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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **2910**

03/15/2023

Authored by Pinto

The bill was read for the first time and referred to the Committee on Children and Families Finance and Policy

1.1 A bill for an act

1.2 relating to families; modifying provisions governing child care, child safety and

1.3 permanency, child support, economic assistance, deep poverty, housing and

1.4 homelessness, behavioral health, the medical education and research cost account,

1.5 MinnesotaCare, the Tribal Elder Office, background studies, and licensing; making

1.6 forecast adjustments; making technical and conforming changes; allocating funds

1.7 for a specific purpose; establishing certain grants; requiring reports; transferring

1.8 money; appropriating money; amending Minnesota Statutes 2022, sections

1.9 119B.011, subdivisions 2, 5, 13, 19a; 119B.025, subdivision 4; 119B.03,

1.10 subdivision 4a; 119B.125, subdivisions 1, 1a, 1b, 2, 3, 4, 6, 7; 119B.13, subdivisions

1.11 1, 6; 119B.16, subdivisions 1c, 3; 119B.161, subdivisions 2, 3; 119B.19, subdivision

1.12 7; 245C.04, subdivision 1; 245C.05, subdivision 4; 245C.17, subdivision 6;

1.13 245C.23, subdivision 2; 256.046, subdivision 3; 256.983, subdivision 5; 256D.03,

1.14 by adding a subdivision; 256D.63, subdivision 2; 256E.34, subdivision 4; 256E.35,

1.15 subdivisions 1, 2, 3, 4a, 6, 7; 256I.03, subdivision 13; 256I.06, subdivisions 6, 8,

1.16 by adding a subdivision; 256J.08, subdivisions 71, 79; 256J.21, subdivisions 3, 4;

1.17 256J.33, subdivisions 1, 2; 256J.37, subdivisions 3, 3a; 256J.95, subdivision 19;

1.18 256P.01, by adding a subdivision; 256P.02, subdivision 2, by adding a subdivision;

1.19 256P.04, subdivisions 4, 8; 256P.06, subdivision 3; 256P.07, subdivisions 1, 2, 3,

1.20 4, 6, 7, by adding subdivisions; 260.761, subdivision 2; 260C.007, subdivision 14;

1.21 260C.451, by adding subdivisions; 260C.452, by adding a subdivision; 260C.605,

1.22 subdivision 1, by adding a subdivision; 260C.704; 260E.01; 260E.02, subdivision

1.23 1; 260E.03, subdivision 22, by adding subdivisions; 260E.14, subdivisions 2, 5;

1.24 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions

1.25 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; 518A.31; 518A.32,

1.26 subdivisions 3, 4; 518A.34; 518A.41; 518A.42, subdivisions 1, 3; 518A.65;

1.27 518A.77; Laws 2021, First Special Session chapter 7, article 16, section 2,

1.28 subdivision 32, as amended; proposing coding for new law in Minnesota Statutes,

1.29 chapters 119B; 256; 256D; 256E; 256K; 256P; 260; repealing Minnesota Statutes

1.30 2022, sections 119B.03, subdivision 4; 245C.11, subdivision 3; 256.8799; 256.9864;

1.31 256J.08, subdivisions 10, 53, 61, 62, 81, 83; 256J.30, subdivisions 5, 7, 8; 256J.33,

1.32 subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10.

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

2.2 **ARTICLE 1**

2.3 **CHILD CARE**

2.4 Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 2, is amended to read:

2.5 Subd. 2. **Applicant.** "Child care fund applicants" means all parents; stepparents; legal
 2.6 guardians; ~~or~~; eligible relative caregivers ~~who are~~; relative custodians who accepted a transfer
 2.7 of permanent legal and physical custody of a child under section 260C.515, subdivision 4,
 2.8 or similar permanency disposition in Tribal code; successor custodians or guardians as
 2.9 established by section 256N.22, subdivision 10; or foster parents providing care to a child
 2.10 placed in a family foster home under section 260C.007, subdivision 16b. Applicants must
 2.11 be members of the family and reside in the household that applies for child care assistance
 2.12 under the child care fund.

2.13 **EFFECTIVE DATE.** This section is effective August 25, 2024.

2.14 Sec. 2. Minnesota Statutes 2022, section 119B.011, subdivision 5, is amended to read:

2.15 Subd. 5. **Child care.** "Child care" means the care of a child by someone other than a
 2.16 parent; stepparent; legal guardian; eligible relative caregiver; relative custodian who
 2.17 accepted a transfer of permanent legal and physical custody of a child under section
 2.18 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor
 2.19 custodian or guardian as established according to section 256N.22, subdivision 10; foster
 2.20 parent providing care to a child placed in a family foster home under section 260C.007,
 2.21 subdivision 16b; or the spouses spouse of any of the foregoing in or outside the child's own
 2.22 home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

2.23 **EFFECTIVE DATE.** This section is effective August 25, 2024.

2.24 Sec. 3. Minnesota Statutes 2022, section 119B.011, subdivision 13, is amended to read:

2.25 Subd. 13. **Family.** "Family" means parents; stepparents; guardians and their spouses;
 2.26 ~~or~~; other eligible relative caregivers and their spouses; relative custodians who accepted a
 2.27 transfer of permanent legal and physical custody of a child under section 260C.515,
 2.28 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
 2.29 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
 2.30 foster parents providing care to a child placed in a family foster home under section
 2.31 260C.007, subdivision 16b, and their spouses; and ~~their blood-related~~ the blood-related

3.1 dependent children and adoptive siblings under the age of 18 years living in the same home
 3.2 ~~including~~ as any of the above. Family includes children temporarily absent from the
 3.3 household in settings such as schools, foster care, and residential treatment facilities ~~or~~
 3.4 ~~parents, stepparents, guardians and their spouses, or other relative caregivers and their~~
 3.5 ~~spouses~~ and adults temporarily absent from the household in settings such as schools, military
 3.6 service, or rehabilitation programs. An adult family member who is not in an authorized
 3.7 activity under this chapter may be temporarily absent for up to 60 days. When a minor
 3.8 parent or parents and his, her, or their child or children are living with other relatives, and
 3.9 the minor parent or parents apply for a child care subsidy, "family" means only the minor
 3.10 parent or parents and their child or children. An adult age 18 or older who meets this
 3.11 definition of family and is a full-time high school or postsecondary student may be considered
 3.12 a dependent member of the family unit if 50 percent or more of the adult's support is provided
 3.13 by the ~~parents;~~ ~~stepparents;~~ ~~guardians and their spouses;~~ relative custodians who accepted
 3.14 a transfer of permanent legal and physical custody of a child under section 260C.515,
 3.15 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
 3.16 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
 3.17 foster parents providing care to a child placed in a family foster home under section
 3.18 260C.007, subdivision 16b, and their spouses; or eligible relative caregivers and their spouses
 3.19 residing in the same household.

3.20 **EFFECTIVE DATE.** This section is effective August 25, 2024.

3.21 Sec. 4. Minnesota Statutes 2022, section 119B.011, subdivision 19a, is amended to read:

3.22 Subd. 19a. **Registration.** "Registration" means the process used by ~~a county~~ the
 3.23 commissioner to determine whether the provider selected by a family applying for or
 3.24 receiving child care assistance to care for that family's children meets the requirements
 3.25 necessary for payment of child care assistance for care provided by that provider. The
 3.26 commissioner shall create a process for statewide registration by April 28, 2025.

3.27 Sec. 5. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

3.28 Subd. 4a. ~~Temporary reprioritization~~ **Funding priorities.** (a) ~~Notwithstanding~~
 3.29 ~~subdivision 4~~ In the event that inadequate funding necessitates the use of waiting lists,
 3.30 priority for child care assistance under the basic sliding fee assistance program shall be
 3.31 determined according to this subdivision beginning July 1, 2021, through May 31, 2024.

3.32 (b) First priority must be given to eligible non-MFIP families who do not have a high
 3.33 school diploma or commissioner of education-selected high school equivalency certification

4.1 or who need remedial and basic skill courses in order to pursue employment or to pursue
 4.2 education leading to employment and who need child care assistance to participate in the
 4.3 education program. This includes student parents as defined under section 119B.011,
 4.4 subdivision 19b. Within this priority, the following subpriorities must be used:

4.5 (1) child care needs of minor parents;

4.6 (2) child care needs of parents under 21 years of age; and

4.7 (3) child care needs of other parents within the priority group described in this paragraph.

4.8 (c) Second priority must be given to families in which at least one parent is a veteran,
 4.9 as defined under section 197.447.

4.10 (d) Third priority must be given to eligible families who do not meet the specifications
 4.11 of paragraph (b), (c), (e), or (f).

4.12 (e) Fourth priority must be given to families who are eligible for portable basic sliding
 4.13 fee assistance through the portability pool under subdivision 9.

4.14 (f) Fifth priority must be given to eligible families receiving services under section
 4.15 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
 4.16 year, or if the parents are no longer receiving or eligible for DWP supports.

4.17 (g) Families under paragraph (f) must be added to the basic sliding fee waiting list on
 4.18 the date they complete their transition year under section 119B.011, subdivision 20.

4.19 **EFFECTIVE DATE.** This section is effective July 1, 2023.

4.20 Sec. 6. Minnesota Statutes 2022, section 119B.125, subdivision 1, is amended to read:

4.21 Subdivision 1. **Authorization.** ~~A county or~~ The commissioner must authorize the provider
 4.22 chosen by an applicant or a participant before the county can authorize payment for care
 4.23 provided by that provider. The commissioner must establish the requirements necessary for
 4.24 authorization of providers. A provider must be reauthorized every two years. ~~A legal,~~
 4.25 ~~nonlicensed family child care provider also must be reauthorized when another person over~~
 4.26 ~~the age of 13 joins the household, a current household member turns 13, or there is reason~~
 4.27 ~~to believe that a household member has a factor that prevents authorization. The provider~~
 4.28 ~~is required to report all family changes that would require reauthorization. When a provider~~
 4.29 ~~has been authorized for payment for providing care for families in more than one county,~~
 4.30 ~~the county responsible for reauthorization of that provider is the county of the family with~~
 4.31 ~~a current authorization for that provider and who has used the provider for the longest length~~
 4.32 ~~of time.~~

5.1 Sec. 7. Minnesota Statutes 2022, section 119B.125, subdivision 1a, is amended to read:

5.2 Subd. 1a. **Background study required.** (a) This subdivision only applies to legal,
5.3 nonlicensed family child care providers.

5.4 (b) Prior to authorization, ~~and as part of each reauthorization required in subdivision 1,~~
5.5 ~~the county~~ the commissioner shall perform a background study on ~~every member of the~~
5.6 ~~provider's household who is age 13 and older. The county shall also perform a background~~
5.7 ~~study on an individual who has reached age ten but is not yet age 13 and is living in the~~
5.8 ~~household where the nonlicensed child care will be provided when the county has reasonable~~
5.9 ~~cause as defined under section 245C.02, subdivision 15~~ individuals identified under section
5.10 245C.02, subdivision 6a.

5.11 (c) After authorization, a background study shall also be performed when an individual
5.12 identified under section 245C.02, subdivision 6a, joins the household. The provider must
5.13 report all family changes that would require a new background study.

5.14 (d) At each reauthorization, the commissioner shall ensure that a background study
5.15 through NETStudy 2.0 has been performed on all individuals in the provider's household
5.16 for whom a background study is required under paragraphs (b) and (c).

5.17 (e) Prior to a background study through NETStudy 2.0 expiring, another background
5.18 study shall be completed on all individuals for whom the background study is expiring.

5.19 Sec. 8. Minnesota Statutes 2022, section 119B.125, subdivision 1b, is amended to read:

5.20 Subd. 1b. **Training required.** ~~(a) Effective November 1, 2011,~~ Prior to initial
5.21 authorization as required in subdivision 1, a legal nonlicensed family child care provider
5.22 must complete first aid and CPR training and provide the verification of first aid and CPR
5.23 training to the ~~county~~ commissioner. The training documentation must have valid effective
5.24 dates as of the date the registration request is submitted to the ~~county~~ commissioner. The
5.25 training must have been provided by an individual approved to provide first aid and CPR
5.26 instruction and have included CPR techniques for infants and children.

5.27 ~~(b) Legal nonlicensed family child care providers with an authorization effective before~~
5.28 ~~November 1, 2011, must be notified of the requirements before October 1, 2011, or at~~
5.29 ~~authorization, and must meet the requirements upon renewal of an authorization that occurs~~
5.30 ~~on or after January 1, 2012.~~

5.31 ~~(e)~~ (b) Upon each reauthorization after the authorization period when the initial first aid
5.32 and CPR training requirements are met, a legal nonlicensed family child care provider must

6.1 provide verification of at least eight hours of additional training listed in the Minnesota
6.2 Center for Professional Development Registry.

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

6.4 **EFFECTIVE DATE.** This section is effective April 28, 2025.

