly committed sex offender's county shall pay to the state a portion of the  
 148.28 cost of care provided ~~in~~ by the Minnesota sex offender program to a civilly committed sex  
 148.29 offender who has legally settled in that county. A county's payment must be made from  
 148.30 the county's own sources of revenue and payments must equal ~~25~~ the same percent of the  
 148.31 cost of care, as determined by the commissioner, for each day or portion of a day, that  
 148.32 the civilly committed sex offender ~~spends at the facility~~ receives services, either within a  
 148.33 Department of Human Services operated facility or while on provisional discharge.

149.1 (c) If payments received by the state under this chapter exceed 75 percent of the cost  
149.2 of care, the county is responsible for paying the state the remaining amount.

149.3 (d) The county is not entitled to reimbursement from the civilly committed sex  
149.4 offender, the civilly committed sex offender's estate, or from the civilly committed sex  
149.5 offender's relatives, except as provided in section 246B.07.

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

149.7 Sec. 7. Minnesota Statutes 2014, section 253B.18, subdivision 4b, is amended to read:

149.8 Subd. 4b. **Pass-eligible status; notification.** (a) The following patients committed  
149.9 to a secure treatment facility shall not be placed on pass-eligible status unless that status  
149.10 has been approved by the medical director of the secure treatment facility:

149.11 (a) (1) a patient who has been committed as a person who is mentally ill and  
149.12 dangerous and who:

149.13 (1) (i) was found incompetent to proceed to trial for a felony or was found not guilty  
149.14 by reason of mental illness of a felony immediately prior to the filing of the commitment  
149.15 petition;

149.16 (2) (ii) was convicted of a felony immediately prior to or during commitment as a  
149.17 person who is mentally ill and dangerous; or

149.18 (3) (iii) is subject to a commitment to the commissioner of corrections; and

149.19 (b) (2) a patient who has been committed as a psychopathic personality, a sexually  
149.20 psychopathic personality, or a sexually dangerous person.

149.21 (b) At least ten days prior to a determination on the status, the medical director  
149.22 shall notify the committing court, the county attorney of the county of commitment, the  
149.23 designated agency, an interested person, the petitioner, and the petitioner's counsel of the  
149.24 proposed status, and their right to request review by the special review board. If within  
149.25 ten days of receiving notice any notified person requests review by filing a notice of  
149.26 objection with the commissioner and the head of the treatment facility, a hearing shall be  
149.27 held before. The special review board. judicial appeal panel shall hear review requests  
149.28 for patients meeting the criteria of paragraph (a). For patients meeting the criteria of  
149.29 paragraph (a), clause (1), the proposed status shall not be implemented unless it receives a  
149.30 favorable recommendation by a majority of the special review board and approval by the  
149.31 commissioner. For patients meeting the criteria of paragraph (a), clause (2), the proposed  
149.32 status shall not be implemented unless it is approved by the judicial appeal panel. The order  
149.33 of the commissioner or judicial appeal panel is appealable as provided in section 253B.19.

149.34 (c) Nothing in this subdivision shall be construed to give a patient an affirmative  
149.35 right to seek pass-eligible status from the special review board judicial appeal panel.

150.1 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 150.2 and applies to all petitions for reduction in custody, appeals of revocation of transfers or  
 150.3 provisional discharges, or requests for review of pass-eligibility status filed on or after the  
 150.4 date of enactment.

150.5 Sec. 8. Minnesota Statutes 2014, section 253D.27, subdivision 2, is amended to read:

150.6 Subd. 2. **Filing.** A petition for a reduction in custody or an appeal of a revocation of  
 150.7 provisional discharge may be filed by either the committed person or by the executive  
 150.8 director and must be filed with and considered by ~~a panel of the special review board~~  
 150.9 ~~authorized under section 253B.18, subdivision 4e~~ the judicial appeal panel. A committed  
 150.10 person may not petition the ~~special review board~~ judicial appeal panel any sooner than six  
 150.11 months following either:

150.12 (1) the entry of judgment in the district court of the order for commitment issued  
 150.13 under section 253D.07, subdivision 5, or upon the exhaustion of all related appeal rights  
 150.14 in state court relating to that order, whichever is later; or

150.15 (2) ~~any recommendation of the special review board or order of the judicial appeal~~  
 150.16 ~~panel, or upon the exhaustion of all appeal rights in state court, whichever is later. The~~  
 150.17 ~~executive director may petition at any time. The special review board proceedings are not~~  
 150.18 ~~contested cases as defined in chapter 14.~~

150.19 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 150.20 and applies to all petitions for reduction in custody, appeals of revocation of transfers or  
 150.21 provisional discharges, or requests for review of pass-eligibility status filed on or after the  
 150.22 date of enactment.

150.23 Sec. 9. Minnesota Statutes 2014, section 253D.28, as amended by Laws 2015, chapter  
 150.24 65, article 2, section 3, is amended to read:

150.25 **253D.28 JUDICIAL APPEAL PANEL.**

150.26 ~~Subdivision 1. **Rehearing and reconsideration.** (a) A person committed as a~~  
 150.27 ~~sexually dangerous person or a person with a sexual psychopathic personality under this~~  
 150.28 ~~chapter, or committed as both mentally ill and dangerous to the public under section~~  
 150.29 ~~253B.18 and as a sexually dangerous person or a person with a sexual psychopathic~~  
 150.30 ~~personality under this chapter; the county attorney of the county from which the person was~~  
 150.31 ~~committed or the county of financial responsibility; or the commissioner may petition the~~  
 150.32 ~~judicial appeal panel established under section 253B.19, subdivision 1, for a rehearing and~~  
 150.33 ~~reconsideration of a recommendation of the special review board under section 253D.27.~~

151.1 ~~(b) The petition must be filed with the Supreme Court within 30 days after~~  
151.2 ~~the recommendation is mailed by the commissioner as required in section 253D.27,~~  
151.3 ~~subdivision 4. The hearing must be held within 180 days of the filing of the petition~~  
151.4 ~~unless an extension is granted for good cause.~~

151.5 ~~(e) If no party petitions the judicial appeal panel for a rehearing or reconsideration~~  
151.6 ~~within 30 days, the judicial appeal panel shall either issue an order adopting the~~  
151.7 ~~recommendations of the special review board or set the matter on for a hearing pursuant~~  
151.8 ~~to this section.~~

151.9 Subd. 2. **Procedure.** (a) The Supreme Court shall refer a petition for rehearing  
151.10 ~~and reconsideration~~ reduction in custody to the chief judge of the judicial appeal panel.  
151.11 The chief judge shall notify the committed person, the county attorneys of the county  
151.12 of commitment and county of financial responsibility, the commissioner, the executive  
151.13 director, any interested person, and other persons the chief judge designates, of the time and  
151.14 place of the hearing on the petition. The notice shall be given at least 14 days prior to the  
151.15 date of the hearing. The hearing may be conducted by interactive video conference under  
151.16 General Rules of Practice, rule 131, and Minnesota Rules of Civil Commitment, rule 14.

151.17 (b) Any person may oppose the petition. The committed person, the committed  
151.18 person's counsel, the county attorneys of the committing county and county of financial  
151.19 responsibility, and the commissioner shall participate as parties to the proceeding pending  
151.20 before the judicial appeal panel and shall, no later than 20 days before the hearing on the  
151.21 petition, inform the judicial appeal panel and the opposing party in writing whether they  
151.22 support or oppose the petition and provide a summary of facts in support of their position.

151.23 (c) The judicial appeal panel may appoint examiners and may adjourn the hearing  
151.24 from time to time. It shall hear and receive all relevant testimony and evidence and make  
151.25 a record of all proceedings. The committed person, the committed person's counsel, and  
151.26 the county attorney of the committing county or the county of financial responsibility have  
151.27 the right to be present and may present and cross-examine all witnesses and offer a factual  
151.28 and legal basis in support of their positions.

151.29 (d) The petitioning party seeking discharge or provisional discharge bears the  
151.30 burden of going forward with the evidence, which means presenting a prima facie case  
151.31 with competent evidence to show that the person is entitled to the requested relief. If  
151.32 the petitioning party has met this burden, the party opposing discharge or provisional  
151.33 discharge bears the burden of proof by clear and convincing evidence that the discharge or  
151.34 provisional discharge should be denied.

151.35 (e) A party seeking transfer under section 253D.29 must establish by a preponderance  
151.36 of the evidence that the transfer is appropriate.

152.1 Subd. 3. **Decision.** A majority of the judicial appeal panel shall rule upon the  
 152.2 petition. ~~The panel shall consider the petition de novo.~~ No order of the judicial appeal  
 152.3 panel granting a transfer, discharge, or provisional discharge shall be made effective  
 152.4 sooner than 15 days after it is issued. ~~The panel may not consider petitions for relief~~  
 152.5 ~~other than those considered by the special review board from which the appeal is taken.~~  
 152.6 ~~The judicial appeal panel may not grant a transfer or provisional discharge on terms or~~  
 152.7 ~~conditions that were not presented to the special review board.~~

152.8 Subd. 4. **Appeal.** A party aggrieved by an order of the judicial appeal panel may  
 152.9 appeal that order as provided under section 253B.19, subdivision 5.

152.10 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 152.11 and applies to all petitions for reduction in custody, appeals of revocation of transfers or  
 152.12 provisional discharges, or requests for review of pass-eligibility status filed on or after the  
 152.13 date of enactment.

152.14 Sec. 10. Minnesota Statutes 2014, section 253D.29, subdivision 2, is amended to read:

152.15 Subd. 2. **Voluntary readmission to a secure facility.** (a) After a committed person  
 152.16 has been transferred out of a secure facility pursuant to subdivision 1 and with the consent  
 152.17 of the executive director, a committed person may voluntarily return to a secure facility  
 152.18 for a period of up to 60 days.

152.19 (b) If the committed person is not returned to the facility to which the person was  
 152.20 originally transferred pursuant to subdivision 1 within 60 days of being readmitted to a  
 152.21 secure facility, the transfer is revoked and the committed person shall remain in a secure  
 152.22 facility. The committed person shall immediately be notified in writing of the revocation.

152.23 (c) Within 15 days of receiving notice of the revocation, the committed person may  
 152.24 petition the ~~special review board~~ judicial appeal panel for a review of the revocation. The  
 152.25 ~~special review board~~ judicial appeal panel shall review the circumstances of the revocation  
 152.26 and shall ~~recommend to the judicial appeal panel~~ decide whether or not the revocation  
 152.27 shall be upheld. The ~~special review board~~ judicial appeal panel may also ~~recommend~~  
 152.28 order a new transfer at the time of the revocation hearing.