6.5 Sec. 9. Minnesota Statutes 2022, section 119B.125, subdivision 2, is amended to read:

6.6 Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization
6.7 under this section shall collect the information required under section 245C.05, ~~subdivision~~
6.8 ~~4~~, and forward the information to the ~~county~~ agency commissioner. The background study
6.9 must include a review of the information required under section 245C.08, ~~subdivisions 2,~~
6.10 ~~subdivision 3, and 4, paragraph (b).~~

6.11 (b) A legal nonlicensed family child care provider is not authorized under this section
6.12 if:

6.13 (1) the commissioner determines that any household member who is the subject of a
6.14 background study is determined to have a disqualifying characteristic under paragraphs (b)
6.15 to (e) or under section 245C.14 or 245C.15. If a county has determined that a provider is
6.16 able to be authorized in that county, and a family in another county later selects that provider,
6.17 the provider is able to be authorized in the second county without undergoing a new
6.18 background investigation unless one of the following conditions exists: disqualified from
6.19 direct contact with, or from access to, persons served by the program and that disqualification
6.20 has not been set aside or a variance has not been granted under chapter 245C;

6.21 ~~(1) two years have passed since the first authorization;~~

6.22 ~~(2) another person age 13 or older has joined the provider's household since the last~~
6.23 ~~authorization;~~

6.24 ~~(3) a current household member has turned 13 since the last authorization; or~~

6.25 ~~(4) there is reason to believe that a household member has a factor that prevents~~
6.26 ~~authorization.~~

6.27 ~~(b)~~ (2) the person has refused to give written consent for disclosure of criminal history
6.28 records;

6.29 ~~(e)~~ (3) the person has been denied a family child care license ~~or has received a fine or~~
6.30 ~~a sanction as a licensed child care provider that has not been reversed on appeal;~~

7.1 ~~(d)~~ (4) the person has a family child care licensing disqualification that has not been set
7.2 aside; or

7.3 ~~(e)~~ (5) the person has admitted or a county has found that there is a preponderance of
7.4 evidence that fraudulent information was given to the county for child care assistance
7.5 application purposes or was used in submitting child care assistance bills for payment.

7.6 **EFFECTIVE DATE.** This section is effective April 28, 2025.

7.7 Sec. 10. Minnesota Statutes 2022, section 119B.125, subdivision 3, is amended to read:

7.8 Subd. 3. **Authorization exception.** When ~~a county~~ the commissioner denies a person
7.9 authorization as a legal nonlicensed family child care provider under subdivision 2, the
7.10 ~~county commissioner~~ later may authorize that person as a provider if the following conditions
7.11 are met:

7.12 (1) after receiving notice of the denial of the authorization, the person applies for and
7.13 obtains a valid child care license issued under chapter 245A, issued by a tribe, or issued by
7.14 another state;

7.15 (2) the person maintains the valid child care license; and

7.16 (3) the person is providing child care in the state of licensure or in the area under the
7.17 jurisdiction of the licensing tribe.

7.18 **EFFECTIVE DATE.** This section is effective April 28, 2025.

7.19 Sec. 11. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

7.20 Subd. 4. **Unsafe care.** ~~A county~~ The commissioner may deny authorization as a child
7.21 care provider to any applicant or rescind authorization of any provider when ~~the~~ a county
7.22 or commissioner knows or has reason to believe that the provider is unsafe or that the
7.23 circumstances of the chosen child care arrangement are unsafe. ~~The county must include~~
7.24 ~~the conditions under which a provider or care arrangement will be determined to be unsafe~~
7.25 ~~in the county's child care fund plan under section 119B.08, subdivision 3~~ commissioner
7.26 shall introduce statewide criteria for unsafe care by April 28, 2025.

7.27 **EFFECTIVE DATE.** This section is effective April 28, 2025.

7.28 Sec. 12. Minnesota Statutes 2022, section 119B.125, subdivision 6, is amended to read:

7.29 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers
7.30 receiving child care assistance payments must:

8.1 (1) keep accurate and legible daily attendance records at the site where services are
8.2 delivered for children receiving child care assistance; and

8.3 (2) make those records available immediately to the county or the commissioner upon
8.4 request. Any records not provided to a county or the commissioner at the date and time of
8.5 the request are deemed inadmissible if offered as evidence by the provider in any proceeding
8.6 to contest an overpayment or disqualification of the provider.

8.7 (b) As a condition of payment, attendance records must be completed daily and include
8.8 the date, the first and last name of each child in attendance, and the times when each child
8.9 is dropped off and picked up. To the extent possible, the times that the child was dropped
8.10 off to and picked up from the child care provider must be entered by the person dropping
8.11 off or picking up the child. The daily attendance records must be retained at the site where
8.12 services are delivered for six years after the date of service.

8.13 (c) ~~A county or the commissioner may deny or revoke a provider's authorization to~~
8.14 ~~receive child care assistance payments under section 119B.13, subdivision 6, paragraph (d),~~
8.15 ~~pursue a fraud disqualification under section 256.98, take an action against the provider~~
8.16 ~~under chapter 245E, or establish an attendance record overpayment under paragraph (d)~~
8.17 ~~against a current or former provider.~~ When the county or the commissioner knows or has
8.18 reason to believe that the a current or former provider has not complied with the
8.19 record-keeping requirement in this subdivision:

8.20 (1) the commissioner may:

8.21 (i) deny or revoke a provider's authorization to receive child care assistance payments
8.22 under section 119B.13, subdivision 6, paragraph (d);

8.23 (ii) pursue an administrative disqualification under sections 256.046, subdivision 3, and
8.24 256.98; or

8.25 (iii) take an action against the provider under chapter 245E; or

8.26 (2) a county or the commissioner may establish an attendance record overpayment under
8.27 paragraph (d).

8.28 (d) To calculate an attendance record overpayment under this subdivision, the
8.29 commissioner or county agency shall subtract the maximum daily rate from the total amount
8.30 paid to a provider for each day that a child's attendance record is missing, unavailable,
8.31 incomplete, inaccurate, or otherwise inadequate.

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

9.1 **EFFECTIVE DATE.** This section is effective April 28, 2025.

9.2 Sec. 13. Minnesota Statutes 2022, section 119B.125, subdivision 7, is amended to read:

9.3 Subd. 7. **Failure to comply with attendance record requirements.** (a) In establishing
9.4 an overpayment claim for failure to provide attendance records in compliance with
9.5 subdivision 6, the county or commissioner is limited to the six years prior to the date the
9.6 county or the commissioner requested the attendance records.

9.7 (b) The commissioner or county may periodically audit child care providers to determine
9.8 compliance with subdivision 6.

9.9 (c) When the commissioner or county establishes an overpayment claim against a current
9.10 or former provider, the commissioner or county must provide notice of the claim to the
9.11 provider. A notice of overpayment claim must specify the reason for the overpayment, the
9.12 authority for making the overpayment claim, the time period in which the overpayment
9.13 occurred, the amount of the overpayment, and the provider's right to appeal.

9.14 (d) The commissioner or county shall seek to recoup or recover overpayments paid to
9.15 a current or former provider.

9.16 (e) When a provider has been disqualified or convicted of fraud under section 256.98,
9.17 theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent
9.18 billing for a program administered by the commissioner or a county, recoupment or recovery
9.19 must be sought regardless of the amount of overpayment.

9.20 **EFFECTIVE DATE.** This section is effective April 28, 2025.

9.21 Sec. 14. Minnesota Statutes 2022, section 119B.13, subdivision 1, is amended to read:

9.22 Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~November 15, 2021~~ October 30,
9.23 2023, the maximum rate paid for child care assistance in any county or county price cluster
9.24 under the child care fund shall be:

9.25 ~~(1) for all infants and toddlers, the greater of the 40th 75th~~ percentile of the 2021 child
9.26 care provider rate survey or the rates in effect at the time of the update; ~~and~~.

9.27 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
9.28 ~~2021 child care provider rate survey or the rates in effect at the time of the update.~~

9.29 (b) Beginning the first full service period on or after January 1, 2025, and every three
9.30 years thereafter, the maximum rate paid for child care assistance in a county or county price
9.31 cluster under the child care fund shall be:

10.1 ~~(1) for all infants and toddlers, the greater of the 40th 75th percentile of the 2024 most~~
10.2 ~~recent child care provider rate survey or the rates in effect at the time of the update; and.~~

10.3 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
10.4 ~~2024 child care provider rate survey or the rates in effect at the time of the update.~~

10.5 The rates under paragraph (a) continue until the rates under this paragraph go into effect.

10.6 (c) For a child care provider located within the boundaries of a city located in two or
10.7 more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child
10.8 care assistance shall be equal to the maximum rate paid in the county with the highest
10.9 maximum reimbursement rates or the provider's charge, whichever is less. The commissioner
10.10 may: (1) assign a county with no reported provider prices to a similar price cluster; and (2)
10.11 consider county level access when determining final price clusters.

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

10.14 (e) The department shall monitor the effect of this paragraph on provider rates. The
10.15 county shall pay the provider's full charges for every child in care up to the maximum
10.16 established. The commissioner shall determine the maximum rate for each type of care on
10.17 an hourly, full-day, and weekly basis, including special needs and disability care.

10.18 (f) If a child uses one provider, the maximum payment for one day of care must not
10.19 exceed the daily rate. The maximum payment for one week of care must not exceed the
10.20 weekly rate.

10.21 (g) If a child uses two providers under section 119B.097, the maximum payment must
10.22 not exceed:

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

10.24 (2) the weekly rate for one week of care by the child's primary provider; and

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

10.26 (h) Child care providers receiving reimbursement under this chapter must not be paid
10.27 activity fees or an additional amount above the maximum rates for care provided during
10.28 nonstandard hours for families receiving assistance.

10.29 (i) If the provider charge is greater than the maximum provider rate allowed, the parent
10.30 is responsible for payment of the difference in the rates in addition to any family co-payment
10.31 fee.

11.1 (j) Beginning October 30, 2023, the maximum registration fee paid for child care
 11.2 assistance in any county or county price cluster under the child care fund shall be set as
 11.3 follows: ~~(1) beginning November 15, 2021~~, the greater of the ~~40th~~ 75th percentile of the
 11.4 ~~2021~~ most recent child care provider rate survey or the registration fee in effect at the time
 11.5 of the update; ~~and (2) beginning the first full service period on or after January 1, 2025~~, the
 11.6 ~~maximum registration fee shall be the greater of the 40th percentile of the 2024 child care~~
 11.7 ~~provider rate survey or the registration fee in effect at the time of the update. The registration~~
 11.8 ~~fees under clause (1) continue until the registration fees under clause (2) go into effect.~~

11.9 (k) Maximum registration fees must be set for licensed family child care and for child
 11.10 care centers. For a child care provider located in the boundaries of a city located in two or
 11.11 more of the counties of Benton, Sherburne, and Stearns, the maximum registration fee paid
 11.12 for child care assistance shall be equal to the maximum registration fee paid in the county
 11.13 with the highest maximum registration fee or the provider's charge, whichever is less.

11.14 Sec. 15. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

11.15 Subd. 6. **Provider payments.** (a) A provider shall bill only for services documented
 11.16 according to section 119B.125, subdivision 6. The provider shall bill for services provided
 11.17 within ten days of the end of the service period. Payments under the child care fund shall
 11.18 be made within 21 days of receiving a complete bill from the provider. Counties or the state
 11.19 may establish policies that make payments on a more frequent basis.

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

11.28 (c) If a provider provided care for a time period without receiving an authorization of
 11.29 care and a billing form for an eligible family, payment of child care assistance may only be
 11.30 made retroactively for a maximum of three months from the date the provider is issued an
 11.31 authorization of care and a billing form. For a family at application, if a provider provided
 11.32 child care during a time period without receiving an authorization of care and a billing form,
 11.33 a county may only make child care assistance payments to the provider retroactively from
 11.34 the date that child care began, or from the date that the family's eligibility began under

12.1 section 119B.09, subdivision 7, or from the date that the family meets authorization
 12.2 requirements, not to exceed six months from the date that the provider is issued an
 12.3 authorization of care and a billing form, whichever is later.

12.4 (d) ~~A county or~~ The commissioner may refuse to issue a child care authorization to a
 12.5 certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization
 12.6 to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified,
 12.7 licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified,
 12.8 licensed, or legal nonlicensed provider if:

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

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

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

12.16 (4) the provider is operating after:

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

12.18 (ii) an order of revocation of the provider's license issued by the commissioner; or

12.19 (iii) an order of decertification issued to the provider;

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

12.22 (6) the provider gives false child care price information; or

12.23 (7) the provider fails to report decreases in a child's attendance as required under section
 12.24 119B.125, subdivision 9.

12.25 (e) For purposes of paragraph (d), clauses (3), (5), (6), and (7), ~~the county or the~~
 12.26 commissioner may withhold the provider's authorization or payment for a period of time
 12.27 not to exceed three months beyond the time the condition has been corrected.

12.28 (f) A county's payment policies must be included in the county's child care plan under
 12.29 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
 12.30 compliance with this subdivision, the payments must be made in compliance with section
 12.31 16A.124.

13.1 (g) If the commissioner ~~or responsible county agency~~ suspends or refuses payment to a
 13.2 provider under paragraph (d), clause (1) or (2), or chapter 245E and the provider has:

13.3 (1) a disqualification for wrongfully obtaining assistance under section 256.98,
 13.4 subdivision 8, paragraph (c);

13.5 (2) an administrative disqualification under section 256.046, subdivision 3; or

13.6 (3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or
 13.7 245E.06;

13.8 then the provider forfeits the payment to the commissioner or the responsible county agency,
 13.9 regardless of the amount assessed in an overpayment, charged in a criminal complaint, or
 13.10 ordered as criminal restitution.

13.11 **EFFECTIVE DATE.** This section is effective April 28, 2025.

13.12 Sec. 16. Minnesota Statutes 2022, section 119B.16, subdivision 1c, is amended to read:

13.13 Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision
 13.14 1a, paragraph (b), a county agency or the commissioner must mail written notice to the
 13.15 provider against whom the action is being taken. Unless otherwise specified under this
 13.16 chapter, chapter 245E, or Minnesota Rules, chapter 3400, a county agency or the
 13.17 commissioner must mail the written notice at least 15 calendar days before the adverse
 13.18 action's effective date.

13.19 (b) The notice shall state (1) the factual basis for the county agency or department's
 13.20 determination, (2) the action the county agency or department intends to take, (3) the dollar
 13.21 amount of the monetary recovery or recoupment, if known, and (4) the provider's right to
 13.22 appeal the department's proposed action.

13.23 **EFFECTIVE DATE.** This section is effective April 28, 2025.

13.24 Sec. 17. Minnesota Statutes 2022, section 119B.16, subdivision 3, is amended to read:

13.25 Subd. 3. **Fair hearing stayed.** (a) If ~~a county agency or~~ the commissioner denies or
 13.26 revokes a provider's authorization based on a licensing action under section 245A.07, and
 13.27 the provider appeals, the provider's fair hearing must be stayed until the commissioner issues
 13.28 an order as required under section 245A.08, subdivision 5.

13.29 (b) If the commissioner denies or revokes a provider's authorization based on
 13.30 decertification under section 245H.07, and the provider appeals, the provider's fair hearing
 13.31 must be stayed until the commissioner issues a final order as required under section 245H.07.

14.1 **EFFECTIVE DATE.** This section is effective April 28, 2025.

14.2 Sec. 18. Minnesota Statutes 2022, section 119B.161, subdivision 2, is amended to read:

14.3 Subd. 2. **Notice.** (a) ~~A county agency or~~ The commissioner must mail written notice to
14.4 a provider within five days of suspending payment or denying or revoking the provider's
14.5 authorization under subdivision 1.

14.6 (b) The notice must:

14.7 (1) state the provision under which ~~a county agency or~~ the commissioner is denying,
14.8 revoking, or suspending the provider's authorization or suspending payment to the provider;

14.9 (2) set forth the general allegations leading to the denial, revocation, or suspension of
14.10 the provider's authorization. The notice need not disclose any specific information concerning
14.11 an ongoing investigation;

14.12 (3) state that the denial, revocation, or suspension of the provider's authorization is for
14.13 a temporary period and explain the circumstances under which the action expires; and

14.14 (4) inform the provider of the right to submit written evidence and argument for
14.15 consideration by the commissioner.

14.16 (c) Notwithstanding Minnesota Rules, part 3400.0185, if ~~a county agency or~~ the
14.17 commissioner suspends payment to a provider under chapter 245E or denies or revokes a
14.18 provider's authorization under section 119B.13, subdivision 6, paragraph (d), clause (1) or
14.19 (2), a county agency or the commissioner must send notice of service authorization closure
14.20 to each affected family. The notice sent to an affected family is effective on the date the
14.21 notice is created.

14.22 **EFFECTIVE DATE.** This section is effective April 28, 2025.

14.23 Sec. 19. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

14.24 Subd. 3. **Duration.** If a provider's payment is suspended under chapter 245E or a
14.25 provider's authorization is denied or revoked under section 119B.13, subdivision 6, paragraph
14.26 (d), clause (1) or (2), the provider's denial, revocation, temporary suspension, or payment
14.27 suspension remains in effect until:

14.28 (1) the commissioner or a law enforcement authority determines that there is insufficient
14.29 evidence warranting the action and ~~a county agency or~~ the commissioner does not pursue
14.30 an additional administrative remedy under chapter 245E or section 256.98; or

15.1 (2) all criminal, civil, and administrative proceedings related to the provider's alleged
 15.2 misconduct conclude and any appeal rights are exhausted.

15.3 **EFFECTIVE DATE.** This section is effective April 28, 2025.

15.4 Sec. 20. Minnesota Statutes 2022, section 119B.19, subdivision 7, is amended to read:

15.5 Subd. 7. **Child care resource and referral programs.** Within each region, a child care
 15.6 resource and referral program must:

15.7 (1) maintain one database of all existing child care resources and services and one
 15.8 database of family referrals;

15.9 (2) provide a child care referral service for families;

15.10 (3) develop resources to meet the child care service needs of families;

15.11 (4) increase the capacity to provide culturally responsive child care services;

15.12 (5) coordinate professional development opportunities for child care and school-age
 15.13 care providers;

15.14 (6) administer and award child care services grants;

15.15 (7) cooperate with the Minnesota Child Care Resource and Referral Network and its
 15.16 member programs to develop effective child care services and child care resources; ~~and~~

15.17 (8) assist in fostering coordination, collaboration, and planning among child care programs
 15.18 and community programs such as school readiness, Head Start, early childhood family
 15.19 education, local interagency early intervention committees, early childhood screening,
 15.20 special education services, and other early childhood care and education services and
 15.21 programs that provide flexible, family-focused services to families with young children to
 15.22 the extent possible.;

15.23 (9) administer the child care one-stop regional assistance network to assist child care
 15.24 providers and individuals interested in becoming child care providers with establishing and
 15.25 sustaining a licensed family child care or group family child care program or a child care
 15.26 center; and

15.27 (10) provide supports that enable economically challenged individuals to obtain the jobs
 15.28 skills training, career counseling, and job placement assistance necessary to begin a career
 15.29 path in child care.

16.1 Sec. 21. [119B.27] CHILD CARE RETENTION PROGRAM.

16.2 Subdivision 1. Establishment. A child care retention program is established to provide
16.3 eligible child care programs with payments to improve access to child care in Minnesota
16.4 and to strengthen the ability of child care programs to recruit and retain qualified early
16.5 educators to work in child care programs. The child care retention program shall be
16.6 administered by the commissioner of human services.

16.7 Subd. 2. Eligible programs. (a) The following programs are eligible to receive child
16.8 care retention payments under this section:

16.9 (1) family and group family child care homes licensed under Minnesota Rules, chapter
16.10 9502;

16.11 (2) child care centers licensed under Minnesota Rules, chapter 9503;

16.12 (3) certified license-exempt child care centers under chapter 245H;

16.13 (4) Tribally licensed child care programs; and

16.14 (5) other programs as determined by the commissioner.

16.15 (b) To be eligible, programs must not be:

16.16 (1) the subject of a finding of fraud for which the program or individual is currently
16.17 -serving a penalty or exclusion;

16.18 (2) the subject of suspended, denied, or terminated payments to a provider under section
16.19 256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02,
16.20 subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;

16.21 (3) prohibited from receiving public funds under section 245.095, regardless of whether
16.22 the action is under appeal; or

16.23 (4) under license revocation, suspension, temporary immediate suspension, or
16.24 decertification, regardless of whether the action is under appeal.

16.25 Subd. 3. Requirements. (a) As a condition of payment, all providers receiving retention
16.26 payments under this section must:

16.27 (1) complete an application developed by the commissioner for each payment period
16.28 for which the eligible program applies for funding;

16.29 (2) attest and agree in writing that the program intends to remain operating and serving
16.30 a minimum number of children, as determined by the commissioner, for the duration of the
16.31 payment period, with the exceptions of:

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

17.5 (ii) planned temporary closures for provider vacation and holidays during each payment
17.6 period. The maximum allowed duration of vacations and holidays must be established by
17.7 the commissioner.

17.8 (b) Funds received under this section must be expended by a provider no later than six
17.9 months after the date the payment was received.

17.10 (c) Recipients must comply with all requirements listed in the application under this
17.11 section. Methods for demonstrating that requirements have been met shall be determined
17.12 by the commissioner.

17.13 (d) Recipients must keep accurate and legible records of the following at the site where
17.14 services are delivered:

17.15 (1) use of money;

17.16 (2) attendance records. Daily attendance records must be completed every day and
17.17 include the date, the first and last name of each child in attendance, and the times when
17.18 each child is dropped off and picked up. To the extent possible, the times that the child was
17.19 dropped off and picked up from the child care provider must be entered by the person
17.20 dropping off or picking up the child; and

17.21 (3) staff employment, compensation, and benefits records. Employment, compensation,
17.22 and benefits records must include time sheets or other records of daily hours worked and
17.23 documentation of compensation and benefits.

17.24 (e) The requirement to document compensation and benefits only applies to family child
17.25 care providers if retention payment funds are used for compensation and benefits.

17.26 (f) All records must be retained at the site where services are delivered for six years after
17.27 the date of receipt of payment and be made immediately available to the commissioner upon
17.28 request. Any records not provided to the commissioner at the date and time of the request
17.29 are deemed inadmissible if offered as evidence by a provider in any proceeding to contest
17.30 an overpayment or disqualification of the provider.

17.31 (g) Recipients that fail to meet the requirements under this section are subject to
17.32 discontinuation of future installment payments, recovery of overpayments, and actions under
17.33 chapter 245E. Except when based on a finding of fraud, actions to establish an overpayment

18.1 must be made within six years of receipt of the payments. Once an overpayment is
18.2 established, collection may continue until funds have been repaid in full. The appeal process
18.3 under section 119B.16 applies to actions taken for failure to meet the requirements of this
18.4 section.

18.5 Subd. 4. **Providing payments.** (a) The commissioner shall provide retention payments
18.6 under this section to all eligible programs on a noncompetitive basis.

18.7 (b) The commissioner shall award retention payments to all eligible programs. The
18.8 payment amounts shall be based on the number of full-time equivalent staff who regularly
18.9 care for children in the program, including any employees, sole proprietors, or independent
18.10 contractors.

18.11 (c) One full-time equivalent is defined as an individual caring for children 32 hours per
18.12 week. An individual can count as more or less than one full-time equivalent staff, but as no
18.13 more than two full-time equivalent staff.

18.14 (d) The amount awarded per full-time equivalent individual caring for children for each
18.15 payment type must be established by the commissioner.

18.16 (e) Payments must be increased by 25 percent for providers receiving payments through
18.17 the child care assistance programs under section 119B.03 or 119B.05 or early learning
18.18 scholarships under section 124D.165 or whose program is located in a child care access
18.19 equity area. Child care access equity areas are areas with low access to child care, high
18.20 poverty rates, high unemployment rates, low home ownership rates, and low median
18.21 household incomes. The commissioner must develop a method for establishing child care
18.22 access equity areas.

18.23 (f) The commissioner shall make payments to eligible programs under this section in
18.24 the form, frequency, and manner established by the commissioner.

18.25 Subd. 5. **Eligible uses of money.** (a) Recipients that are child care centers licensed under
18.26 Minnesota Rules, chapter 9503; certified license-exempt child care centers under chapter
18.27 245H; or Tribally licensed child care centers must use money provided under this section
18.28 to pay for increases in compensation, benefits, premium pay, or additional federal taxes
18.29 assessed on the compensation of employees as a result of paying increased compensation
18.30 or premium pay to all paid employees or independent contractors regularly caring for
18.31 children. The increases in this paragraph must occur no less frequently than once per year.

19.1 (b) Recipients that are family and group family child care homes licensed under
 19.2 Minnesota Rules, chapter 9502, or are Tribally licensed family child care homes shall use
 19.3 money provided under this section for one or more of the following uses:

19.4 (1) paying personnel costs, such as payroll, salaries, or similar compensation; employee
 19.5 benefits; premium pay; or employee recruitment and retention for an employee, including
 19.6 a sole proprietor or an independent contractor;

19.7 (2) paying rent, including rent under a lease agreement, or making payments on any
 19.8 mortgage obligation, utilities, facility maintenance or improvements, or insurance;

19.9 (3) purchasing or updating equipment, supplies, goods, or services;

19.10 (4) providing mental health supports for children; or

19.11 (5) purchasing training or other professional development.

19.12 Subd. 6. **Legal nonlicensed child care provider payments.** (a) Legal nonlicensed child
 19.13 care providers, as defined in section 119B.011, subdivision 16, may be eligible to apply for
 19.14 a payment of up to \$500 for costs incurred before the first month when payments from the
 19.15 child care assistance program are issued.

19.16 (b) Payments must be used on one or more of the following eligible activities to meet
 19.17 child care assistance program requirements under sections 119B.03 and 119B.05:

19.18 (1) purchasing or updating equipment, supplies, goods, or services; or

19.19 (2) purchasing training or other professional development.

19.20 (c) The commissioner shall determine the form and manner of the application for a
 19.21 payment under this subdivision.

19.22 Subd. 7. **Carryforward authority.** Funds appropriated under this section are available
 19.23 until expended.

19.24 Subd. 8. **Report.** By January 1 each year, the commissioner must report to the chairs
 19.25 and ranking minority members of the legislative committees with jurisdiction over child
 19.26 care the number of payments provided to recipients and outcomes of the retention payment
 19.27 program since the last report. This subdivision expires January 31, 2033.

19.28 Sec. 22. **[119B.28] SHARED SERVICES GRANTS.**

19.29 (a) The commissioner of human services shall establish a grant program to distribute
 19.30 funds for the planning, establishment, expansion, improvement, or operation of shared
 19.31 services alliances to allow family child care providers to achieve economies of scale. The

20.1 commissioner must develop a process to fund organizations to operate shared services
20.2 alliances that includes application forms, timelines, and standards for renewal. For purposes
20.3 of this section, "shared services alliances" means networks of licensed family child care
20.4 providers that share services to reduce costs and achieve efficiencies.

20.5 (b) Programs eligible to be a part of the shared services alliances supported through this
20.6 grant program include:

20.7 (1) family child care or group family child care homes licensed under Minnesota Rules,
20.8 chapter 9502;

20.9 (2) Tribally licensed family child care or group family child care; and

20.10 (3) individuals in the process of starting a family child care or group family child care
20.11 home.

20.12 (c) Eligible applicants include public entities and private for-profit and nonprofit
20.13 organizations.

20.14 (d) Grantees shall use the grant funds to deliver one or more of the following services:

20.15 (1) pooling the management of payroll and benefits, banking, janitorial services, food
20.16 services, and other operations;

20.17 (2) shared administrative staff for tasks such as record keeping and reporting for programs
20.18 such as the child care assistance program, Head Start, the child and adult care food program,
20.19 and early learning scholarships;

20.20 (3) coordination of bulk purchasing;

20.21 (4) management of a substitute pool;

20.22 (5) support for implementing shared curriculum and assessments;

20.23 (6) mentoring child care provider participants to improve business practices;

20.24 (7) provision of and training in child care management software to simplify processes
20.25 such as enrollment, billing, and tracking expenditures;

20.26 (8) support for a group of providers sharing one or more physical spaces within a larger
20.27 building; or

20.28 (9) other services as determined by the commissioner.