152.29 (d) If the transfer has not been revoked and the committed person is to be returned  
 152.30 to the facility to which the committed person was originally transferred pursuant to  
 152.31 subdivision 1 with no substantive change to the conditions of the transfer ordered pursuant  
 152.32 to subdivision 1, no action by the ~~special review board~~ or judicial appeal panel is required.

152.33 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 152.34 and applies to all petitions for reduction in custody, appeals of revocation of transfers or



153.1 provisional discharges, or requests for review of pass-eligibility status filed on or after the  
153.2 date of enactment.

153.3 Sec. 11. Minnesota Statutes 2014, section 253D.29, subdivision 3, is amended to read:

153.4 Subd. 3. **Revocation.** (a) The executive director may revoke a transfer made pursuant  
153.5 to subdivision 1 and require a committed person to return to a secure treatment facility if:

153.6 (1) remaining in a nonsecure setting will not provide a reasonable degree of safety to  
153.7 the committed person or others; or

153.8 (2) the committed person has regressed in clinical progress so that the facility to  
153.9 which the committed person was transferred is no longer sufficient to meet the committed  
153.10 person's needs.

153.11 (b) Upon the revocation of the transfer, the committed person shall be immediately  
153.12 returned to a secure treatment facility. A report documenting reasons for revocation shall  
153.13 be issued by the executive director within seven days after the committed person is  
153.14 returned to the secure treatment facility. Advance notice to the committed person of the  
153.15 revocation is not required.

153.16 (c) The committed person must be provided a copy of the revocation report and  
153.17 informed, orally and in writing, of the rights of a committed person under this section. The  
153.18 revocation report shall be served upon the committed person and the committed person's  
153.19 counsel. The report shall outline the specific reasons for the revocation including, but not  
153.20 limited to, the specific facts upon which the revocation is based.

153.21 (d) If a committed person's transfer is revoked, the committed person may re-petition  
153.22 for transfer according to section 253D.27.

153.23 (e) Any committed person aggrieved by a transfer revocation decision may petition  
153.24 the ~~special review board~~ judicial appeal panel within seven days, exclusive of Saturdays,  
153.25 Sundays, and legal holidays, after receipt of the revocation report for a review of the  
153.26 revocation. The matter shall be scheduled within 30 days. The ~~special review board~~  
153.27 judicial appeal panel shall review the circumstances leading to the revocation and, after  
153.28 considering the factors in subdivision 1, paragraph (b), ~~shall recommend to the judicial~~  
153.29 ~~appeal panel~~ decide whether or not the revocation shall be upheld. The ~~special review~~  
153.30 ~~board~~ judicial appeal panel may also ~~recommend~~ order a new transfer out of a secure  
153.31 facility at the time of the revocation hearing.

153.32 **EFFECTIVE DATE.** This section is effective the day following final enactment  
153.33 and applies to all petitions for reduction in custody, appeals of revocation of transfers or  
153.34 provisional discharges, or requests for review of pass-eligibility status filed on or after the  
153.35 date of enactment.

154.1 Sec. 12. Minnesota Statutes 2014, section 253D.30, subdivision 3, is amended to read:

154.2 Subd. 3. **Review.** A provisional discharge pursuant to this chapter shall not  
154.3 automatically terminate. A full discharge shall occur only as provided in section 253D.31.  
154.4 The terms of a provisional discharge continue unless the committed person requests and  
154.5 is granted a change in the conditions of provisional discharge or unless the committed  
154.6 person petitions the ~~special review board~~ judicial appeal panel for a full discharge and the  
154.7 discharge is granted by the judicial appeal panel.

154.8 **EFFECTIVE DATE.** This section is effective the day following final enactment  
154.9 and applies to all petitions for reduction in custody, appeals of revocation of transfers or  
154.10 provisional discharges, or requests for review of pass-eligibility status filed on or after the  
154.11 date of enactment.

154.12 Sec. 13. Minnesota Statutes 2014, section 253D.30, subdivision 4, is amended to read:

154.13 Subd. 4. **Voluntary readmission.** (a) With the consent of the executive director, a  
154.14 committed person may voluntarily return to the Minnesota sex offender program from  
154.15 provisional discharge for a period of up to 60 days.

154.16 (b) If the committed person is not returned to provisional discharge status within 60  
154.17 days of being readmitted to the Minnesota sex offender program, the provisional discharge  
154.18 is revoked. The committed person shall immediately be notified of the revocation in  
154.19 writing. Within 15 days of receiving notice of the revocation, the committed person may  
154.20 request a review of the matter before the ~~special review board~~ judicial appeal panel. The  
154.21 ~~special review board~~ judicial appeal panel shall review the circumstances of the revocation  
154.22 and, after applying the standards in subdivision 5, paragraph (a), ~~shall recommend to the~~  
154.23 ~~judicial appeal panel~~ decide whether or not the revocation shall be upheld. The ~~board~~  
154.24 judicial appeal panel may ~~recommend~~ order a return to provisional discharge status.

154.25 (c) If the provisional discharge has not been revoked and the committed person is to  
154.26 be returned to provisional discharge, the Minnesota sex offender program is not required  
154.27 to petition for a further review by the ~~special review board~~ judicial appeal panel unless the  
154.28 committed person's return to the community results in substantive change to the existing  
154.29 provisional discharge plan.

154.30 **EFFECTIVE DATE.** This section is effective the day following final enactment  
154.31 and applies to all petitions for reduction in custody, appeals of revocation of transfers or  
154.32 provisional discharges, or requests for review of pass-eligibility status filed on or after the  
154.33 date of enactment.

155.1 Sec. 14. Minnesota Statutes 2014, section 253D.30, subdivision 5, is amended to read:

155.2 Subd. 5. **Revocation.** (a) The executive director may revoke a provisional discharge  
155.3 if either of the following grounds exist:

155.4 (1) the committed person has departed from the conditions of the provisional  
155.5 discharge plan; or

155.6 (2) the committed person is exhibiting behavior which may be dangerous to self  
155.7 or others.

155.8 (b) The executive director may revoke the provisional discharge and, either orally  
155.9 or in writing, order that the committed person be immediately returned to a Minnesota  
155.10 sex offender program treatment facility. A report documenting reasons for revocation  
155.11 shall be issued by the executive director within seven days after the committed person  
155.12 is returned to the treatment facility. Advance notice to the committed person of the  
155.13 revocation is not required.

155.14 (c) The committed person must be provided a copy of the revocation report and  
155.15 informed, orally and in writing, of the rights of a committed person under this section.  
155.16 The revocation report shall be served upon the committed person, the committed person's  
155.17 counsel, and the county attorneys of the county of commitment and the county of financial  
155.18 responsibility. The report shall outline the specific reasons for the revocation, including  
155.19 but not limited to the specific facts upon which the revocation is based.

155.20 (d) An individual who is revoked from provisional discharge must successfully  
155.21 re-petition the ~~special review board~~ and judicial appeal panel prior to being placed back  
155.22 on provisional discharge.

155.23 **EFFECTIVE DATE.** This section is effective the day following final enactment  
155.24 and applies to all petitions for reduction in custody, appeals of revocation of transfers or  
155.25 provisional discharges, or requests for review of pass-eligibility status filed on or after the  
155.26 date of enactment.

155.27 Sec. 15. Minnesota Statutes 2014, section 253D.30, subdivision 6, is amended to read:

155.28 Subd. 6. **Appeal.** Any committed person aggrieved by a revocation decision or any  
155.29 interested person may petition the ~~special review board~~ judicial appeal panel within seven  
155.30 days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of the revocation  
155.31 report for a review of the revocation. The matter shall be scheduled within 30 days. The  
155.32 ~~special review board~~ judicial appeal panel shall review the circumstances leading to the  
155.33 revocation and shall ~~recomm~~ decide whether or not the  
155.34 revocation shall be upheld. The ~~special review board~~ judicial appeal panel may also  
155.35 ~~recomm~~ order a new provisional discharge at the time of the revocation hearing.

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. 16. Minnesota Statutes 2014, section 253D.31, is amended to read:

156.6 **253D.31 DISCHARGE.**

156.7 A person who is committed as a sexually dangerous person or a person with a sexual  
156.8 psychopathic personality shall not be discharged unless it appears to the satisfaction of the  
156.9 judicial appeal panel, ~~after a hearing and recommendation by a majority of the special~~  
156.10 ~~review board,~~ that the committed person is capable of making an acceptable adjustment to  
156.11 open society, is no longer dangerous to the public, and is no longer in need of inpatient  
156.12 treatment and supervision.

156.13 In determining whether a discharge shall be recommended, the ~~special review board~~  
156.14 ~~and~~ judicial appeal panel shall consider whether specific conditions exist to provide a  
156.15 reasonable degree of protection to the public and to assist the committed person in adjusting  
156.16 to the community. If the desired conditions do not exist, the discharge shall not be granted.

156.17 **EFFECTIVE DATE.** This section is effective the day following final enactment  
156.18 and applies to all petitions for reduction in custody, appeals of revocation of transfers or  
156.19 provisional discharges, or requests for review of pass-eligibility status filed on or after the  
156.20 date of enactment.

156.21 Sec. 17. Minnesota Statutes 2014, section 626.05, subdivision 2, is amended to read:

156.22 Subd. 2. **Peace officer.** The term "peace officer," as used in sections 626.04 to 626.17,  
156.23 means a person who is licensed as a peace officer in accordance with section 626.84,  
156.24 subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, conservation  
156.25 officer, agent of the Bureau of Criminal Apprehension, agent of the Division of Alcohol  
156.26 and Gambling Enforcement, University of Minnesota peace officer, Metropolitan Transit  
156.27 police officer, Minnesota Department of Corrections Fugitive Apprehension Unit member,  
156.28 Department of Human Services Office of Special Investigations Law Enforcement  
156.29 Division officers, or State Patrol trooper as authorized by section 299D.03.

156.30 Sec. 18. Minnesota Statutes 2014, section 626.84, subdivision 1, is amended to read:

156.31 Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the  
156.32 following terms have the meanings given them:

157.1 (a) "Board" means the Board of Peace Officer Standards and Training.

157.2 (b) "Director" means the executive director of the board.

157.3 (c) "Peace officer" means:

157.4 (1) an employee or an elected or appointed official of a political subdivision or  
157.5 law enforcement agency who is licensed by the board, charged with the prevention and  
157.6 detection of crime and the enforcement of the general criminal laws of the state and who  
157.7 has the full power of arrest, and shall also include the Minnesota State Patrol, agents of the  
157.8 Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan  
157.9 Transit police officers, Department of Corrections Fugitive Apprehension Unit officers,  
157.10 Department of Human Services Office of Special Investigations Law Enforcement  
157.11 Division officers, and Department of Commerce Fraud Bureau Unit officers, and the  
157.12 statewide coordinator of the Violent Crime Coordinating Council; and

157.13 (2) a peace officer who is employed by a law enforcement agency of a federally  
157.14 recognized tribe, as defined in United States Code, title 25, section 450b(e), and who  
157.15 is licensed by the board.

157.16 (d) "Part-time peace officer" means an individual licensed by the board whose  
157.17 services are utilized by law enforcement agencies no more than an average of 20 hours per  
157.18 week, not including time spent on call when no call to active duty is received, calculated  
157.19 on an annual basis, who has either full powers of arrest or authorization to carry a  
157.20 firearm while on active duty. The term shall apply even though the individual receives  
157.21 no compensation for time spent on active duty, and shall apply irrespective of the title  
157.22 conferred upon the individual by any law enforcement agency.

157.23 (e) "Reserve officer" means an individual whose services are utilized by a law  
157.24 enforcement agency to provide supplementary assistance at special events, traffic or  
157.25 crowd control, and administrative or clerical assistance, and shall include reserve deputies,  
157.26 special deputies, mounted or unmounted patrols, and all other employees or volunteers  
157.27 performing reserve officer functions. A reserve officer's duties do not include enforcement  
157.28 of the general criminal laws of the state, and the officer does not have full powers of arrest  
157.29 or authorization to carry a firearm on duty.

157.30 (f) "Law enforcement agency" means:

157.31 (1) a unit of state or local government that is authorized by law to grant full powers  
157.32 of arrest and to charge a person with the duties of preventing and detecting crime and  
157.33 enforcing the general criminal laws of the state; and

157.34 (2) subject to the limitations in section 626.93, a law enforcement agency of a  
157.35 federally recognized tribe, as defined in United States Code, title 25, section 450b(e).

158.1 (g) "Professional peace officer education" means a postsecondary degree program,  
158.2 or a nondegree program for persons who already have a college degree, that is offered by  
158.3 a college or university in Minnesota, designed for persons seeking licensure as a peace  
158.4 officer, and approved by the board.

158.5 Sec. 19. **REPEALER.**

158.6 Minnesota Statutes 2014, section 253D.27, subdivisions 3 and 4, are repealed.

## 158.7 ARTICLE 7

### 158.8 HEALTH DEPARTMENT

158.9 Section 1. Minnesota Statutes 2014, section 13.3806, subdivision 22, is amended to read:

158.10 Subd. 22. **Medical use of cannabis data.** Data collected under the registry program  
158.11 authorized under sections 152.22 to 152.37 are governed by sections 152.25, subdivision  
158.12 1; 152.27, subdivision 8; 152.28, subdivision 2; and 152.37, subdivision 3.

158.13 Sec. 2. Minnesota Statutes 2014, section 62J.495, subdivision 4, is amended to read:

158.14 Subd. 4. **Coordination with national HIT activities.** (a) The commissioner,  
158.15 in consultation with the e-Health Advisory Committee, shall update the statewide  
158.16 implementation plan required under subdivision 2 and released June 2008, to be consistent  
158.17 with the updated Federal HIT Strategic Plan released by the Office of the National  
158.18 Coordinator in accordance with section 3001 of the HITECH Act. The statewide plan  
158.19 shall meet the requirements for a plan required under section 3013 of the HITECH Act.

158.20 (b) The commissioner, in consultation with the e-Health Advisory Committee,  
158.21 shall work to ensure coordination between state, regional, and national efforts to support  
158.22 and accelerate efforts to effectively use health information technology to improve the  
158.23 quality and coordination of health care and the continuity of patient care among health  
158.24 care providers, to reduce medical errors, to improve population health, to reduce health  
158.25 disparities, and to reduce chronic disease. The commissioner's coordination efforts shall  
158.26 include but not be limited to:

158.27 (1) assisting in the development and support of health information technology  
158.28 regional extension centers established under section 3012(c) of the HITECH Act to  
158.29 provide technical assistance and disseminate best practices; ~~and~~

158.30 (2) providing supplemental information to the best practices gathered by regional  
158.31 centers to ensure that the information is relayed in a meaningful way to the Minnesota  
158.32 health care community;

159.1 (3) providing financial and technical support to Minnesota health care providers to  
159.2 encourage implementation of admission, discharge and transfer alerts, and care summary  
159.3 document exchange transactions and to evaluate the impact of health information  
159.4 technology on cost and quality of care;

159.5 (4) providing educational resources and technical assistance to health care providers  
159.6 and patients related to state and national privacy, security, and consent laws governing  
159.7 clinical health information. In carrying out these activities, the commissioner's technical  
159.8 assistance does not constitute legal advice; and

159.9 (5) assessing Minnesota's legal, financial, and regulatory framework for health  
159.10 information exchange, and making recommendations for modifications that would  
159.11 strengthen the ability of Minnesota health care providers to securely exchange data  
159.12 in compliance with patient preferences and in a way that is efficient and financially  
159.13 sustainable.

159.14 (c) The commissioner, in consultation with the e-Health Advisory Committee, shall  
159.15 monitor national activity related to health information technology and shall coordinate  
159.16 statewide input on policy development. The commissioner shall coordinate statewide  
159.17 responses to proposed federal health information technology regulations in order to ensure  
159.18 that the needs of the Minnesota health care community are adequately and efficiently  
159.19 addressed in the proposed regulations. The commissioner's responses may include, but  
159.20 are not limited to:

159.21 (1) reviewing and evaluating any standard, implementation specification, or  
159.22 certification criteria proposed by the national HIT standards committee;

159.23 (2) reviewing and evaluating policy proposed by the national HIT policy committee  
159.24 relating to the implementation of a nationwide health information technology infrastructure;

159.25 (3) monitoring and responding to activity related to the development of quality  
159.26 measures and other measures as required by section 4101 of the HITECH Act. Any  
159.27 response related to quality measures shall consider and address the quality efforts required  
159.28 under chapter 62U; and

159.29 (4) monitoring and responding to national activity related to privacy, security, and  
159.30 data stewardship of electronic health information and individually identifiable health  
159.31 information.

159.32 (d) To the extent that the state is either required or allowed to apply, or designate an  
159.33 entity to apply for or carry out activities and programs under section 3013 of the HITECH  
159.34 Act, the commissioner of health, in consultation with the e-Health Advisory Committee  
159.35 and the commissioner of human services, shall be the lead applicant or sole designating

160.1 authority. The commissioner shall make such designations consistent with the goals and  
160.2 objectives of sections 62J.495 to 62J.497 and 62J.50 to 62J.61.

160.3 (e) The commissioner of human services shall apply for funding necessary to  
160.4 administer the incentive payments to providers authorized under title IV of the American  
160.5 Recovery and Reinvestment Act.

160.6 (f) The commissioner shall include in the report to the legislature information on the  
160.7 activities of this subdivision and provide recommendations on any relevant policy changes  
160.8 that should be considered in Minnesota.

160.9 Sec. 3. Minnesota Statutes 2014, section 62J.496, subdivision 1, is amended to read:

160.10 Subdivision 1. **Account establishment.** (a) An account is established to:

160.11 (1) finance the purchase of certified electronic health records or qualified electronic  
160.12 health records as defined in section 62J.495, subdivision 1a;

160.13 (2) enhance the utilization of electronic health record technology, which may include  
160.14 costs associated with upgrading the technology to meet the criteria necessary to be a  
160.15 certified electronic health record or a qualified electronic health record;

160.16 (3) train personnel in the use of electronic health record technology; and

160.17 (4) improve the secure electronic exchange of health information.

160.18 (b) Amounts deposited in the account, including any grant funds obtained through  
160.19 federal or other sources, loan repayments, and interest earned on the amounts shall  
160.20 be used only for awarding loans or loan guarantees, as a source of reserve and security  
160.21 for leveraged loans, for activities authorized in section 62J.495, subdivision 4, or for  
160.22 the administration of the account.

160.23 (c) The commissioner may accept contributions to the account from private sector  
160.24 entities subject to the following provisions:

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

160.27 (2) the commissioner shall make public the identity of any private contributor to the  
160.28 loan fund, as well as the amount of the contribution provided;

160.29 (3) the commissioner may issue letters of commendation or make other awards that  
160.30 have no financial value to any such entity; and

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



161.1 (d) The commissioner may use the loan funds to reimburse private sector entities  
 161.2 for any contribution made to the loan fund. Reimbursement to private entities may not  
 161.3 exceed the principle amount contributed to the loan fund.

161.4 (e) The commissioner may use funds deposited in the account to guarantee, or  
 161.5 purchase insurance for, a local obligation if the guarantee or purchase would improve  
 161.6 credit market access or reduce the interest rate applicable to the obligation involved.

161.7 (f) The commissioner may use funds deposited in the account as a source of revenue  
 161.8 or security for the payment of principal and interest on revenue or general obligation  
 161.9 bonds issued by the state if the proceeds of the sale of the bonds will be deposited into  
 161.10 the loan fund.