20.29 (e) The commissioner must develop a process by which grantees will report to the
20.30 Department of Human Services on activities funded by the grant.

21.1 **EFFECTIVE DATE.** This section is effective July 1, 2023.

21.2 Sec. 23. **[119B.29] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY**
 21.3 **GRANTS.**

21.4 (a) The commissioner of human services shall distribute money provided by this section
 21.5 through grants to one or more organizations to offer grants or other supports to child care
 21.6 providers for technology intended to improve the providers' business practices. The
 21.7 commissioner must develop a process to fund organizations to provide technology supports
 21.8 that includes application forms, timelines, reporting requirements, and standards for renewal.

21.9 (b) Programs eligible to be supported through this grant program include:

21.10 (1) child care centers licensed under Minnesota Rules, chapter 9503;

21.11 (2) family or group family child care homes licensed under Minnesota Rules, chapter
 21.12 9502; and

21.13 (3) Tribally licensed centers, family child care, and group family child care.

21.14 (c) Eligible applicants include public entities and private for-profit and nonprofit
 21.15 organizations with the ability to develop technology products for child care business
 21.16 management or offer training, technical assistance, coaching, or other supports for child
 21.17 care providers to use technology products for child care business management.

21.18 (d) Grantees shall use the grant funds, either directly or through grants to providers, for
 21.19 one or more of the following purposes:

21.20 (1) the purchase of computers or mobile devices for use in business management;

21.21 (2) access to the Internet through the provision of necessary hardware such as routers
 21.22 or modems or by covering the costs of monthly fees for Internet access;

21.23 (3) covering the costs of subscription to child care management software;

21.24 (4) covering the costs of training in the use of technology for business management
 21.25 purposes; and

21.26 (5) other services as determined by the commissioner.

21.27 Sec. 24. Minnesota Statutes 2022, section 245C.04, subdivision 1, is amended to read:

21.28 Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner
 21.29 shall conduct a background study of an individual required to be studied under section
 21.30 245C.03, subdivision 1, at least upon application for initial license for all license types.

22.1 (b) The commissioner shall conduct a background study of an individual required to be
 22.2 studied under section 245C.03, subdivision 1, including a child care background study
 22.3 subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed
 22.4 child care center, certified license-exempt child care center, or legal nonlicensed child care
 22.5 provider, on a schedule determined by the commissioner. Except as provided in section
 22.6 245C.05, subdivision 5a, a child care background study must include submission of
 22.7 fingerprints for a national criminal history record check and a review of the information
 22.8 under section 245C.08. A background study for a child care program must be repeated
 22.9 within five years from the most recent study conducted under this paragraph.

22.10 (c) At reauthorization or when a new background study is needed under section 119B.125,
 22.11 subdivision 1a, for a legal nonlicensed child care provider authorized under chapter 119B:

22.12 (1) for a background study affiliated with a legal nonlicensed child care provider, the
 22.13 individual shall provide information required under section 245C.05, subdivision 1,
 22.14 paragraphs (a), (b), and (d), to the commissioner and be fingerprinted and photographed
 22.15 under section 245C.05, subdivision 5; and

22.16 (2) the commissioner shall verify the information received under clause (1) and submit
 22.17 the request in NETStudy 2.0 to complete the background study.

22.18 ~~(e)~~ (d) At reapplication for a family child care license:

22.19 (1) for a background study affiliated with a licensed family child care center ~~or legal~~
 22.20 ~~nonlicensed child care provider~~, the individual shall provide information required under
 22.21 section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be
 22.22 fingerprinted and photographed under section 245C.05, subdivision 5;

22.23 (2) the county agency shall verify the information received under clause (1) and forward
 22.24 the information to the commissioner and submit the request in NETStudy 2.0 to complete
 22.25 the background study; and

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

22.28 ~~(d)~~ (e) The commissioner is not required to conduct a study of an individual at the time
 22.29 of reapplication for a license if the individual's background study was completed by the
 22.30 commissioner of human services and the following conditions are met:

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

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

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

23.4 ~~(e)~~ (f) The commissioner of human services shall conduct a background study of an
23.5 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6),
23.6 who is newly affiliated with a child foster family setting license holder:

23.7 (1) the county or private agency shall collect and forward to the commissioner the
23.8 information required under section 245C.05, subdivisions 1 and 5, when the child foster
23.9 family setting applicant or license holder resides in the home where child foster care services
23.10 are provided; and

23.11 (2) the background study conducted by the commissioner of human services under this
23.12 paragraph must include a review of the information required under section 245C.08,
23.13 subdivisions 1, 3, and 4.

23.14 ~~(f)~~ (g) The commissioner shall conduct a background study of an individual specified
23.15 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated
23.16 with an adult foster care or family adult day services and with a family child care license
23.17 holder or a legal nonlicensed child care provider authorized under chapter 119B and:

23.18 (1) except as provided in section 245C.05, subdivision 5a, the county shall collect and
23.19 forward to the commissioner the information required under section 245C.05, subdivision
23.20 1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted
23.21 by the commissioner for all family adult day services, for adult foster care when the adult
23.22 foster care license holder resides in the adult foster care residence, and for family child care
23.23 and legal nonlicensed child care authorized under chapter 119B;

23.24 (2) the license holder shall collect and forward to the commissioner the information
23.25 required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs
23.26 (a) and (b), for background studies conducted by the commissioner for adult foster care
23.27 when the license holder does not reside in the adult foster care residence; and

23.28 (3) the background study conducted by the commissioner under this paragraph must
23.29 include a review of the information required under section 245C.08, subdivision 1, paragraph
23.30 (a), and subdivisions 3 and 4.

23.31 ~~(g)~~ (h) Applicants for licensure, license holders, and other entities as provided in this
23.32 chapter must submit completed background study requests to the commissioner using the

24.1 electronic system known as NETStudy before individuals specified in section 245C.03,
 24.2 subdivision 1, begin positions allowing direct contact in any licensed program.

24.3 ~~(h)~~ (i) For an individual who is not on the entity's active roster, the entity must initiate
 24.4 a new background study through NETStudy when:

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

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

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

24.14 ~~(i)~~ (j) For purposes of this section, a physician licensed under chapter 147, advanced
 24.15 practice registered nurse licensed under chapter 148, or physician assistant licensed under
 24.16 chapter 147A is considered to be continuously affiliated upon the license holder's receipt
 24.17 from the commissioner of health or human services of the physician's, advanced practice
 24.18 registered nurse's, or physician assistant's background study results.

24.19 ~~(j)~~ (k) For purposes of family child care, a substitute caregiver must receive repeat
 24.20 background studies at the time of each license renewal.

24.21 ~~(k)~~ (l) A repeat background study at the time of license renewal is not required if the
 24.22 family child care substitute caregiver's background study was completed by the commissioner
 24.23 on or after October 1, 2017, and the substitute caregiver is on the license holder's active
 24.24 roster in NETStudy 2.0.

24.25 ~~(l)~~ (m) Before and after school programs authorized under chapter 119B, are exempt
 24.26 from the background study requirements under section 123B.03, for an employee for whom
 24.27 a background study under this chapter has been completed.

24.28 **EFFECTIVE DATE.** This section is effective April 28, 2025.

24.29 Sec. 25. Minnesota Statutes 2022, section 245C.05, subdivision 4, is amended to read:

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

25.1 (1) background study information to the commissioner;

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

25.3 (3) background study information obtained under this section and section 245C.08 to
 25.4 counties and private agencies for background studies conducted by the commissioner for
 25.5 child foster care, including a summary of nondisqualifying results, except as prohibited by
 25.6 law; and

25.7 (4) background study results to county agencies for background studies conducted by
 25.8 the commissioner for adult foster care and family adult day services and, upon
 25.9 implementation of NETStudy 2.0, family child care ~~and legal nonlicensed child care~~
 25.10 ~~authorized under chapter 119B.~~

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

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

25.18 (d) Section 245C.08, subdivision 3, paragraph (c), applies to results transmitted under
 25.19 this subdivision.

25.20 **EFFECTIVE DATE.** This section is effective April 28, 2025.

25.21 Sec. 26. Minnesota Statutes 2022, section 245C.17, subdivision 6, is amended to read:

25.22 Subd. 6. **Notice to county agency.** For studies on individuals related to a license to
 25.23 provide adult foster care when the applicant or license holder resides in the adult foster care
 25.24 residence and family adult day services and, effective upon implementation of NETStudy
 25.25 2.0, family child care ~~and legal nonlicensed child care authorized under chapter 119B,~~ the
 25.26 commissioner shall also provide a notice of the background study results to the county
 25.27 agency that initiated the background study.

25.28 **EFFECTIVE DATE.** This section is effective April 28, 2025.

25.29 Sec. 27. Minnesota Statutes 2022, section 245C.23, subdivision 2, is amended to read:

25.30 Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The
 25.31 commissioner shall notify the license holder of the disqualification and order the license

26.1 holder to immediately remove the individual from any position allowing direct contact with
26.2 persons receiving services from the license holder if:

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

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

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

26.11 (4) an individual submitted a timely request for a hearing under sections 245C.27 and
26.12 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the
26.13 disqualification under section 245A.08, subdivision 5, or 256.045.

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

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

26.27 (d) For background studies related to child foster care when the applicant or license
26.28 holder resides in the home where services are provided, the commissioner shall also notify
26.29 the county or private agency that initiated the study of the results of the reconsideration.

26.30 (e) For background studies related to family child care, ~~legal nonlicensed child care,~~
26.31 adult foster care programs when the applicant or license holder resides in the home where
26.32 services are provided, and family adult day services, the commissioner shall also notify the
26.33 county that initiated the study of the results of the reconsideration.

27.1 **EFFECTIVE DATE.** This section is effective April 28, 2025.

27.2 Sec. 28. Minnesota Statutes 2022, section 256.046, subdivision 3, is amended to read:

27.3 Subd. 3. **Administrative disqualification of child care providers caring for children**
27.4 **receiving child care assistance.** (a) The department ~~or local agency~~ shall pursue an
27.5 administrative disqualification, if the child care provider is accused of committing an
27.6 intentional program violation, in lieu of a criminal action when it has not been pursued.
27.7 Intentional program violations include intentionally making false or misleading statements;
27.8 intentionally misrepresenting, concealing, or withholding facts; and repeatedly and
27.9 intentionally violating program regulations under chapters 119B and 245E. Intent may be
27.10 proven by demonstrating a pattern of conduct that violates program rules under chapters
27.11 119B and 245E.

27.12 (b) To initiate an administrative disqualification, ~~a local agency or~~ the commissioner
27.13 must mail written notice by certified mail to the provider against whom the action is being
27.14 taken. Unless otherwise specified under chapter 119B or 245E or Minnesota Rules, chapter
27.15 3400, ~~a local agency or~~ the commissioner must mail the written notice at least 15 calendar
27.16 days before the adverse action's effective date. The notice shall state (1) the factual basis
27.17 for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount
27.18 of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal
27.19 the agency's proposed action.

27.20 (c) The provider may appeal an administrative disqualification by submitting a written
27.21 request to the Department of Human Services, Appeals Division. A provider's request must
27.22 be received by the Appeals Division no later than 30 days after the date ~~a local agency or~~
27.23 the commissioner mails the notice.

27.24 (d) The provider's appeal request must contain the following:

27.25 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the
27.26 dollar amount involved for each disputed item;

27.27 (2) the computation the provider believes to be correct, if applicable;

27.28 (3) the statute or rule relied on for each disputed item; and

27.29 (4) the name, address, and telephone number of the person at the provider's place of
27.30 business with whom contact may be made regarding the appeal.

27.31 (e) On appeal, the issuing agency bears the burden of proof to demonstrate by a
27.32 preponderance of the evidence that the provider committed an intentional program violation.

28.1 (f) The hearing is subject to the requirements of sections 256.045 and 256.0451. The
 28.2 human services judge may combine a fair hearing and administrative disqualification hearing
 28.3 into a single hearing if the factual issues arise out of the same or related circumstances and
 28.4 the provider receives prior notice that the hearings will be combined.

28.5 (g) A provider found to have committed an intentional program violation and is
 28.6 administratively disqualified shall be disqualified, for a period of three years for the first
 28.7 offense and permanently for any subsequent offense, from receiving any payments from
 28.8 any child care program under chapter 119B.

28.9 (h) Unless a timely and proper appeal made under this section is received by the
 28.10 department, the administrative determination of the department is final and binding.

28.11 **EFFECTIVE DATE.** This section is effective April 28, 2025.

28.12 Sec. 29. Minnesota Statutes 2022, section 256.983, subdivision 5, is amended to read:

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

28.18 (b) If, upon investigation, a preponderance of evidence shows a provider committed an
 28.19 intentional program violation, intentionally gave the county or tribe materially false
 28.20 information on the provider's billing forms, provided false attendance records to a county,
 28.21 tribe, or the commissioner, or committed financial misconduct as described in section
 28.22 245E.01, subdivision 8, the county or tribal agency may recommend that the commissioner
 28.23 suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's
 28.24 authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to
 28.25 pursuing other available remedies. ~~The county or tribe must send notice in accordance with~~
 28.26 ~~the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended~~
 28.27 ~~under this section, the payment suspension shall remain in effect until: (1) the commissioner,~~
 28.28 ~~county, tribe, or a law enforcement authority determines that there is insufficient evidence~~
 28.29 ~~warranting the action and a county, tribe, or the commissioner does not pursue an additional~~
 28.30 ~~administrative remedy under chapter 119B or 245E, or section 256.046 or 256.98; or (2)~~
 28.31 ~~all criminal, civil, and administrative proceedings related to the provider's alleged misconduct~~
 28.32 ~~conclude and any appeal rights are exhausted.~~

29.1 ~~(e) For the purposes of this section, an intentional program violation includes intentionally~~
 29.2 ~~making false or misleading statements; intentionally misrepresenting, concealing, or~~
 29.3 ~~withholding facts; and repeatedly and intentionally violating program regulations under~~
 29.4 ~~chapters 119B and 245E.~~

29.5 ~~(d) A provider has the right to administrative review under section 119B.161 if: (1)~~
 29.6 ~~payment is suspended under chapter 245E; or (2) the provider's authorization was denied~~
 29.7 ~~or revoked under section 119B.13, subdivision 6, paragraph (d), clause (2).~~

29.8 **EFFECTIVE DATE.** This section is effective April 28, 2025.