161.11 Sec. 4. Minnesota Statutes 2014, section 152.27, subdivision 2, is amended to read:

161.12 Subd. 2. **Commissioner duties.** (a) The commissioner shall:

161.13 (1) give notice of the program to health care practitioners in the state who are  
 161.14 eligible to serve as health care practitioners and explain the purposes and requirements  
 161.15 of the program;

161.16 (2) allow each health care practitioner who meets or agrees to meet the program's  
 161.17 requirements and who requests to participate, to be included in the registry program to  
 161.18 collect data for the patient registry;

161.19 (3) allow each health care practitioner who meets the requirements of subdivision 8,  
 161.20 and who requests access for a permissible purpose, to have limited access to a patient's  
 161.21 registry information;

161.22 ~~(3)~~ (4) provide explanatory information and assistance to each health care  
 161.23 practitioner in understanding the nature of therapeutic use of medical cannabis within  
 161.24 program requirements;

161.25 ~~(4)~~ (5) create and provide a certification to be used by a health care practitioner  
 161.26 for the practitioner to certify whether a patient has been diagnosed with a qualifying  
 161.27 medical condition and include in the certification an option for the practitioner to certify  
 161.28 whether the patient, in the health care practitioner's medical opinion, is developmentally or  
 161.29 physically disabled and, as a result of that disability, the patient is unable to self-administer  
 161.30 medication or acquire medical cannabis from a distribution facility;

161.31 ~~(5)~~ (6) supervise the participation of the health care practitioner in conducting  
 161.32 patient treatment and health records reporting in a manner that ensures stringent security  
 161.33 and record-keeping requirements and that prevents the unauthorized release of private  
 161.34 data on individuals as defined by section 13.02;

162.1           ~~(6)~~ (7) develop safety criteria for patients with a qualifying medical condition as a  
162.2 requirement of the patient's participation in the program, to prevent the patient from  
162.3 undertaking any task under the influence of medical cannabis that would constitute  
162.4 negligence or professional malpractice on the part of the patient; and

162.5           ~~(7)~~ (8) conduct research and studies based on data from health records submitted to  
162.6 the registry program and submit reports on intermediate or final research results to the  
162.7 legislature and major scientific journals. The commissioner may contract with a third  
162.8 party to complete the requirements of this clause. Any reports submitted must comply  
162.9 with section 152.28, subdivision 2.

162.10           (b) If the commissioner wishes to add a delivery method under section 152.22,  
162.11 subdivision 6, or a qualifying medical condition under section 152.22, subdivision 14, the  
162.12 commissioner must notify the chairs and ranking minority members of the legislative policy  
162.13 committees having jurisdiction over health and public safety of the addition and the reasons  
162.14 for its addition, including any written comments received by the commissioner from the  
162.15 public and any guidance received from the task force on medical cannabis research, by  
162.16 January 15 of the year in which the commissioner wishes to make the change. The change  
162.17 shall be effective on August 1 of that year, unless the legislature by law provides otherwise.

162.18           Sec. 5. Minnesota Statutes 2014, section 152.27, is amended by adding a subdivision  
162.19 to read:

162.20           Subd. 8. Access to registry data. (a) Notwithstanding section 152.31, a health  
162.21 care practitioner may access a patient's registry information to the extent the information  
162.22 relates specifically to a current patient, to whom the health care practitioner is:

162.23           (1) prescribing or considering prescribing any controlled substance;

162.24           (2) providing emergency medical treatment for which access to the data may be  
162.25 necessary; or

162.26           (3) providing other medical treatment for which access to the data may be necessary  
162.27 and the patient has consented to access to the registry account information, and with the  
162.28 provision that the health care practitioner remains responsible for the use or misuse of data  
162.29 accessed by a delegated agent or employee.

162.30           (b) A health care practitioner who is authorized to access the patient registry under  
162.31 this subdivision may be registered to electronically access limited data in the medical  
162.32 cannabis patient registry. If the data is accessed electronically, the health care practitioner  
162.33 shall implement and maintain a comprehensive information security program that contains  
162.34 administrative, technical, and physical safeguards that are appropriate to the user's size  
162.35 and complexity, and the sensitivity of the personal information obtained. The health care

163.1 practitioner shall identify reasonably foreseeable internal and external risks to the security,  
 163.2 confidentiality, and integrity of personal information that could result in the unauthorized  
 163.3 disclosure, misuse, or other compromise of the information and assess the sufficiency of  
 163.4 any safeguards in place to control the risks.

163.5 (c) When requesting access based on patient consent, a health care practitioner shall  
 163.6 warrant that the request:

163.7 (1) contains no information known to the provider to be false;

163.8 (2) accurately states the patient's desire to have health records disclosed or that  
 163.9 there is specific authorization in law; and

163.10 (3) does not exceed any limits imposed by the patient in the consent.

163.11 (d) The commissioner shall maintain a log of all persons who access the data for at  
 163.12 least three years and shall ensure that any health care practitioner agrees to comply with  
 163.13 paragraph (b) before attaining access to the data.

163.14 Sec. 6. Minnesota Statutes 2014, section 152.33, is amended by adding a subdivision  
 163.15 to read:

163.16 Subd. 7. **Improper access to registry; criminal penalty.** In addition to any  
 163.17 other applicable penalty in law, a person who intentionally makes a false statement or  
 163.18 misrepresentation to gain access to the patient registry under section 152.27, subdivision 8,  
 163.19 or otherwise accesses the patient registry under false pretenses, is guilty of a misdemeanor  
 163.20 punishable by imprisonment for not more than 90 days or by payment of a fine of not more  
 163.21 than \$1,000, or both. The penalty is in addition to any other penalties that may apply for  
 163.22 making a false statement, misrepresentation, or unauthorized acquisition of not public data.

163.23 Sec. 7. **COST AND BENEFIT ANALYSIS; HEALTH CARE SYSTEM**  
 163.24 **PROPOSALS.**

163.25 Subdivision 1. **Contract for analysis of proposals.** The commissioner of health  
 163.26 shall contract with the University of Minnesota School of Public Health to conduct an  
 163.27 analysis of the costs and benefits of up to three specific proposals that seek to create a  
 163.28 health care system with increased access, greater affordability, lower costs, and improved  
 163.29 quality of care in comparison to the current system.

163.30 Subd. 2. **Plans.** The commissioner of health, with input from the commissioners  
 163.31 of human services and commerce, legislators, and other stakeholders, shall submit to the  
 163.32 University of Minnesota the following proposals:

163.33 (1) a free-market insurance-based competition approach;

163.34 (2) a universal health care plan designed to meet the following principles:

- 164.1 (i) ensure all Minnesotans receive quality health care;  
 164.2 (ii) cover all necessary care, including all coverage currently required by law,  
 164.3 complete mental health services, chemical dependency treatment, prescription drugs,  
 164.4 medical equipment and supplies, dental care, long-term care, and home care services;  
 164.5 (iii) allow patients to choose their own providers; and  
 164.6 (iv) use premiums based on ability to pay; and  
 164.7 (3) a third alternative may be submitted by the commissioner that offers a different  
 164.8 approach.

164.9 Subd. 3. **Proposal analysis.** (a) The analysis of each proposal must measure the  
 164.10 impact on total public and private health care spending in Minnesota that would result  
 164.11 from each proposal, including spending by individuals. "Total public and private health  
 164.12 care spending" means spending on all medical care, including dental care, prescription  
 164.13 drugs, medical equipment and supplies, complete mental health services, chemical  
 164.14 dependency treatment, long-term care, and home care services as well as all of the costs  
 164.15 for administering, delivering, and paying for the care. The analysis of total health care  
 164.16 spending shall include whether there are savings or additional costs compared to the  
 164.17 existing system due to:

- 164.18 (1) increased or reduced insurance, billing, underwriting, marketing, and other  
 164.19 administrative functions;  
 164.20 (2) changes in access to and timely and appropriate use of medical care;  
 164.21 (3) availability and take-up of health insurance coverage;  
 164.22 (4) market-driven or negotiated prices on medical services and products, including  
 164.23 pharmaceuticals;  
 164.24 (5) shortages or excess capacity of medical facilities and equipment;  
 164.25 (6) increased or decreased utilization, better health outcomes, increased wellness  
 164.26 due to prevention, early intervention, and health-promoting activities;  
 164.27 (7) payment reforms;  
 164.28 (8) coordination of care; and  
 164.29 (9) to the extent possible given available data and resources, non-health care impacts  
 164.30 on state and local expenditures such as reduced out-of-home placement or crime costs  
 164.31 due to mental health or chemical dependency coverage.  
 164.32 (b) To the extent possible given available data and resources, the analysis must also  
 164.33 estimate for each proposal job losses or gains in health care and elsewhere in the economy  
 164.34 due to implementation of the reforms.  
 164.35 (c) The analysis shall assume that the provisions in each proposal are not preempted  
 164.36 by federal law or that the federal government gives a waiver to the preemption.

165.1 (d) The commissioner shall provide preliminary findings to the chairs and ranking  
165.2 minority members of the legislative committees with jurisdiction over health and human  
165.3 services policy and finance by March 15, 2017, and a final report by October 1, 2017. For  
165.4 the optional third alternative approach described in subdivision 2, clause (3), and for the  
165.5 analyses described in paragraph (a), clause (9), and paragraph (b), a final report is due  
165.6 by March 15, 2018.

165.7 Sec. 8. **HEALTH RISK LIMITS.**

165.8 Fifteen points must be assigned by the Department of Health pursuant to Minnesota  
165.9 Rules, part 4720.9020, if the department has confirmed an exceedance of a health risk limit  
165.10 under Minnesota Rules, parts 4717.7500 to 4717.7900, within the past 36 calendar months.

165.11 **EFFECTIVE DATE.** This section is effective the day following final enactment  
165.12 and applies to Minnesota Rules, part 4720.9020, until the Department of Health modifies  
165.13 part 4720.9020.

165.14 Sec. 9. **CONTAMINATED PRIVATE WELLS.**

165.15 Ten priority points must be assigned by the Department of Health pursuant to  
165.16 Minnesota Rules, part 4720.9020, if a drinking water advisory has been issued or a special  
165.17 well construction area has been established by the Department of Health.

165.18 **EFFECTIVE DATE.** This section is effective the day following final enactment  
165.19 and applies to Minnesota Rules, part 4720.9020, until the Department of Health modifies  
165.20 part 4720.9020.

165.21 **ARTICLE 8**

165.22 **HEALTH-RELATED LICENSING BOARDS**

165.23 Section 1. Minnesota Statutes 2014, section 214.075, subdivision 3, is amended to read:

165.24 Subd. 3. **Consent form; fees; fingerprints.** (a) In order to effectuate the federal  
165.25 and state level, fingerprint-based criminal background check, the applicant or licensee  
165.26 must submit a completed criminal history records check consent form and a full set of  
165.27 fingerprints to the respective health-related licensing board or a designee in the manner  
165.28 and form specified by the board.

165.29 (b) The applicant or licensee is responsible for all fees associated with preparation of  
165.30 the fingerprints, the criminal records check consent form, and the criminal background  
165.31 check. The fees for the criminal records background check shall be set by the BCA and

166.1 the FBI and are not refundable. The fees shall be submitted to the respective health-related  
166.2 licensing board by the applicant or licensee as prescribed by the respective board.

166.3 (c) All fees received by the health-related licensing boards under this subdivision  
166.4 shall be deposited in a dedicated ~~account~~ accounts in the special revenue fund and are  
166.5 appropriated to ~~the Board of Nursing Home Administrators for the administrative services~~  
166.6 ~~unit~~ health-related licensing boards to pay for the criminal background checks conducted  
166.7 by the Bureau of Criminal Apprehension and Federal Bureau of Investigation.

166.8 **ARTICLE 9**

166.9 **HUMAN SERVICES FORECAST ADJUSTMENTS**

166.10 Section 1. **HUMAN SERVICES APPROPRIATION.**

166.11 The sums shown in the columns marked "Appropriations" are added to or, if shown  
166.12 in parentheses, are subtracted from the appropriations in Laws 2015, chapter 71, article  
166.13 13, from the general fund or any fund named to the Department of Human Services for  
166.14 the purposes specified in this article, to be available for the fiscal year indicated for each  
166.15 purpose. The figures "2016" and "2017" used in this article mean that the appropriations  
166.16 listed under them are available for the fiscal years ending June 30, 2016, or June 30, 2017,  
166.17 respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017.  
166.18 "The biennium" is fiscal years 2016 and 2017.

166.19 **APPROPRIATIONS**  
166.20 **Available for the Year**  
166.21 **Ending June 30**  
166.22 **2016                      2017**

166.23 **Sec. 2. COMMISSIONER OF HUMAN**  
166.24 **SERVICES**

166.25 **Subdivision 1. Total Appropriation**                      \$    **(615,912,000)** \$    **(518,891,000)**

166.26 **Appropriations by Fund**

166.27 <b><u>General Fund</u></b>	<b><u>(307,806,000)</u></b>	<b><u>(246,029,000)</u></b>
166.28 <b><u>Health Care Access</u></b>		
166.29 <b><u>Fund</u></b>	<b><u>(289,770,000)</u></b>	<b><u>(277,101,000)</u></b>
166.30 <b><u>Federal TANF</u></b>	<b><u>(18,336,000)</u></b>	<b><u>4,239,000</u></b>

166.31 **Subd. 2. Forecasted Programs**

166.32 **(a) MFIP/DWP**

166.33 **Appropriations by Fund**

166.34 <b><u>General Fund</u></b>	<b><u>9,833,000</u></b>	<b><u>(8,799,000)</u></b>
166.35 <b><u>Federal TANF</u></b>	<b><u>(20,225,000)</u></b>	<b><u>4,212,000</u></b>

167.1	<u>(b) MFIP Child Care Assistance</u>	<u>(23,094,000)</u>	<u>(7,760,000)</u>
167.2	<u>(c) General Assistance</u>	<u>(2,120,000)</u>	<u>(1,078,000)</u>
167.3	<u>(d) Minnesota Supplemental Aid</u>	<u>(1,613,000)</u>	<u>(1,650,000)</u>
167.4	<u>(e) Group Residential Housing</u>	<u>(8,101,000)</u>	<u>(7,954,000)</u>
167.5	<u>(f) Northstar Care for Children</u>	<u>2,231,000</u>	<u>4,496,000</u>
167.6	<u>(g) MinnesotaCare</u>	<u>(227,821,000)</u>	<u>(230,027,000)</u>

167.7 These appropriations are from the health care  
 167.8 access fund.

167.9 (h) Medical Assistance

167.10	<u>Appropriations by Fund</u>		
167.11	<u>General Fund</u>	<u>(294,773,000)</u>	<u>(243,700,000)</u>
167.12	<u>Health Care Access</u>		
167.13	<u>Fund</u>	<u>(61,949,000)</u>	<u>(47,074,000)</u>

167.14 (i) Alternative Care Program -0- -0-

167.15 (j) CCDTF Entitlements 9,831,000 20,416,000

167.16 Subd. 3. Technical Activities 1,889,000 27,000

167.17 These appropriations are from the federal  
 167.18 TANF fund.

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

167.20 **ARTICLE 10**

167.21 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

167.22 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

167.23 The sums shown in the columns marked "Appropriations" are added to or, if shown  
 167.24 in parentheses, subtracted from the appropriations in Laws 2015, chapter 71, article 14, to  
 167.25 the agencies and for the purposes specified in this act. The appropriations are from the  
 167.26 general fund or other named fund and are available for the fiscal years indicated for each  
 167.27 purpose. The figures "2016" and "2017" used in this act mean that the addition to or  
 167.28 subtraction from the appropriation listed under them is available for the fiscal year ending  
 167.29 June 30, 2016, or June 30, 2017, respectively. Supplemental appropriations and reductions  
 167.30 to appropriations for the fiscal year ending June 30, 2016, are effective the day following  
 167.31 final enactment unless a different effective date is explicit.

168.1	<b><u>APPROPRIATIONS</u></b>	
168.2	<b><u>Available for the Year</u></b>	
168.3	<b><u>Ending June 30</u></b>	
168.4	<b><u>2016</u></b>	<b><u>2017</u></b>
168.5	<b><u>Sec. 2. COMMISSIONER OF HUMAN</u></b>	
168.6	<b><u>SERVICES</u></b>	
168.7	<b><u>6,851,000</u></b>	<b><u>184,030,000</u></b>
168.8	<b><u>Subdivision 1. Total Appropriation</u></b>	
168.8	<b><u>Appropriations by Fund</u></b>	
168.9	<b><u>2016</u></b>	<b><u>2017</u></b>
168.10	<b><u>2,116,000</u></b>	<b><u>131,700,000</u></b>
168.10	<b><u>General</u></b>	
168.11	<b><u>State Government</u></b>	
168.12	<b><u>-0-</u></b>	<b><u>(3,709,000)</u></b>
168.12	<b><u>Special Revenue</u></b>	
168.13	<b><u>4,735,000</u></b>	<b><u>56,039,000</u></b>
168.13	<b><u>Health Care Access</u></b>	
168.14	<b><u>-0-</u></b>	<b><u>-0-</u></b>
168.14	<b><u>Federal TANF</u></b>	
168.15	<b><u>Subd. 2. Central Office Operations</u></b>	
168.16	<b><u>(a) Operations</u></b>	
168.17	<b><u>Appropriations by Fund</u></b>	
168.18	<b><u>-0-</u></b>	<b><u>3,426,000</u></b>
168.18	<b><u>General</u></b>	
168.19	<b><u>State Government</u></b>	
168.20	<b><u>-0-</u></b>	<b><u>(3,709,000)</u></b>
168.20	<b><u>Special Revenue</u></b>	
168.21	<b><u>-0-</u></b>	<b><u>425,000</u></b>
168.21	<b><u>Health Care Access</u></b>	
168.22	<b><u>Base adjustment. The general fund base is</u></b>	
168.23	<b><u>reduced by \$1,145,000 in fiscal year 2018</u></b>	
168.24	<b><u>and \$1,225,000 in fiscal year 2019. The</u></b>	
168.25	<b><u>health care access fund base is reduced by</u></b>	
168.26	<b><u>\$375,000 in fiscal years 2018 and 2019.</u></b>	
168.27	<b><u>-0-</u></b>	<b><u>262,000</u></b>
168.27	<b><u>(b) Children and Families</u></b>	
168.28	<b><u>Base adjustment. The general fund base</u></b>	
168.29	<b><u>is reduced by \$147,000 in fiscal years 2018</u></b>	
168.30	<b><u>and 2019.</u></b>	
168.31	<b><u>-0-</u></b>	<b><u>1,068,000</u></b>
168.31	<b><u>(c) Health Care</u></b>	
168.32	<b><u>Base adjustment. The general fund base</u></b>	
168.33	<b><u>is reduced by \$464,000 in fiscal years 2018</u></b>	
168.34	<b><u>and 2019.</u></b>	
168.35	<b><u>-0-</u></b>	<b><u>534,000</u></b>
168.35	<b><u>(d) Continuing Care</u></b>	



169.1 **Study of home and community-based**  
169.2 **services workforce.** \$414,000 in fiscal  
169.3 year 2017 and \$621,000 in fiscal year  
169.4 2018 are to complete a study of home and  
169.5 community-based services workforce and its  
169.6 impact on service access. The commissioner  
169.7 may also use surveys or other methods to  
169.8 complete this study. On January 1, 2018,  
169.9 the commissioner shall report the findings  
169.10 of the study, including recommendations  
169.11 on how to address access to services, and  
169.12 recommendations on a higher reimbursement  
169.13 rate for staff providing services to individuals  
169.14 with higher home care ratings, case mixes,  
169.15 or levels of care, to the chairs and ranking  
169.16 minority members of the legislative  
169.17 committees with jurisdiction over health and  
169.18 human services policy and finance and labor  
169.19 and industry. This is a onetime appropriation.

169.20 **Base Adjustment.** The general fund base  
169.21 is increased by \$447,000 in fiscal year 2018  
169.22 and reduced by \$174,000 in fiscal year 2019.

169.23 **(e) Community Supports** -0- 962,000

169.24 **Base Adjustment.** The general fund base  
169.25 is increased by \$538,000 in fiscal year 2018  
169.26 and \$428,000 in fiscal year 2019.