29.9 **Sec. 30. DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE**
 29.10 **STABILIZATION GRANTS.**

29.11 (a) The commissioner of human services must continue providing child care stabilization
 29.12 grants under Laws 2021, First Special Session chapter 7, article 14, section 21, from July
 29.13 1, 2023, through September 30, 2023.

29.14 (b) The commissioner shall award transition child care stabilization grant amounts to
 29.15 all eligible programs. The transition month grant amounts must be based on the number of
 29.16 full-time equivalent staff who regularly care for children in the program, including employees,
 29.17 sole proprietors, or independent contractors. One full-time equivalent staff is defined as an
 29.18 individual caring for children 32 hours per week. An individual can count as more, or less,
 29.19 than one full-time equivalent staff, but as no more than two full-time equivalent staff.

29.20 **Sec. 31. DIRECTION TO COMMISSIONER; INCREASE FOR MAXIMUM CHILD**
 29.21 **CARE ASSISTANCE RATES.**

29.22 Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the
 29.23 commissioner must allocate the additional basic sliding fee child care funds for calendar
 29.24 year 2024 to counties for updated maximum rates based on relative need to cover maximum
 29.25 rate increases. In distributing the additional funds, the commissioner shall consider the
 29.26 following factors by county:

29.27 (1) the number of children;

29.28 (2) the provider type;

29.29 (3) the age of children served; and

29.30 (4) the amount of the increase in maximum rates.

30.1 **Sec. 32. DIRECTION TO COMMISSIONER; ALLOCATING BASIC SLIDING**
 30.2 **FEE FUNDS.**

30.3 Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the
 30.4 commissioner of human services must allocate additional basic sliding fee child care money
 30.5 for calendar year 2025 to counties and Tribes to account for the change in the definition of
 30.6 family in Minnesota Statutes, section 119B.011, in this article. In allocating the additional
 30.7 money, the commissioner shall consider:

30.8 (1) the number of children in the county or Tribe who receive care from a relative
 30.9 custodian who accepted a transfer of permanent legal and physical custody of a child under
 30.10 section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor
 30.11 custodian or guardian as established according to section 256N.22, subdivision 10; or foster
 30.12 parents in a family foster home under section 260C.007, subdivision 16b; and

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

30.14 **Sec. 33. REPEALER.**

30.15 (a) Minnesota Statutes 2022, section 119B.03, subdivision 4, is repealed.

30.16 (b) Minnesota Statutes 2022, section 245C.11, subdivision 3, is repealed.

30.17 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2023. Paragraph (b) is effective
 30.18 April 28, 2025.

30.19 **ARTICLE 2**

30.20 **CHILD SAFETY AND PERMANENCY**

30.21 **Section 1. [256.4791] INDEPENDENT LIVING SKILLS FOR FOSTER YOUTH**
 30.22 **GRANTS.**

30.23 Subdivision 1. **Program established.** The commissioner shall establish direct grants to
 30.24 local social service agencies, Tribes, and other organizations to provide independent living
 30.25 services to eligible foster youth as described under section 260C.452.

30.26 Subd. 2. **Grant awards.** The commissioner shall request proposals and make grants to
 30.27 eligible applicants. The commissioner shall determine the timing and form of the application
 30.28 and the criteria for making grant awards to eligible applicants.

30.29 Subd. 3. **Program reporting.** Grant recipients shall provide the commissioner with a
 30.30 report that describes all of the activities and outcomes of services funded by the grant
 30.31 program in a format and at a time determined by the commissioner.

31.1 Subd. 4. **Undistributed funds.** Undistributed funds must be reallocated by the
 31.2 commissioner for the goals of the grant process. Undistributed funds are available until
 31.3 expended.

31.4 Sec. 2. **[256.4792] SUPPORT BEYOND 21 GRANT PROGRAM.**

31.5 Subdivision 1. **Establishment and authority.** The commissioner shall establish grants
 31.6 to one or more community-based organizations to provide services and financial support
 31.7 to youth eligible for the support beyond 21 program under section 260C.451, subdivision
 31.8 8b.

31.9 Subd. 2. **Distribution of funds by the grantee.** (a) The grantee shall distribute support
 31.10 beyond 21 grant program funds to eligible youth to be used for basic well-being needs and
 31.11 housing as determined solely by the youth.

31.12 (b) The grantee shall distribute support beyond 21 grant funds on a monthly basis for
 31.13 12 months.

31.14 (c) Once a youth has completed the program, the youth must receive a stipend to complete
 31.15 an exit survey on their experiences in the program.

31.16 (d) A grantee may not deny funding to a youth based on any criteria beyond a youth's
 31.17 eligibility for the support beyond 21 program under section 260C.451, subdivision 8b.

31.18 Subd. 3. **Reporting.** The selected grantee must report quarterly to the commissioner of
 31.19 human services in order to receive the quarterly payment. Information to be reported includes:

31.20 (1) a list of eligible youth who have been referred;

31.21 (2) the amount of funds that have been distributed to each youth per month;

31.22 (3) any surveys completed by youth leaving the support beyond 21 program; and

31.23 (4) other data as determined by the commissioner.

31.24 Sec. 3. **[256K.47] MINOR CONNECT GRANT PROGRAM.**

31.25 Subdivision 1. **Grant program established.** The commissioner of human services shall
 31.26 establish a grant program for the development, implementation, and evaluation of services
 31.27 to increase housing stability for unaccompanied minors who are experiencing homelessness
 31.28 or who are at risk of homelessness and not currently receiving child welfare services.

31.29 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section and
 31.30 have the meanings given.

32.1 (b) "Child welfare services" means services provided to children by a local social services
 32.2 agency or a Tribal social services agency.

32.3 (c) "Commissioner" means the commissioner of human services.

32.4 (d) "Community-based provider" means an organization that provides services to
 32.5 unaccompanied minors who are experiencing homelessness or who are at risk of
 32.6 homelessness.

32.7 (e) "Local social services agency" means a local agency under the authority of a county
 32.8 welfare or human services board or county board of commissioners that is responsible for
 32.9 human services.

32.10 (f) "Tribal social services agency" means the unit under the authority of the governing
 32.11 body of a federally recognized Indian Tribe in Minnesota that is responsible for human
 32.12 services.

32.13 (g) "Unaccompanied minor" means a person 17 years of age or younger who is alone
 32.14 without the person's parent or guardian.

32.15 Subd. 3. **Grant eligibility and uses.** (a) Eligible applicants include local social services
 32.16 agencies, Tribal social services agencies, and community-based providers.

32.17 (b) The commissioner must award grants to eligible applicants for the development,
 32.18 implementation, and evaluation of activities and services that increase housing stability for
 32.19 unaccompanied minors who are experiencing homelessness or who are at risk of
 32.20 homelessness and not currently receiving child welfare services. Eligible uses of grant
 32.21 money include:

32.22 (1) identifying and addressing structural factors that contribute to unaccompanied minors
 32.23 who are experiencing homelessness or who are being at risk of homelessness;

32.24 (2) identifying and implementing strategies to reduce racial disparities in service delivery
 32.25 and outcomes for unaccompanied minors who are experiencing homelessness or who are
 32.26 at risk of homelessness;

32.27 (3) providing culturally appropriate services that increase housing stability to an
 32.28 unaccompanied minor. Culturally appropriate services must be based on the minor's cultural
 32.29 values, beliefs, and practices and the cultural values, beliefs, and practices of the minor's
 32.30 family, community, and Tribe;

33.1 (4) using placement and reunification strategies to maintain and support an
 33.2 unaccompanied minor's relationships with the minor's parents, siblings, children, kin,
 33.3 significant others, and Tribe; and

33.4 (5) supporting an unaccompanied minor and the minor's family in the minor's community
 33.5 to safely avoid entering the child welfare system whenever possible.

33.6 (c) The commissioner may give priority to grants that involve collaboration between
 33.7 local social services agencies, Tribal social services agencies, and community-based
 33.8 providers.

33.9 Subd. 4. **Reporting.** Local social services agencies, Tribal social services agencies and
 33.10 community-based agencies must report quarterly to the commissioner:

33.11 (1) the number and identity of unaccompanied minors that the agencies serve who are
 33.12 experiencing homelessness or who are at risk of homelessness;

33.13 (2) the actions that the agency has taken to increase housing stability for unaccompanied
 33.14 minors who are experiencing homelessness or who are at risk of homelessness;

33.15 (3) any patterns identified by the agency that contribute to a lack of housing stability
 33.16 for unaccompanied minors who are experiencing homelessness or who are at risk of
 33.17 homelessness; and

33.18 (4) the changes needed in the community to prevent unaccompanied minors from
 33.19 experiencing homelessness or being at risk of homelessness.

33.20 Sec. 4. **[260.014] FAMILY FIRST PREVENTION AND EARLY INTERVENTION**
 33.21 **ALLOCATION PROGRAM.**

33.22 Subdivision 1. **Authorization.** The commissioner shall establish a program that allocates
 33.23 money to counties and federally recognized Tribes in Minnesota to provide prevention and
 33.24 early intervention services under the Family First Prevention Services Act in Public Law
 33.25 115-123.

33.26 Subd. 2. **Uses.** (a) Money allocated to counties and Tribes may be used for the following
 33.27 purposes:

33.28 (1) to implement or expand any service or program that is included in the state's
 33.29 prevention plan;

33.30 (2) to implement or expand any proposed service or program;

33.31 (3) to implement or expand any existing service or programming; and

34.1 (4) any other use approved by the commissioner.

34.2 A county or a Tribe must use at least ten percent of the allocation to provide services and
 34.3 supports directly to families.

34.4 Subd. 3. **Payments.** (a) The commissioner shall allocate state funds appropriated under
 34.5 this section to each county board or Tribe on a calendar-year basis using a formula established
 34.6 by the commissioner.

34.7 (b) Notwithstanding this subdivision, to the extent that money is available, no county
 34.8 or Tribe shall be allocated less than:

34.9 (1) \$25,000 in calendar year 2024;

34.10 (2) \$50,000 in calendar year 2025; and

34.11 (3) \$75,000 in calendar year 2026 and each year thereafter.

34.12 (c) A county agency or an initiative Tribe must submit a plan and report the use of money
 34.13 as determined by the commissioner.

34.14 (d) The commissioner may distribute money under this section for a two-year period.

34.15 Subd. 4. **Prohibition on supplanting existing funds.** Funds received under this section
 34.16 must be used to address prevention and early intervention staffing, programming, and other
 34.17 activities as determined by the commissioner. Funds must not be used to supplant current
 34.18 county or Tribal expenditures for these purposes.

34.19 Sec. 5. Minnesota Statutes 2022, section 260.761, subdivision 2, is amended to read:

34.20 Subd. 2. **Agency and court notice to tribes.** (a) When a local social services agency
 34.21 has information that a family assessment ~~or~~ investigation, or noncaregiver sex trafficking
 34.22 assessment being conducted may involve an Indian child, the local social services agency
 34.23 shall notify the Indian child's tribe of the family assessment ~~or~~ investigation, or noncaregiver
 34.24 sex trafficking assessment according to section 260E.18. The local social services agency
 34.25 shall provide initial notice ~~shall be provided~~ by telephone and by email or facsimile. The
 34.26 local social services agency shall request that the tribe or a designated tribal representative
 34.27 participate in evaluating the family circumstances, identifying family and tribal community
 34.28 resources, and developing case plans.

34.29 (b) When a local social services agency has information that a child receiving services
 34.30 may be an Indian child, the local social services agency shall notify the tribe by telephone
 34.31 and by email or facsimile of the child's full name and date of birth, the full names and dates
 34.32 of birth of the child's biological parents, and, if known, the full names and dates of birth of

35.1 the child's grandparents and of the child's Indian custodian. This notification must be provided
 35.2 ~~so~~ for the tribe ~~can~~ to determine if the child is enrolled in the tribe or eligible for Tribal
 35.3 ~~membership, and must be provided~~ the agency must provide this notification to the Tribe
 35.4 within seven days of receiving information that the child may be an Indian child. If
 35.5 information regarding the child's grandparents or Indian custodian is not available within
 35.6 the seven-day period, the local social services agency shall continue to request this
 35.7 information and shall notify the tribe when it is received. Notice shall be provided to all
 35.8 tribes to which the child may have any tribal lineage. If the identity or location of the child's
 35.9 parent or Indian custodian and tribe cannot be determined, the local social services agency
 35.10 shall provide the notice required in this paragraph to the United States secretary of the
 35.11 interior.

35.12 (c) In accordance with sections 260C.151 and 260C.152, when a court has reason to
 35.13 believe that a child placed in emergency protective care is an Indian child, the court
 35.14 administrator or a designee shall, as soon as possible and before a hearing takes place, notify
 35.15 the tribal social services agency by telephone and by email or facsimile of the date, time,
 35.16 and location of the emergency protective case hearing. The court shall make efforts to allow
 35.17 appearances by telephone for tribal representatives, parents, and Indian custodians.