169.27 **Subd. 3. Forecasted Programs**

169.28 **(a) MFIP/DWP**

	<u>Appropriations by Fund</u>	
169.29 <u>General</u>		<u>3,242,000</u>
169.30 <u>Federal TANF</u>		<u>23,660,000</u>

169.31

169.32 **(b) MFIP Child Care Assistance** -0- 14,123,000

169.33 **(c) General Assistance** -0- -0-

169.34 **(d) MN Supplemental Assistance** -0- -0-

170.1	<b><u>(e) Group Residential Housing</u></b>	-0-	-0-
170.2	<b><u>(f) Northstar Care for Children</u></b>	-0-	-0-
170.3	<b><u>(g) MinnesotaCare</u></b>	-0-	<u>3,985,000</u>
170.4	<u>These appropriations are from the health care</u>		
170.5	<u>access fund.</u>		
170.6	<b><u>(h) Medical Assistance</u></b>		
170.7	<u>Appropriations by Fund</u>		
170.8	<u>General</u>	<u>(4,735,000)</u>	<u>(11,941,000)</u>
170.9	<u>Health Care Access</u>	<u>4,735,000</u>	<u>51,629,000</u>
170.10	<u>The health care access fund is for forecast</u>		
170.11	<u>costs of adults without children who are</u>		
170.12	<u>eligible under Minnesota Statutes, section</u>		
170.13	<u>256B.055, subdivision 15.</u>		
170.14	<b><u>(i) Alternative Care</u></b>	-0-	-0-
170.15	<b><u>(j) CD Treatment Fund</u></b>	-0-	<u>105,000</u>
170.16	<u>Subd. 4. Grant Programs</u>		
170.17	<b><u>(a) Support Services Grants</u></b>	-0-	-0-
170.18	<b><u>(b) BSF Child Care Assistance Grants</u></b>	-0-	<u>6,899,000</u>
170.19	<b><u>Base Adjustment.</u></b> <u>The general fund base is</u>		
170.20	<u>increased by \$24,578,000 in fiscal year 2018</u>		
170.21	<u>and \$32,266,000 in fiscal year 2019.</u>		
170.22	<b><u>(c) Child Care Development Grants</u></b>	-0-	-0-
170.23	<b><u>Child Care Provider Grants.</u></b> <u>The general</u>		
170.24	<u>fund base is \$1,000,000 in fiscal year</u>		
170.25	<u>2018 and \$2,000,000 in fiscal year 2019</u>		
170.26	<u>for contracts with child care providers to</u>		
170.27	<u>address shortages in the supply of quality</u>		
170.28	<u>child care which may include one or more</u>		
170.29	<u>of the following: care for children who are</u>		
170.30	<u>homeless or have special needs, care for</u>		
170.31	<u>infants or toddlers, or child care located in</u>		

- 171.1 an area where the availability of child care  
 171.2 is limited.
- 171.3 **Base Adjustment.** The general fund base is  
 171.4 increased by \$1,000,000 in fiscal year 2018  
 171.5 and \$2,000,000 in fiscal year 2019.
- 171.6 **(d) Child Support Enforcement Grants** -0- -0-
- 171.7 **(e) Children's Services Grants** -0- 800,000
- 171.8 **American Indian Child Welfare Initiative.**  
 171.9 \$800,000 in fiscal year 2017 is for planning  
 171.10 efforts to expand the American Indian Child  
 171.11 Welfare Initiative. Of this appropriation,  
 171.12 \$400,000 is for grants to the Mille Lacs Band  
 171.13 of Ojibwe and \$400,000 is for grants to Red  
 171.14 Lake Nation. This is a onetime appropriation.
- 171.15 **Base Adjustment.** The general fund base  
 171.16 is reduced by \$800,000 in fiscal years 2018  
 171.17 and 2019.
- 171.18 **(f) Children and Community Service Grants** -0- 1,900,000
- 171.19 **White Earth Band of Ojibwe Human**  
 171.20 **Services Initiative Project.** \$1,400,000  
 171.21 in fiscal year 2017 is for a grant to the  
 171.22 White Earth Band of Ojibwe for the direct  
 171.23 implementation and administrative costs of  
 171.24 the White Earth Human Service Initiative  
 171.25 Project authorized under Laws 2011, First  
 171.26 Special Session chapter 9, article 9, section  
 171.27 18.
- 171.28 **Red Lake Nation Human Services**  
 171.29 **Initiative Project.** \$500,000 in fiscal year  
 171.30 2017 is for a grant to the Red Lake Nation for  
 171.31 the direct implementation and administrative  
 171.32 costs of the Red Lake Human Service  
 171.33 Initiative Project authorized under Minnesota

172.1	<u>Statutes, section 256.01, subdivision 2,</u>		
172.2	<u>paragraph (a), clause (7).</u>		
172.3	<b><u>(g) Children and Economic Support Grants</u></b>	<u>-0-</u>	<u>4,769,000</u>
172.4	<b><u>Grants to Counties for Child Care</u></b>		
172.5	<b><u>Inspections.</u></b> \$4,769,000 in fiscal year 2017		
172.6	<u>is for grants to counties to conduct annual</u>		
172.7	<u>inspections of family child care providers</u>		
172.8	<u>licensed under Minnesota Statutes, chapter</u>		
172.9	<u>245A, and Minnesota Rules, chapter 9502.</u>		
172.10	<b><u>(h) Health Care Grants</u></b>	<u>-0-</u>	<u>-0-</u>
172.11	<b><u>(i) Other Long-Term Care Grants</u></b>	<u>-0-</u>	<u>(1,725,000)</u>
172.12	<b><u>(j) Aging and Adult Services Grants</u></b>	<u>-0-</u>	<u>-0-</u>
172.13	<b><u>(k) Deaf and Hard-of-Hearing Grants</u></b>	<u>-0-</u>	<u>-0-</u>
172.14	<b><u>(l) Disabilities Grants</u></b>	<u>-0-</u>	<u>65,000</u>
172.15	<b><u>(m) Adult Mental Health Grants</u></b>	<u>-0-</u>	<u>3,715,000</u>
172.16	<b><u>Community-Based Competency</u></b>		
172.17	<b><u>Restoration.</u></b> \$1,000,000 in fiscal year 2017		
172.18	<u>is for adult mental health grants for planning</u>		
172.19	<u>and development of local, community-based</u>		
172.20	<u>competency restoration services. The</u>		
172.21	<u>base appropriation in fiscal year 2018 is</u>		
172.22	<u>\$1,000,000. The base appropriation in fiscal</u>		
172.23	<u>year 2019 is \$0.</u>		
172.24	<b><u>Forensic Assertive Community Treatment.</u></b>		
172.25	<u>\$200,000 in fiscal year 2017 is for adult</u>		
172.26	<u>mental health grants under Minnesota</u>		
172.27	<u>Statutes, section 256B.0622, subdivision 12,</u>		
172.28	<u>to establish new forensic assertive community</u>		
172.29	<u>treatment teams. The base appropriation in</u>		
172.30	<u>fiscal year 2018 is \$1,000,000. The base</u>		
172.31	<u>appropriation in fiscal year 2019 is \$0.</u>		
172.32	<b><u>Crisis Housing Assistance Program.</u></b> The		
172.33	<u>general fund appropriation for the crisis</u>		

173.1 housing assistance program is reduced by  
 173.2 \$300,000 in fiscal year 2017. The general  
 173.3 fund appropriation is increased by \$300,000  
 173.4 in fiscal year 2017 for expanding eligibility  
 173.5 to include persons with serious mental illness  
 173.6 in article 4, section 3.

173.7 **Base Adjustment.** The general fund base is  
 173.8 increased by \$200,000 in fiscal year 2018 and  
 173.9 is reduced by \$1,000,000 in fiscal year 2019.

173.10 **(n) Child Mental Health Grants** -0- -0-

173.11 **Child and Adolescent Behavioral Health**  
 173.12 **Services Grant.** \$1,500,000 in fiscal year  
 173.13 2018 and \$1,500,000 in fiscal year 2019  
 173.14 from the general fund is for children's mental  
 173.15 health grants under Minnesota Statutes,  
 173.16 section 245.4889, subdivision 1, paragraph  
 173.17 (a), clause (17).

173.18 **Base Adjustment.** The general fund base is  
 173.19 increased by \$1,500,000 in fiscal years 2018  
 173.20 and 2019.

173.21 **(o) Chemical Dependency Treatment Support**  
 173.22 **Grants** -0- 800,000

173.23 **Community Addiction Recovery**  
 173.24 **Enterprise Brainerd.** \$800,000 in fiscal  
 173.25 year 2017 is from the general fund for  
 173.26 a grant to a tribal provider to transition  
 173.27 the state-operated Chemical Additional  
 173.28 Recovery Enterprise (C.A.R.E.) program in  
 173.29 Brainerd.

173.30 **Base Adjustment.** The general fund base is  
 173.31 reduced by \$400,000 in fiscal year 2018 and  
 173.32 \$600,000 in fiscal year 2019. In fiscal year  
 173.33 2020, the base for this appropriation shall be  
 173.34 \$0.

174.1 Subd. 5. DCT State-Operated Services174.2 (a) DCT State-Operated Services Mental  
174.3 Health

1,256,000

42,680,000

174.4 \$14,000,000 in fiscal year 2017 is from the  
 174.5 general fund to restore funds transferred  
 174.6 to the enterprise fund for state-operated  
 174.7 community services in fiscal year 2016. This  
 174.8 is a onetime appropriation.

174.9 State-Operated Services Operating174.10 Adjustment. \$1,256,000 in fiscal year174.11 2016 and \$2,888,000 in fiscal year 2017 is174.12 for state-operated services mental health174.13 services operating adjustments. Fiscal year174.14 2016 funding is available the day following174.15 final enactment.174.16 Base Adjustment. The general fund base is174.17 reduced by \$11,156,000 in fiscal year 2018174.18 and \$12,586,000 in fiscal year 2019.174.19 (b) DCT State-Operated Services Enterprise  
174.20 Services

-0-

17,665,000

174.21 State-Operated Community Services.174.22 \$16,275,000 in fiscal year 2017 is from174.23 the general fund for the Minnesota174.24 state-operated community services program.174.25 The commissioner must transfer \$16,275,000174.26 in fiscal year 2017 to the enterprise fund174.27 for Minnesota state-operated community174.28 services. Of this amount, \$14,000,000 is a174.29 onetime appropriation.174.30 Community Addiction Recovery174.31 Enterprise Brainerd. \$1,390,000 in fiscal174.32 year 2017 is from the general fund to be174.33 used to ready the site of the Chemical174.34 Additional Recovery Enterprise (C.A.R.E.)174.35 program located in Brainerd and pay staff

175.1 separation costs associated with transitioning  
 175.2 the program to a tribal provider. The  
 175.3 commissioner must transfer \$1,390,000 in  
 175.4 fiscal year 2017 to the enterprise fund for  
 175.5 C.A.R.E.

175.6 **Base Adjustment.** The general fund base is  
 175.7 reduced by \$14,709,000 in fiscal year 2018  
 175.8 and \$16,334,000 in fiscal year 2019.

175.9 <b><u>(c) DCT State-Operated Services Minnesota</u></b>		
175.10 <b><u>Security Hospital</u></b>	<u>2,200,000</u>	<u>32,106,000</u>

175.11 **Competency Restoration Program.**  
 175.12 \$6,564,000 in fiscal year 2017 is from the  
 175.13 general fund for the development of a new  
 175.14 residential competency restoration program  
 175.15 to be operated by state-operated forensic  
 175.16 services.

175.17 **State-Operated Services Operating**  
 175.18 **Adjustment.** \$2,200,000 in fiscal year 2016  
 175.19 and \$3,302,000 in fiscal year 2017 from the  
 175.20 general fund is for state-operated services  
 175.21 forensic services operating adjustments.