35.18 (d) A local social services agency must provide the notices required under this subdivision
 35.19 at the earliest possible time to facilitate involvement of the Indian child's tribe. Nothing in
 35.20 this subdivision is intended to hinder the ability of the local social services agency and the
 35.21 court to respond to an emergency situation. Lack of participation by a tribe shall not prevent
 35.22 the tribe from intervening in services and proceedings at a later date. A tribe may participate
 35.23 in a case at any time. At any stage of the local social services agency's involvement with
 35.24 an Indian child, the agency shall provide full cooperation to the tribal social services agency,
 35.25 including disclosure of all data concerning the Indian child. Nothing in this subdivision
 35.26 relieves the local social services agency of satisfying the notice requirements in the Indian
 35.27 Child Welfare Act.

35.28 **Sec. 6. [260.786] CHILD WELFARE STAFF ALLOCATION FOR TRIBES.**

35.29 Subdivision 1. **Allocations.** The commissioner shall allocate \$80,000 annually to each
 35.30 of Minnesota's federally recognized Tribes that, at the beginning of the fiscal year, have not
 35.31 joined the American Indian Child welfare initiative under section 256.01, subdivision 14b.
 35.32 Tribes not participating in the initiative are: Bois Fort Band of Chippewa, Fond du Lac
 35.33 Band of Lake Superior Chippewa, Grand Portage Band of Lake Superior Chippewa, Lower

36.1 Sioux Indian Community, Prairie Island Indian Community, and Upper Sioux Indian
 36.2 Community.

36.3 Subd. 2. **Purposes.** Funds must be used to address staffing for child protection or child
 36.4 welfare services. Funds must not be used to supplant current Tribal expenditures for these
 36.5 purposes.

36.6 Subd. 3. **Reporting.** By June 1 each year, Tribes receiving these funds shall provide a
 36.7 report to the commissioner. The report shall be written in a manner prescribed by the
 36.8 commissioner and must include an accounting of funds spent, staff hired, job duties, and
 36.9 other information as required by the commissioner.

36.10 Subd. 4. **Redistribution of funds.** If a Tribe joins the American Indian child welfare
 36.11 initiative, the payment for that Tribe shall be distributed equally among the remaining Tribes
 36.12 receiving an allocation under this section.

36.13 Sec. 7. Minnesota Statutes 2022, section 260C.007, subdivision 14, is amended to read:

36.14 Subd. 14. **Egregious harm.** "Egregious harm" means the infliction of bodily harm to a
 36.15 child or neglect of a child which demonstrates a grossly inadequate ability to provide
 36.16 minimally adequate parental care. The egregious harm need not have occurred in the state
 36.17 or in the county where a termination of parental rights action is ~~otherwise properly venued~~
 36.18 has proper venue. Egregious harm includes, but is not limited to:

36.19 (1) conduct ~~towards~~ toward a child that constitutes a violation of sections 609.185 to
 36.20 609.2114, 609.222, subdivision 2, 609.223, or any other similar law of any other state;

36.21 (2) the infliction of "substantial bodily harm" to a child, as defined in section 609.02,
 36.22 subdivision 7a;

36.23 (3) conduct ~~towards~~ toward a child that constitutes felony malicious punishment of a
 36.24 child under section 609.377;

36.25 (4) conduct ~~towards~~ toward a child that constitutes felony unreasonable restraint of a
 36.26 child under section 609.255, subdivision 3;

36.27 (5) conduct ~~towards~~ toward a child that constitutes felony neglect or endangerment of
 36.28 a child under section 609.378;

36.29 (6) conduct ~~towards~~ toward a child that constitutes assault under section 609.221, 609.222,
 36.30 or 609.223;

37.1 (7) conduct ~~towards~~ toward a child that constitutes sex trafficking, solicitation,
 37.2 inducement, ~~or~~ promotion of, or receiving profit derived from prostitution under section
 37.3 609.322;

37.4 (8) conduct ~~towards~~ toward a child that constitutes murder or voluntary manslaughter
 37.5 as defined by United States Code, title 18, section 1111(a) or 1112(a);

37.6 (9) conduct ~~towards~~ toward a child that constitutes aiding or abetting, attempting,
 37.7 conspiring, or soliciting to commit a murder or voluntary manslaughter that constitutes a
 37.8 violation of United States Code, title 18, section 1111(a) or 1112(a); or

37.9 (10) conduct toward a child that constitutes criminal sexual conduct under sections
 37.10 609.342 to 609.345 or sexual extortion under section 609.3458.

37.11 Sec. 8. Minnesota Statutes 2022, section 260C.451, is amended by adding a subdivision
 37.12 to read:

37.13 Subd. 8a. **Transition planing.** (a) For a youth who will be discharged from foster care
 37.14 at 21 years of age or older, the responsible social services agency must develop an individual
 37.15 transition plan as directed by the youth during the 180-day period immediately prior to the
 37.16 youth's expected date of discharge according to section 260C.452, subdivision 4. The youth's
 37.17 individual transition plan may be shared with a contracted agency providing case management
 37.18 services to the youth under section 260C.452.

37.19 (b) As part of transition planning, the responsible social services agency must inform a
 37.20 youth preparing to leave extended foster care of the youth's eligibility for the support beyond
 37.21 21 program under subdivision 8b and must include that program in the individual transition
 37.22 plan for the eligible youth. Consistent with section 13.46, the local social services agency
 37.23 or initiative Tribe must refer a youth to the support beyond 21 program by providing the
 37.24 program with the youth's contact information

37.25 Sec. 9. Minnesota Statutes 2022, section 260C.451, is amended by adding a subdivision
 37.26 to read:

37.27 Subd. 8b. **Support beyond 21 program.** (a) The commissioner shall establish the support
 37.28 beyond 21 program to provide financial assistance to a youth leaving foster care to help
 37.29 ensure that the youth's basic needs are met as the youth transitions into adulthood.

37.30 (b) An individual who has left extended foster care and was discharged at the age of 21
 37.31 under subdivision 3 is eligible for the support beyond 21 program.

38.1 (c) An eligible youth receiving benefits under the support beyond 21 program is also
38.2 eligible for the successful transition to adulthood program under section 260C.452.

38.3 (d) A youth who transitions to adult residential services under section 256B.092 or
38.4 256B.49 or a youth in a correctional facility licensed under section 241.021 is not eligible
38.5 for the support beyond 21 program.

38.6 (e) To the extent that funds are available under section 256.4791, an eligible youth who
38.7 participates in the support beyond 21 program must receive monthly financial assistance
38.8 for 12 months after the youth is discharged from extended foster care under subdivision 3.
38.9 The funds are available to assist the youth in meeting basic well-being and housing needs
38.10 as determined solely by the youth. Monthly payments must be reduced quarterly. Payments
38.11 must be made by a grantee according to the requirements of section 256.4791.

38.12 Sec. 10. Minnesota Statutes 2022, section 260C.452, is amended by adding a subdivision
38.13 to read:

38.14 Subd. 6. **Independent living skills grant program.** (a) The commissioner shall establish
38.15 direct grants to local social service agencies, Tribes, and other community organizations to
38.16 provide independent living services to eligible youth under this section.

38.17 (b)The commissioner shall make allocations, request proposals, and specify the
38.18 information and criteria required for applications to the independent living skills grant
38.19 program.

38.20 Sec. 11. Minnesota Statutes 2022, section 260C.605, subdivision 1, is amended to read:

38.21 Subdivision 1. **Requirements.** (a) Reasonable efforts to finalize the adoption of a child
38.22 under the guardianship of the commissioner shall be made by the responsible social services
38.23 agency responsible for permanency planning for the child. The responsible social services
38.24 agency's reasonable efforts to finalize the adoption of a child under the guardianship of the
38.25 commissioner of human services must be subject to supervision by the commissioner
38.26 pursuant to section 393.07.

38.27 (b) Reasonable efforts to make a placement in a home according to the placement
38.28 considerations under section 260C.212, subdivision 2, with a relative or foster parent who
38.29 will commit to being the permanent resource for the child in the event the child cannot be
38.30 reunified with a parent are required under section 260.012 and may be made concurrently
38.31 with reasonable, or if the child is an Indian child, active efforts to reunify the child with the
38.32 parent.

39.1 (c) Reasonable efforts under paragraph (b) must begin as soon as possible when the
39.2 child is in foster care under this chapter, but not later than the hearing required under section
39.3 260C.204.

39.4 (d) Reasonable efforts to finalize the adoption of the child include:

39.5 (1) considering the child's preference for an adoptive family;

39.6 (2) using age-appropriate engagement strategies to plan for adoption with the child;

39.7 (3) identifying an appropriate prospective adoptive parent for the child by updating the
39.8 child's identified needs using the factors in section 260C.212, subdivision 2;

39.9 (4) making an adoptive placement that meets the child's needs by:

39.10 (i) completing or updating the relative search required under section 260C.221 and giving
39.11 notice of the need for an adoptive home for the child to:

39.12 (A) relatives who have kept the agency or the court apprised of their whereabouts; or

39.13 (B) relatives of the child who are located in an updated search;

39.14 (ii) an updated search is required whenever:

39.15 (A) there is no identified prospective adoptive placement for the child notwithstanding
39.16 a finding by the court that the agency made diligent efforts under section 260C.221, in a
39.17 hearing required under section 260C.202;

39.18 (B) the child is removed from the home of an adopting parent; or

39.19 (C) the court determines that a relative search by the agency is in the best interests of
39.20 the child;

39.21 (iii) engaging the child's relatives or current or former foster parents to commit to being
39.22 the prospective adoptive parent of the child, and considering the child's relatives for adoptive
39.23 placement of the child in the order specified under section 260C.212, subdivision 2, paragraph
39.24 (a); or

39.25 (iv) when there is no identified prospective adoptive parent:

39.26 (A) registering the child on the state adoption exchange as required in section 259.75
39.27 unless the agency documents to the court an exception to placing the child on the state
39.28 adoption exchange reported to the commissioner;

39.29 (B) reviewing all families with approved adoption home studies associated with the
39.30 responsible social services agency;

40.1 (C) presenting the child to adoption agencies and adoption personnel who may assist
40.2 with finding an adoptive home for the child;

40.3 (D) using newspapers and other media to promote the particular child;

40.4 (E) using a private agency under grant contract with the commissioner to provide adoption
40.5 services for intensive child-specific recruitment efforts; and

40.6 (F) making any other efforts or using any other resources reasonably calculated to identify
40.7 a prospective adoption parent for the child;

40.8 (5) updating and completing the social and medical history required under sections
40.9 260C.212, subdivision 15, and 260C.609;

40.10 (6) making, and keeping updated, appropriate referrals required by section 260.851, the
40.11 Interstate Compact on the Placement of Children;

40.12 (7) giving notice regarding the responsibilities of an adoptive parent to any prospective
40.13 adoptive parent as required under section 259.35;

40.14 (8) offering the adopting parent the opportunity to apply for or decline adoption assistance
40.15 under chapter 256N;

40.16 (9) certifying the child for adoption assistance, assessing the amount of adoption
40.17 assistance, and ascertaining the status of the commissioner's decision on the level of payment
40.18 if the adopting parent has applied for adoption assistance;

40.19 (10) placing the child with siblings. If the child is not placed with siblings, the agency
40.20 must document reasonable efforts to place the siblings together, as well as the reason for
40.21 separation. The agency may not cease reasonable efforts to place siblings together for final
40.22 adoption until the court finds further reasonable efforts would be futile or that placement
40.23 together for purposes of adoption is not in the best interests of one of the siblings; and

40.24 (11) working with the adopting parent to file a petition to adopt the child and with the
40.25 court administrator to obtain a timely hearing to finalize the adoption.

40.26 Sec. 12. Minnesota Statutes 2022, section 260C.605, is amended by adding a subdivision
40.27 to read:

40.28 Subd. 3. **Quality assurance of recruitment efforts.** The commissioner of human services
40.29 shall establish an ongoing quality assurance process for recruitment efforts to monitor service
40.30 integrity, including practice standards and training, consumer surveys, and random reviews
40.31 of documentation.

41.1 Sec. 13. Minnesota Statutes 2022, section 260C.704, is amended to read:

41.2 **260C.704 REQUIREMENTS FOR THE QUALIFIED INDIVIDUAL'S**
41.3 **ASSESSMENT OF THE CHILD FOR PLACEMENT IN A QUALIFIED**
41.4 **RESIDENTIAL TREATMENT PROGRAM.**

41.5 (a) A qualified individual must complete an assessment of the child prior to the child's
41.6 placement in a qualified residential treatment program in a format approved by the
41.7 commissioner of human services unless, due to a crisis, the child must immediately be
41.8 placed in a qualified residential treatment program. When a child must immediately be
41.9 placed in a qualified residential treatment program without an assessment, the qualified
41.10 individual must complete the child's assessment within 30 days of the child's placement.
41.11 The qualified individual must:

41.12 (1) assess the child's needs and strengths, using an age-appropriate, evidence-based,
41.13 validated, functional assessment approved by the commissioner of human services;

41.14 (2) determine whether the child's needs can be met by the child's family members or
41.15 through placement in a family foster home; or, if not, determine which residential setting
41.16 would provide the child with the most effective and appropriate level of care to the child
41.17 in the least restrictive environment;

41.18 (3) develop a list of short- and long-term mental and behavioral health goals for the
41.19 child; and

41.20 (4) work with the child's family and permanency team using culturally competent
41.21 practices.

41.22 If a level of care determination was conducted under section 245.4885, that information
41.23 must be shared with the qualified individual and the juvenile treatment screening team.

41.24 (b) The child and the child's parents, when appropriate, may request that a specific
41.25 culturally competent qualified individual complete the child's assessment. The agency shall
41.26 make efforts to refer the child to the identified qualified individual to complete the
41.27 assessment. The assessment must not be delayed for a specific qualified individual to
41.28 complete the assessment.

41.29 (c) The qualified individual must provide the assessment, when complete, to the
41.30 responsible social services agency. If the assessment recommends placement of the child
41.31 in a qualified residential treatment facility, the agency must distribute the assessment to the
41.32 child's parent or legal guardian and file the assessment with the court report as required in
41.33 section 260C.71, subdivision 2. If the assessment does not recommend placement in a

42.1 qualified residential treatment facility, the agency must provide a copy of the assessment
42.2 to the parents or legal guardians and the guardian ad litem and file the assessment
42.3 determination with the court at the next required hearing as required in section 260C.71,
42.4 subdivision 5. If court rules and chapter 13 permit disclosure of the results of the child's
42.5 assessment, the agency may share the results of the child's assessment with the child's foster
42.6 care provider, other members of the child's family, and the family and permanency team.
42.7 The agency must not share the child's private medical data with the family and permanency
42.8 team unless: (1) chapter 13 permits the agency to disclose the child's private medical data
42.9 to the family and permanency team; or (2) the child's parent has authorized the agency to
42.10 disclose the child's private medical data to the family and permanency team.

42.11 (d) For an Indian child, the assessment of the child must follow the order of placement
42.12 preferences in the Indian Child Welfare Act of 1978, United States Code, title 25, section
42.13 1915.

42.14 (e) In the assessment determination, the qualified individual must specify in writing:

42.15 (1) the reasons why the child's needs cannot be met by the child's family or in a family
42.16 foster home. A shortage of family foster homes is not an acceptable reason for determining
42.17 that a family foster home cannot meet a child's needs;

42.18 (2) why the recommended placement in a qualified residential treatment program will
42.19 provide the child with the most effective and appropriate level of care to meet the child's
42.20 needs in the least restrictive environment possible and how placing the child at the treatment
42.21 program is consistent with the short-term and long-term goals of the child's permanency
42.22 plan; and

42.23 (3) if the qualified individual's placement recommendation is not the placement setting
42.24 that the parent, family and permanency team, child, or tribe prefer, the qualified individual
42.25 must identify the reasons why the qualified individual does not recommend the parent's,
42.26 family and permanency team's, child's, or tribe's placement preferences. The out-of-home
42.27 placement plan under section 260C.708 must also include reasons why the qualified
42.28 individual did not recommend the preferences of the parents, family and permanency team,
42.29 child, or tribe.

42.30 (f) If the qualified individual determines that the child's family or a family foster home
42.31 or other less restrictive placement may meet the child's needs, the agency must move the
42.32 child out of the qualified residential treatment program and transition the child to a less
42.33 restrictive setting within 30 days of the determination. If the responsible social services
42.34 agency has placement authority of the child, the agency must make a plan for the child's

43.1 placement according to section 260C.212, subdivision 2. The agency must file the child's
43.2 assessment determination with the court at the next required hearing.

43.3 (g) If the qualified individual recommends placing the child in a qualified residential
43.4 treatment program and if the responsible social services agency has placement authority of
43.5 the child, the agency shall make referrals to appropriate qualified residential treatment
43.6 programs and, upon acceptance by an appropriate program, place the child in an approved
43.7 or certified qualified residential treatment program.

43.8 (h) The commissioner shall establish a review process for a qualified individual's
43.9 completed assessment of a child. The review process must be developed with county and
43.10 Tribal agency representatives. The review process must ensure that the qualified individual's
43.11 assessment is an independent, objective assessment that recommends the least restrictive
43.12 setting to meet the child's needs.

43.13 Sec. 14. Minnesota Statutes 2022, section 260E.01, is amended to read:

43.14 **260E.01 POLICY.**

43.15 (a) The legislature hereby declares that the public policy of this state is to protect children
43.16 whose health or welfare may be jeopardized through maltreatment. While it is recognized
43.17 that most parents want to keep their children safe, sometimes circumstances or conditions
43.18 interfere with their ability to do so. When this occurs, the health and safety of the children
43.19 must be of paramount concern. Intervention and prevention efforts must address immediate
43.20 concerns for child safety and the ongoing risk of maltreatment and should engage the
43.21 protective capacities of families. In furtherance of this public policy, it is the intent of the
43.22 legislature under this chapter to:

43.23 (1) protect children and promote child safety;

43.24 (2) strengthen the family;

43.25 (3) make the home, school, and community safe for children by promoting responsible
43.26 child care in all settings; and

43.27 (4) provide, when necessary, a safe temporary or permanent home environment for
43.28 maltreated children.

43.29 (b) In addition, it is the policy of this state to:

43.30 (1) require the reporting of maltreatment of children in the home, school, and community
43.31 settings;

43.32 (2) provide for ~~the~~ voluntary reporting of maltreatment of children;

44.1 (3) require an investigation when the report alleges sexual abuse or substantial child
44.2 endangerment, except when the report alleges sex trafficking by a noncaregiver sex trafficker;

44.3 (4) provide a family assessment, if appropriate, when the report does not allege sexual
44.4 abuse or substantial child endangerment; ~~and~~

44.5 (5) provide a noncaregiver sex trafficking assessment when the report alleges sex
44.6 trafficking by a noncaregiver sex trafficker; and

44.7 (6) provide protective, family support, and family preservation services when needed
44.8 in appropriate cases.

44.9 Sec. 15. Minnesota Statutes 2022, section 260E.02, subdivision 1, is amended to read:

44.10 Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary
44.11 child protection team that may include, but is not be limited to, the director of the local
44.12 welfare agency or designees, the county attorney or designees, the county sheriff or designees,
44.13 representatives of health and education, representatives of mental health, representatives of
44.14 agencies providing specialized services or responding to youth who experience or are at
44.15 risk of experiencing sex trafficking or sexual exploitation, or other appropriate human
44.16 services or community-based agencies, and parent groups. As used in this section, a
44.17 "community-based agency" may include, but is not limited to, schools, social services
44.18 agencies, family service and mental health collaboratives, children's advocacy centers, early
44.19 childhood and family education programs, Head Start, or other agencies serving children
44.20 and families. A member of the team must be designated as the lead person of the team
44.21 responsible for the planning process to develop standards for the team's activities with
44.22 battered women's and domestic abuse programs and services.

44.23 Sec. 16. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision
44.24 to read:

44.25 Subd. 15a. **Noncaregiver sex trafficker.** "Noncaregiver sex trafficker" means an
44.26 individual who is alleged to have engaged in the act of sex trafficking a child and who is
44.27 not a person responsible for the child's care, who does not have a significant relationship
44.28 with the child as defined in section 609.341, and who is not a person in a current or recent
44.29 position of authority as defined in section 609.341, subdivision 10.

45.1 Sec. 17. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision
45.2 to read:

45.3 Subd. 15b. **Noncaregiver sex trafficking assessment.** "Noncaregiver sex trafficking
45.4 assessment" is a comprehensive assessment of child safety, the risk of subsequent child
45.5 maltreatment, and strengths and needs of the child and family. The local welfare agency
45.6 shall only perform a noncaregiver sex trafficking assessment when a maltreatment report
45.7 alleges sex trafficking of a child by someone other than the child's caregiver. A noncaregiver
45.8 sex trafficking assessment does not include a determination of whether child maltreatment
45.9 occurred. A noncaregiver sex trafficking assessment includes a determination of a family's
45.10 need for services to address the safety of the child or children, the safety of family members,
45.11 and the risk of subsequent child maltreatment.

45.12 Sec. 18. Minnesota Statutes 2022, section 260E.03, subdivision 22, is amended to read:

45.13 Subd. 22. **Substantial child endangerment.** "Substantial child endangerment" means
45.14 that a person responsible for a child's care, by act or omission, commits or attempts to
45.15 commit an act against a child ~~under their~~ in the person's care that constitutes any of the
45.16 following:

45.17 (1) egregious harm under subdivision 5;

45.18 (2) abandonment under section 260C.301, subdivision 2;

45.19 (3) neglect under subdivision 15, paragraph (a), clause (2), that substantially endangers
45.20 the child's physical or mental health, including a growth delay, which may be referred to
45.21 as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

45.22 (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

45.23 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

45.24 (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

45.25 (7) sex trafficking, solicitation, inducement, ~~and~~ or promotion of prostitution under
45.26 section 609.322;

45.27 (8) criminal sexual conduct under sections 609.342 to 609.3451;

45.28 (9) sexual extortion under section 609.3458;

45.29 (10) solicitation of children to engage in sexual conduct under section 609.352;

45.30 (11) malicious punishment or neglect or endangerment of a child under section 609.377
45.31 or 609.378;

46.1 (12) use of a minor in sexual performance under section 617.246; or

46.2 (13) parental behavior, status, or condition ~~that mandates that~~ requiring the county
46.3 attorney to file a termination of parental rights petition under section 260C.503, subdivision
46.4 2.

46.5 Sec. 19. Minnesota Statutes 2022, section 260E.14, subdivision 2, is amended to read:

46.6 Subd. 2. **Sexual abuse.** (a) The local welfare agency is the agency responsible for
46.7 investigating an allegation of sexual abuse if the alleged offender is the parent, guardian,
46.8 sibling, or an individual functioning within the family unit as a person responsible for the
46.9 child's care, or a person with a significant relationship to the child if that person resides in
46.10 the child's household.

46.11 (b) The local welfare agency is also responsible for assessing or investigating when a
46.12 child is identified as a victim of sex trafficking.

46.13 Sec. 20. Minnesota Statutes 2022, section 260E.14, subdivision 5, is amended to read:

46.14 Subd. 5. **Law enforcement.** (a) The local law enforcement agency is the agency
46.15 responsible for investigating a report of maltreatment if a violation of a criminal statute is
46.16 alleged.

46.17 (b) Law enforcement and the responsible agency must coordinate their investigations
46.18 or assessments as required under this chapter when ~~the~~: (1) a report alleges maltreatment
46.19 that is a violation of a criminal statute by a person who is a parent, guardian, sibling, person
46.20 responsible for the child's care functioning within the family unit, or by a person who lives
46.21 in the child's household and who has a significant relationship to the child; in a setting other
46.22 than a facility as defined in section 260E.03; or (2) a report alleges sex trafficking of a child.

46.23 Sec. 21. Minnesota Statutes 2022, section 260E.17, subdivision 1, is amended to read:

46.24 Subdivision 1. **Local welfare agency.** (a) Upon receipt of a report, the local welfare
46.25 agency shall determine whether to conduct a family assessment ~~or~~, an investigation, or a
46.26 noncaregiver sex trafficking assessment as appropriate to prevent or provide a remedy for
46.27 maltreatment.

46.28 (b) The local welfare agency shall conduct an investigation when the report involves
46.29 sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.

46.30 (c) The local welfare agency shall begin an immediate investigation ~~if~~, at any time when
46.31 the local welfare agency is using responding with a family assessment ~~response~~, and the

47.1 local welfare agency determines that there is reason to believe that sexual abuse ~~or~~, substantial
47.2 child endangerment, or a serious threat to the child's safety exists.

47.3 (d) The local welfare agency may conduct a family assessment for reports that do not
47.4 allege sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.
47.5 In determining that a family assessment is appropriate, the local welfare agency may consider
47.6 issues of child safety, parental cooperation, and the need for an immediate response.

47.7 (e) The local welfare agency may conduct a family assessment ~~on~~ for a report that was
47.8 initially screened and assigned for an investigation. In determining that a complete
47.9 investigation is not required, the local welfare agency must document the reason for
47.10 terminating the investigation and notify the local law enforcement agency if the local law
47.11 enforcement agency is conducting a joint investigation.

47.12 (f) The local welfare agency shall conduct a noncaregiver sex trafficking assessment
47.13 when a maltreatment report alleges sex trafficking of a child and the alleged offender is a
47.14 noncaregiver sex trafficker as defined by section 260E.03, subdivision 15a.

47.15 (g) During a noncaregiver sex trafficking assessment, the local welfare agency shall
47.16 initiate an immediate investigation if there is reason to believe that a child's parent, caregiver,
47.17 or household member allegedly engaged in the act of sex trafficking a child or was alleged
47.18 to have engaged in any conduct requiring the agency to conduct an investigation.

47.19 Sec. 22. Minnesota Statutes 2022, section 260E.18, is amended to read:

47.20 **260E.18 NOTICE TO CHILD'S TRIBE.**

47.21 The local welfare agency shall provide immediate notice, according to section 260.761,
47.22 subdivision 2, to an Indian child's tribe when the agency has reason to believe that the family
47.23 assessment ~~or~~, investigation, or noncaregiver sex trafficking assessment may involve an
47.24 Indian child. For purposes of this section, "immediate notice" means notice provided within
47.25 24 hours.

47.26 Sec. 23. Minnesota Statutes 2022, section 260E.20, subdivision 2, is amended to read:

47.27 Subd. 2. **Face-to-face contact.** (a) Upon receipt of a screened in report, the local welfare
47.28 agency shall ~~conduct a~~ have face-to-face contact with the child reported to be maltreated
47.29 and with the child's primary caregiver sufficient to complete a safety assessment and ensure
47.30 the immediate safety of the child. When it is possible and the report alleges substantial child
47.31 endangerment or sexual abuse, the local welfare agency is not required to provide notice

48.1 before conducting the initial face-to-face contact with the child and the child's primary
48.2 caregiver.