175.22 Fiscal year 2016 funding is available the day  
 175.23 following final enactment.

175.24 **Base Adjustment.** The general fund base is  
 175.25 increased by \$13,066,000 in fiscal year 2018  
 175.26 and \$28,190,000 in fiscal year 2019.

175.27 <b><u>Subd. 6. DCT Minnesota Sex Offender</u></b>		
175.28 <b><u>Program</u></b>	<u>3,395,000</u>	<u>10,245,000</u>

175.29 **Minnesota Sex Offender Program**  
 175.30 **Operating Adjustment.** \$3,395,000 in fiscal  
 175.31 year 2016 and \$4,669,000 in fiscal year 2017  
 175.32 are from the general fund for the Minnesota  
 175.33 sex offender program operating adjustments.  
 175.34 Fiscal year 2016 funding is available the day  
 175.35 following final enactment.

176.1 **Base Adjustment.** The general fund base is  
 176.2 reduced by \$1,837,000 in fiscal years 2018  
 176.3 and 2019.

176.4 **Subd. 7. Technical Activities** -0- (23,660,000)

176.5 This appropriation is from the federal TANF  
 176.6 fund.

176.7 **Base Adjustment.** The TANF base is  
 176.8 reduced by \$442,000 in fiscal year 2018 and  
 176.9 by \$621,000 in fiscal year 2019.

176.10 **Sec. 3. COMMISSIONER OF HEALTH**

176.11 **Subdivision 1. Total Appropriation** **\$ -0- \$ 11,511,000**

176.12	<u>Appropriations by Fund</u>		
176.13		<u>2016</u>	<u>2017</u>
176.14	<u>General</u>	<u>-0-</u>	<u>11,011,000</u>
176.15	<u>Health Care Access</u>	<u>-0-</u>	<u>500,000</u>

176.16 The appropriation modifications for  
 176.17 each purpose are shown in the following  
 176.18 subdivisions.

176.19 **Subd. 2. Health Improvement**

176.20	<u>Appropriations by Fund</u>		
176.21	<u>General</u>	<u>-0-</u>	<u>10,781,000</u>
176.22	<u>Health Care Access</u>	<u>-0-</u>	<u>500,000</u>

176.23 **Evidence-Based Home Visiting.**  
 176.24 \$10,731,000 of the general fund appropriation  
 176.25 in fiscal year 2017 is for evidence-based  
 176.26 home visiting services for pregnant and  
 176.27 parenting teens.

176.28 **Medical Cannabis Patient Registry.**  
 176.29 \$50,000 of the general fund appropriation in  
 176.30 fiscal year 2017 is for updates to the medical  
 176.31 cannabis patient registry. This is a onetime  
 176.32 appropriation.



177.1 **Health Care System Study.** The health care  
 177.2 access fund appropriation is for a health care  
 177.3 system study. This is a onetime appropriation  
 177.4 and is available until June 30, 2018.

177.5 **Base-Level Adjustments.** The general fund  
 177.6 base is increased by \$8,829,000 in fiscal year  
 177.7 2018 and \$17,714,000 in fiscal year 2019.

177.8 **Subd. 3. Health Protection** -0- 230,000

177.9 This appropriation is for administration of  
 177.10 the drinking water revolving fund.

177.11 Sec. 4. **HEALTH-RELATED BOARDS**

177.12 **Subdivision 1. Total Appropriation** \$ 195,000 \$ 255,000

177.13 This appropriation is from the state  
 177.14 government special revenue fund.

177.15 **Subd. 2. Board of Dentistry** (850,000) (864,000)

177.16 **Subd. 3. Board of Marriage and Family**  
 177.17 **Therapy** 40,000 50,000

177.18 **Subd. 4. Board of Pharmacy** 115,000 145,000

177.19 **Subd. 5. Board of Physical Therapy** 890,000 924,000

177.20 **Health Professional Services Program.** Of  
 177.21 this appropriation, \$850,000 in fiscal year  
 177.22 2016 and \$864,000 in fiscal year 2017 are  
 177.23 from the state government special revenue  
 177.24 fund for the health professional services  
 177.25 program.

177.26 Sec. 5. **OMBUDSMAN FOR MENTAL**  
 177.27 **HEALTH AND DEVELOPMENTAL**  
 177.28 **DISABILITIES** \$ 100,000 \$ 250,000

177.29 Sec. 6. Laws 2013, chapter 108, article 14, section 2, subdivision 1, as amended by  
 177.30 Laws 2014, chapter 312, article 31, section 3, is amended to read:

177.31 **Subdivision 1. Total Appropriation** \$ 6,437,815,000 \$ 6,456,311,000

178.1	Appropriations by Fund	
178.2	2014	2015
178.3	General	5,654,095,000 5,676,652,000
178.4	State Government	
178.5	Special Revenue	4,099,000 4,510,000
178.6	Health Care Access	519,816,000 518,446,000
178.7	Federal TANF	257,915,000 254,813,000
178.8	Lottery Prize Fund	1,890,000 1,890,000

178.9 **Receipts for Systems Projects.**

178.10 Appropriations and federal receipts for  
 178.11 information systems projects for MAXIS,  
 178.12 PRISM, MMIS, and SSIS must be deposited  
 178.13 in the state system account authorized  
 178.14 in Minnesota Statutes, section 256.014.  
 178.15 Money appropriated for computer projects  
 178.16 approved by the commissioner of Minnesota  
 178.17 information technology services, funded  
 178.18 by the legislature, and approved by the  
 178.19 commissioner of management and budget,  
 178.20 may be transferred from one project to  
 178.21 another and from development to operations  
 178.22 as the commissioner of human services  
 178.23 considers necessary. Any unexpended  
 178.24 balance in the appropriation for these  
 178.25 projects does not cancel but is available for  
 178.26 ongoing development and operations.

178.27 **Nonfederal Share Transfers.** The  
 178.28 nonfederal share of activities for which  
 178.29 federal administrative reimbursement is  
 178.30 appropriated to the commissioner may be  
 178.31 transferred to the special revenue fund.

178.32 **ARRA Supplemental Nutrition Assistance**  
 178.33 **Benefit Increases.** The funds provided for  
 178.34 food support benefit increases under the  
 178.35 Supplemental Nutrition Assistance Program  
 178.36 provisions of the American Recovery and  
 178.37 Reinvestment Act (ARRA) of 2009 must be

179.1 used for benefit increases beginning July 1,  
179.2 2009.

179.3 **Supplemental Nutrition Assistance**

179.4 **Program Employment and Training.**

179.5 (1) Notwithstanding Minnesota Statutes,  
179.6 sections 256D.051, subdivisions 1a, 6b,  
179.7 and 6c, and 256J.626, federal Supplemental  
179.8 Nutrition Assistance employment and  
179.9 training funds received as reimbursement of  
179.10 MFIP consolidated fund grant expenditures  
179.11 for diversionary work program participants  
179.12 and child care assistance program  
179.13 expenditures must be deposited in the general  
179.14 fund. The amount of funds must be limited to  
179.15 \$4,900,000 per year in fiscal years 2014 and  
179.16 2015, and to \$4,400,000 ~~per year~~ in fiscal  
179.17 ~~years~~ year 2016 ~~and 2017~~, contingent on  
179.18 approval by the federal Food and Nutrition  
179.19 Service.

179.20 (2) Notwithstanding Minnesota Statutes,  
179.21 sections 256D.051, subdivisions 1a, 6b, and  
179.22 6c, and 256J.626, in fiscal year 2017, up to  
179.23 \$4,400,000 in federal Supplemental Nutrition  
179.24 Assistance employment and training  
179.25 funds received as reimbursement of MFIP  
179.26 consolidated fund grant expenditures for  
179.27 diversionary work program participants and  
179.28 child care assistance program expenditures  
179.29 is appropriated to the commissioner of  
179.30 human services to expand the Supplemental  
179.31 Nutrition Assistance Program Employment  
179.32 and Training Program, including  
179.33 administrative costs, contingent on approval  
179.34 by the federal Food and Nutrition Service.

180.1 ~~(2)~~ (3) Consistent with the receipt of the  
180.2 federal funds, the commissioner may  
180.3 adjust the level of working family credit  
180.4 expenditures claimed as TANF maintenance  
180.5 of effort. Notwithstanding any contrary  
180.6 provision in this article, this rider expires  
180.7 June 30, 2017.

180.8 **TANF Maintenance of Effort.** (a) In order  
180.9 to meet the basic maintenance of effort  
180.10 (MOE) requirements of the TANF block grant  
180.11 specified under Code of Federal Regulations,  
180.12 title 45, section 263.1, the commissioner may  
180.13 only report nonfederal money expended for  
180.14 allowable activities listed in the following  
180.15 clauses as TANF/MOE expenditures:

180.16 (1) MFIP cash, diversionary work program,  
180.17 and food assistance benefits under Minnesota  
180.18 Statutes, chapter 256J;

180.19 (2) the child care assistance programs  
180.20 under Minnesota Statutes, sections 119B.03  
180.21 and 119B.05, and county child care  
180.22 administrative costs under Minnesota  
180.23 Statutes, section 119B.15;

180.24 (3) state and county MFIP administrative  
180.25 costs under Minnesota Statutes, chapters  
180.26 256J and 256K;

180.27 (4) state, county, and tribal MFIP  
180.28 employment services under Minnesota  
180.29 Statutes, chapters 256J and 256K;

180.30 (5) expenditures made on behalf of legal  
180.31 noncitizen MFIP recipients who qualify for  
180.32 the MinnesotaCare program under Minnesota  
180.33 Statutes, chapter 256L;

181.1 (6) qualifying working family credit  
181.2 expenditures under Minnesota Statutes,  
181.3 section 290.0671;

181.4 (7) qualifying Minnesota education credit  
181.5 expenditures under Minnesota Statutes,  
181.6 section 290.0674; and

181.7 (8) qualifying Head Start expenditures under  
181.8 Minnesota Statutes, section 119A.50.

181.9 (b) The commissioner shall ensure that  
181.10 sufficient qualified nonfederal expenditures  
181.11 are made each year to meet the state's  
181.12 TANF/MOE requirements. For the activities  
181.13 listed in paragraph (a), clauses (2) to  
181.14 (8), the commissioner may only report  
181.15 expenditures that are excluded from the  
181.16 definition of assistance under Code of  
181.17 Federal Regulations, title 45, section 260.31.

181.18 (c) For fiscal years beginning with state fiscal  
181.19 year 2003, the commissioner shall ensure  
181.20 that the maintenance of effort used by the  
181.21 commissioner of management and budget  
181.22 for the February and November forecasts  
181.23 required under Minnesota Statutes, section  
181.24 16A.103, contains expenditures under  
181.25 paragraph (a), clause (1), equal to at least 16  
181.26 percent of the total required under Code of  
181.27 Federal Regulations, title 45, section 263.1.

181.28 (d) The requirement in Minnesota Statutes,  
181.29 section 256.011, subdivision 3, that federal  
181.30 grants or aids secured or obtained under that  
181.31 subdivision be used to reduce any direct  
181.32 appropriations provided by law, do not apply  
181.33 if the grants or aids are federal TANF funds.

181.34 (e) For the federal fiscal years beginning on  
181.35 or after October 1, 2007, the commissioner

182.1 may not claim an amount of TANF/MOE in  
182.2 excess of the 75 percent standard in Code  
182.3 of Federal Regulations, title 45, section  
182.4 263.1(a)(2), except:

182.5 (1) to the extent necessary to meet the 80  
182.6 percent standard under Code of Federal  
182.7 Regulations, title 45, section 263.1(a)(1),  
182.8 if it is determined by the commissioner  
182.9 that the state will not meet the TANF work  
182.10 participation target rate for the current year;

182.11 (2) to provide any additional amounts  
182.12 under Code of Federal Regulations, title 45,  
182.13 section 264.5, that relate to replacement of  
182.14 TANF funds due to the operation of TANF  
182.15 penalties; and

182.16 (3) to provide any additional amounts that  
182.17 may contribute to avoiding or reducing  
182.18 TANF work participation penalties through  
182.19 the operation of the excess MOE provisions  
182.20 of Code of Federal Regulations, title 45,  
182.21 section 261.43(a)(2).

182.22 (f) For the purposes of paragraph (e), clauses  
182.23 (1) to (3), the commissioner may supplement  
182.24 the MOE claim with working family credit  
182.25 expenditures or other qualified expenditures  
182.26 to the extent such expenditures are otherwise  
182.27 available after considering the expenditures  
182.28 allowed in this subdivision and ~~subdivisions~~  
182.29 subdivision 2 and 3.

182.30 ~~(f)~~ (g) Notwithstanding any contrary  
182.31 provision in this article, paragraphs (a) to (e)  
182.32 expire June 30, ~~2017~~ 2019.

182.33 **Working Family Credit Expenditures**  
182.34 **as TANF/MOE.** The commissioner may  
182.35 claim as TANF maintenance of effort up to

183.1 \$6,707,000 per year of working family credit  
 183.2 expenditures in each fiscal year.

183.3 Sec. 7. Laws 2015, chapter 71, article 14, section 2, subdivision 1, is amended to read:

183.4 Subdivision 1. **Total Appropriation** \$ 7,236,563,000 \$ 7,443,496,000

		Appropriations by Fund	
		2016	2017
183.5			
183.6			
183.7	General	5,903,939,000	6,448,469,000
183.8	State Government		
183.9	Special Revenue	4,514,000	4,274,000
183.10	Health Care Access	1,059,147,000	725,326,000
183.11	Federal TANF	267,070,000	263,531,000
183.12	Lottery Prize	1,893,000	1,896,000

183.13 **Receipts for Systems Projects.**

183.14 Appropriations and federal receipts for  
 183.15 information systems projects for MAXIS,  
 183.16 PRISM, MMIS, ISDS, and SSIS must  
 183.17 be deposited in the state systems account  
 183.18 authorized in Minnesota Statutes, section  
 183.19 256.014. Money appropriated for computer  
 183.20 projects approved by the commissioner  
 183.21 of the Office of MN.IT Services, funded  
 183.22 by the legislature, and approved by the  
 183.23 commissioner of management and budget  
 183.24 may be transferred from one project to  
 183.25 another and from development to operations  
 183.26 as the commissioner of human services  
 183.27 considers necessary. Any unexpended  
 183.28 balance in the appropriation for these  
 183.29 projects does not cancel but is available for  
 183.30 ongoing development and operations.

183.31 **TANF Maintenance of Effort.** (a) In order  
 183.32 to meet the basic maintenance of effort  
 183.33 (MOE) requirements of the TANF block grant  
 183.34 specified under Code of Federal Regulations,  
 183.35 title 45, section 263.1, the commissioner may  
 183.36 only report nonfederal money expended for

184.1 allowable activities listed in the following  
184.2 clauses as TANF/MOE expenditures:

184.3 (1) MFIP cash, diversionary work program,  
184.4 and food assistance benefits under Minnesota  
184.5 Statutes, chapter 256J;

184.6 (2) the child care assistance programs  
184.7 under Minnesota Statutes, sections 119B.03  
184.8 and 119B.05, and county child care  
184.9 administrative costs under Minnesota  
184.10 Statutes, section 119B.15;

184.11 (3) state and county MFIP administrative  
184.12 costs under Minnesota Statutes, chapters  
184.13 256J and 256K;

184.14 (4) state, county, and tribal MFIP  
184.15 employment services under Minnesota  
184.16 Statutes, chapters 256J and 256K;

184.17 (5) expenditures made on behalf of legal  
184.18 noncitizen MFIP recipients who qualify for  
184.19 the MinnesotaCare program under Minnesota  
184.20 Statutes, chapter 256L;

184.21 (6) qualifying working family credit  
184.22 expenditures under Minnesota Statutes,  
184.23 section 290.0671; and

184.24 (7) qualifying Minnesota education credit  
184.25 expenditures under Minnesota Statutes,  
184.26 section 290.0674.

184.27 (b) The commissioner shall ensure that  
184.28 sufficient qualified nonfederal expenditures  
184.29 are made each year to meet the state's  
184.30 TANF/MOE requirements. For the activities  
184.31 listed in paragraph (a), clauses (2) to  
184.32 (7), the commissioner may only report  
184.33 expenditures that are excluded from the



185.1 definition of assistance under Code of  
185.2 Federal Regulations, title 45, section 260.31.

185.3 (c) For fiscal years beginning with state  
185.4 fiscal year 2003, the commissioner shall  
185.5 ensure that the maintenance of effort used  
185.6 by the commissioner of management and  
185.7 budget for the February and November  
185.8 forecasts required under Minnesota Statutes,  
185.9 section 16A.103, contains expenditures  
185.10 under paragraph (a), clause (1), equal to at  
185.11 least 13 percent in fiscal year 2017 and at  
185.12 least 16 percent beginning in fiscal year 2018  
185.13 of the total required under Code of Federal  
185.14 Regulations, title 45, section 263.1.

185.15 (d) The requirement in Minnesota Statutes,  
185.16 section 256.011, subdivision 3, that federal  
185.17 grants or aids secured or obtained under that  
185.18 subdivision be used to reduce any direct  
185.19 appropriations provided by law, does not  
185.20 apply if the grants or aids are federal TANF  
185.21 funds.

185.22 (e) For the federal fiscal years beginning on  
185.23 or after October 1, 2007, the commissioner  
185.24 may not claim an amount of TANF/MOE in  
185.25 excess of the 75 percent standard in Code  
185.26 of Federal Regulations, title 45, section  
185.27 263.1(a)(2), except:

185.28 (1) to the extent necessary to meet the 80  
185.29 percent standard under Code of Federal  
185.30 Regulations, title 45, section 263.1(a)(1),  
185.31 if it is determined by the commissioner  
185.32 that the state will not meet the TANF work  
185.33 participation target rate for the current year;

185.34 (2) to provide any additional amounts  
185.35 under Code of Federal Regulations, title 45,

186.1 section 264.5, that relate to replacement of  
 186.2 TANF funds due to the operation of TANF  
 186.3 penalties; and

186.4 (3) to provide any additional amounts that  
 186.5 may contribute to avoiding or reducing  
 186.6 TANF work participation penalties through  
 186.7 the operation of the excess MOE provisions  
 186.8 of Code of Federal Regulations, title 45,  
 186.9 section 261.43(a)(2).

186.10 (f) For the purposes of paragraph (e), clauses  
 186.11 (1) to (3), the commissioner may supplement  
 186.12 the MOE claim with working family credit  
 186.13 expenditures or other qualified expenditures  
 186.14 to the extent such expenditures are otherwise  
 186.15 available after considering the expenditures  
 186.16 allowed in this subdivision and subdivision 2.

186.17 (g) Notwithstanding any contrary provision  
 186.18 in this article, paragraphs (a) to (f) expire  
 186.19 June 30, 2019.

186.20 **Working Family Credit Expenditure**  
 186.21 **as TANF/MOE.** The commissioner may  
 186.22 claim as TANF maintenance of effort up to  
 186.23 \$6,707,000 per year of working family credit  
 186.24 expenditures in each fiscal year.

186.25 Sec. 8. Laws 2015, chapter 71, article 14, section 4, subdivision 3, is amended to read:

186.26 Subd. 3. <b>Board of Dentistry</b>	2,192,000	2,206,000
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186.27 ~~This appropriation includes \$864,000 in fiscal~~  
 186.28 ~~year 2016 and \$878,000 in fiscal year 2017~~  
 186.29 ~~for the health professional services program.~~

186.30 Sec. 9. **EXPIRATION OF UNCODIFIED LANGUAGE.**

186.31 All uncodified language contained in this article expires on June 30, 2017, unless a  
 186.32 different expiration date is explicit.

187.1 Sec. 10. **EFFECTIVE DATE.**

187.2 This article is effective the day following final enactment.

APPENDIX  
Article locations in 16-7093

ARTICLE 1	HEALTH CARE .....	Page.Ln 2.25
ARTICLE 2	CHILDREN AND FAMILIES .....	Page.Ln 18.7
ARTICLE 3	CONTINUING CARE .....	Page.Ln 108.17
ARTICLE 4	MENTAL HEALTH .....	Page.Ln 128.1
ARTICLE 5	OPERATIONS .....	Page.Ln 139.9
ARTICLE 6	DIRECT CARE AND TREATMENT .....	Page.Ln 143.18
ARTICLE 7	HEALTH DEPARTMENT .....	Page.Ln 158.7
ARTICLE 8	HEALTH-RELATED LICENSING BOARDS .....	Page.Ln 165.21
ARTICLE 9	HUMAN SERVICES FORECAST ADJUSTMENTS .....	Page.Ln 166.8
ARTICLE 10	HEALTH AND HUMAN SERVICES APPROPRIATIONS .....	Page.Ln 167.20

**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.