48.3 (b) Except in a noncaregiver sex trafficking assessment, the local welfare agency shall
48.4 have face-to-face contact with the child and primary caregiver shall occur immediately after
48.5 the agency screens in a report if sexual abuse or substantial child endangerment is alleged
48.6 and within five calendar days of a screened in report for all other reports. If the alleged
48.7 offender was not already interviewed as the primary caregiver, the local welfare agency
48.8 shall also conduct a face-to-face interview with the alleged offender in the early stages of
48.9 the assessment or investigation, except in a noncaregiver sex trafficking assessment.
48.10 Face-to-face contact with the child and primary caregiver in response to a report alleging
48.11 sexual abuse or substantial child endangerment may be postponed for no more than five
48.12 calendar days if the child is residing in a location that is confirmed to restrict contact with
48.13 the alleged offender as established in guidelines issued by the commissioner, or if the local
48.14 welfare agency is pursuing a court order for the child's caregiver to produce the child for
48.15 questioning under section 260E.22, subdivision 5.

48.16 (c) At the initial contact with the alleged offender, the local welfare agency or the agency
48.17 responsible for assessing or investigating the report must inform the alleged offender of the
48.18 complaints or allegations made against the individual in a manner consistent with laws
48.19 protecting the rights of the person who made the report. The interview with the alleged
48.20 offender may be postponed if it would jeopardize an active law enforcement investigation.
48.21 In a noncaregiver sex trafficking assessment, the local child welfare agency is not required
48.22 to inform or interview the alleged offender.

48.23 (d) The local welfare agency or the agency responsible for assessing or investigating
48.24 the report must provide the alleged offender with an opportunity to make a statement, except
48.25 in a noncaregiver sex trafficking assessment. The alleged offender may submit supporting
48.26 documentation relevant to the assessment or investigation.

48.27 Sec. 24. Minnesota Statutes 2022, section 260E.24, subdivision 2, is amended to read:

48.28 Subd. 2. **Determination after family assessment or a noncaregiver sex trafficking**
48.29 **assessment.** After conducting a family assessment or a noncaregiver sex trafficking
48.30 assessment, the local welfare agency shall determine whether child protective services are
48.31 needed to address the safety of the child and other family members and the risk of subsequent
48.32 maltreatment. The local welfare agency must document the information collected under
48.33 section 260E.20, subdivision 3, related to the completed family assessment in the child's or
48.34 family's case notes.

49.1 Sec. 25. Minnesota Statutes 2022, section 260E.24, subdivision 7, is amended to read:

49.2 Subd. 7. **Notification at conclusion of family assessment or a noncaregiver sex**
49.3 **trafficking assessment.** Within ten working days of the conclusion of a family assessment
49.4 or a noncaregiver sex trafficking assessment, the local welfare agency shall notify the parent
49.5 or guardian of the child of the need for services to address child safety concerns or significant
49.6 risk of subsequent maltreatment. The local welfare agency and the family may also jointly
49.7 agree that family support and family preservation services are needed.

49.8 Sec. 26. Minnesota Statutes 2022, section 260E.33, subdivision 1, is amended to read:

49.9 Subdivision 1. **Following a family assessment or a noncaregiver sex trafficking**
49.10 **assessment.** Administrative reconsideration is not applicable to a family assessment or
49.11 noncaregiver sex trafficking assessment since no determination concerning maltreatment
49.12 is made.

49.13 Sec. 27. Minnesota Statutes 2022, section 260E.35, subdivision 6, is amended to read:

49.14 Subd. 6. **Data retention.** (a) Notwithstanding sections 138.163 and 138.17, a record
49.15 maintained or a record derived from a report of maltreatment by a local welfare agency,
49.16 agency responsible for assessing or investigating the report, court services agency, or school
49.17 under this chapter shall be destroyed as provided in paragraphs (b) to (e) by the responsible
49.18 authority.

49.19 (b) For a report alleging maltreatment that was not accepted for an assessment or an
49.20 investigation, a family assessment case, a noncaregiver sex trafficking assessment case, and
49.21 a case where an investigation results in no determination of maltreatment or the need for
49.22 child protective services, the record must be maintained for a period of five years after the
49.23 date that the report was not accepted for assessment or investigation or the date of the final
49.24 entry in the case record. A record of a report that was not accepted must contain sufficient
49.25 information to identify the subjects of the report, the nature of the alleged maltreatment,
49.26 and the reasons ~~as to~~ why the report was not accepted. Records under this paragraph may
49.27 not be used for employment, background checks, or purposes other than to assist in future
49.28 screening decisions and risk and safety assessments.

49.29 (c) All records relating to reports that, upon investigation, indicate ~~either~~ maltreatment
49.30 or a need for child protective services shall be maintained for ten years after the date of the
49.31 final entry in the case record.

50.1 (d) All records regarding a report of maltreatment, including a notification of intent to
 50.2 interview that was received by a school under section 260E.22, subdivision 7, shall be
 50.3 destroyed by the school when ordered to do so by the agency conducting the assessment or
 50.4 investigation. The agency shall order the destruction of the notification when other records
 50.5 relating to the report under investigation or assessment are destroyed under this subdivision.

50.6 (e) Private or confidential data released to a court services agency under subdivision 3,
 50.7 paragraph (d), must be destroyed by the court services agency when ordered to do so by the
 50.8 local welfare agency that released the data. The local welfare agency or agency responsible
 50.9 for assessing or investigating the report shall order destruction of the data when other records
 50.10 relating to the assessment or investigation are destroyed under this subdivision.

50.11 Sec. 28. COMMUNITY RESOURCE CENTERS.

50.12 Subdivision 1. Definitions. (a) For purposes of this section, the following definitions
 50.13 apply:

50.14 (b) "Commissioner" means the commissioner of human services or the commissioner's
 50.15 designee.

50.16 (c) "Communities and families furthest from opportunity" means any community or
 50.17 family that experiences inequities in accessing supports and services due to the community's
 50.18 or family's circumstances, including but not limited to racism, income, disability, language,
 50.19 gender, and geography.

50.20 (d) "Community resource center" means a community-based coordinated point of entry
 50.21 that provides relationship-based, culturally responsive service navigation and other supportive
 50.22 services for expecting and parenting families and youth.

50.23 (e) "Culturally responsive, relationship-based service navigation" means aiding families
 50.24 in finding services and supports that are meaningful to them in ways that are built on trust
 50.25 and that use cultural values, beliefs, and practices of families, communities, indigenous
 50.26 families, and Tribal Nations for case planning, service design, and decision-making processes.

50.27 (f) "Expecting and parenting family" means any configuration of parents, grandparents,
 50.28 guardians, foster parents, kinship caregivers, and youth who are pregnant or expecting or
 50.29 have children and youth they care for and support.

50.30 (g) "Protective factors" means conditions or attributes of individuals, families,
 50.31 communities, and the larger society that mitigate risk and promote the healthy development
 50.32 and well-being of children, youth, and families, which are strengths that help to buffer and
 50.33 support families.

51.1 Subd. 2. **Community resource centers established.** The commissioner in consultation
 51.2 with other state agencies, partners, and the Community Resource Center Advisory Council
 51.3 may award grants to support planning, implementation, and evaluation of community
 51.4 resource centers to provide relationship-based, culturally responsive service navigation,
 51.5 parent, family, and caregiver supports to expecting and parenting families with a focus on
 51.6 ensuring equitable access to programs and services that promote protective factors and
 51.7 support children and families.

51.8 Subd. 3. **Commissioner's duties; related infrastructure.** The commissioner in
 51.9 consultation with the Community Resource Center Advisory Council shall:

51.10 (1) develop a request for proposals to support community resource centers;

51.11 (2) provide outreach and technical assistance to support applicants with data or other
 51.12 matters pertaining to equity of access to funding;

51.13 (3) provide technical assistance to grantees including but not limited to skill building
 51.14 and professional development, trainings, evaluation, communities of practice, networking,
 51.15 and trauma informed mental health consultation;

51.16 (4) provide data collection and IT support; and

51.17 (5) provide grant coordination and management focused on promoting equity and
 51.18 accountability.

51.19 Subd. 4. **Grantee duties.** At a minimum, grantees shall:

51.20 (1) provide culturally responsive, relationship-based service navigation and supports for
 51.21 expecting and parenting families;

51.22 (2) improve community engagement and feedback loops to support continuous
 51.23 improvement and program planning to better promote protective factors;

51.24 (3) demonstrate community-based planning with multiple partners;

51.25 (4) develop or use an existing parent and family advisory council consisting of community
 51.26 members with lived expertise to advise the work of the grantee; and

51.27 (5) participate in program evaluation, data collection, and technical assistance activities.

51.28 Subd. 5. **Eligibility.** (a) Organizations eligible to receive grant funding under this section
 51.29 include:

52.1 (1) community-based organizations, Tribal Nations, urban Indian organizations, local
 52.2 and county government agencies, schools, nonprofit agencies or any cooperative of these
 52.3 organizations; and

52.4 (2) organizations or cooperatives supporting communities and families furthest from
 52.5 opportunity.

52.6 (b) Funds must not be used to supplant any state or federal funds received by any grantee.

52.7 Subd. 6. Community Resource Center Advisory Council; establishment and

52.8 duties. (a) The commissioner in consultation with other relevant state agencies shall appoint
 52.9 members to the Community Resource Center Advisory Council.

52.10 (b) Membership must be demographically and geographically diverse and include:

52.11 (1) parents and family members with lived experience and who are furthest from
 52.12 opportunity;

52.13 (2) community-based organizations serving families furthest from opportunity;

52.14 (3) Tribal and urban American Indian representatives;

52.15 (4) county government representatives;

52.16 (5) school and school district representatives; and

52.17 (6) state partner representatives.

52.18 (b) Duties of the Community Resource Center Advisory Council shall include but are
 52.19 not limited to:

52.20 (1) advising the commissioner on the development and funding of a network of
 52.21 community resource centers;

52.22 (2) advising the commissioner on the development of a request for proposal and grant
 52.23 award processes;

52.24 (3) advising the commissioner on the development of program outcomes and
 52.25 accountability measures; and

52.26 (4) advising the commissioner on ongoing oversight and necessary support in the
 52.27 implementation of the community resource centers.

52.28 Subd. 7. Grantee reporting. Grantees must report program data and outcomes in a
 52.29 manner determined by the commissioner and the Community Resource Center Advisory
 52.30 Council.

53.1 Subd. 8. **Evaluation.** The commissioner in partnership with the Community Resource
 53.2 Center Advisory Council shall develop an outcome and evaluation plan. A biannual report
 53.3 must be developed that reflects the duties of the Community Resource Center Advisory
 53.4 Council in subdivision 6 and may describe outcomes and impacts related to equity,
 53.5 community partnerships, program and service availability, child development, family
 53.6 well-being, and child welfare system involvement.

53.7 Sec. 29. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FOSTER**
 53.8 **CARE FEDERAL CASH ASSISTANCE BENEFITS PRESERVATION.**

53.9 (a) The commissioner of human services must develop a plan to preserve and make
 53.10 available the income and resources attributable to a child in foster care to meet the best
 53.11 interests of the child. The plan must include recommendations on:

53.12 (1) policies for youth and caregiver access to preserved federal cash assistance benefit
 53.13 payments;

53.14 (2) representative payees for children in voluntary foster care for treatment pursuant to
 53.15 Minnesota Statutes, chapter 260D; and

53.16 (3) family preservation and reunification.

53.17 (b) For purposes of this section, "income and resources attributed to a child" means all
 53.18 benefits from programs administered by the Social Security Administration, including but
 53.19 not limited to retirement, survivors benefits, disability insurance programs, Supplemental
 53.20 Security Income, veterans benefits, and railroad retirement benefits.

53.21 (c) When developing the plan under this section, the commissioner shall consult or
 53.22 engage with:

53.23 (1) individuals or entities with experience in managing trusts and investment;

53.24 (2) individuals or entities with expertise in providing tax advice;

53.25 (3) individuals or entities with expertise in preserving assets to avoid negative impact
 53.26 on public assistance eligibility;

53.27 (4) other relevant state agencies;

53.28 (5) Tribal social services agencies;

53.29 (6) counties;

53.30 (7) the Children's Justice Initiative;

54.1 (8) organizations that serve and advocate for children and families in the child protection
54.2 system;

54.3 (9) parents, legal custodians, foster families, and kinship caregivers, to the extent possible;

54.4 (10) youth who have been or are currently in out-of-home placement; and

54.5 (11) other relevant stakeholders.

54.6 (d) By December 15, 2023, each county shall provide the following data for fiscal years
54.7 2019 and 2021 to the commissioner in a form prescribed by the commissioner:

54.8 (1) the nonduplicated number of children in foster care in the county who received
54.9 income and resources attributable to the child as defined in paragraph (b);

54.10 (2) the number of children for whom the county was the representative payee for income
54.11 and resources attributable to the child; and

54.12 (3) the amount of money that the county collected from income and resources attributable
54.13 to the child as the representative payee for children in the county.

54.14 (e) By January 15, 2025, the commissioner shall submit a report to the chairs and ranking
54.15 minority members of the legislative committees with jurisdiction over human services and
54.16 child welfare outlining the plan developed under this section. The report must include a
54.17 projected timeline for implementing the plan, estimated implementation costs, and any
54.18 legislative actions that may be required to implement the plan. The report must also include
54.19 data provided by counties related to the requirements for the parent or custodian of a child
54.20 to reimburse a county for the cost of care, examination, or treatment in subdivision (f).

54.21 (f) By December 15, 2023, every county shall provide the commissioner of human
54.22 services with the following data from fiscal years 2019, 2020, and 2021 in a form prescribed
54.23 by the commissioner:

54.24 (1) the nonduplicated number of cases in which the county received payments from a
54.25 parent or custodian of a child to reimburse the cost of care, examination, or treatment; and

54.26 (2) the total amount in payments that the county collected from a parent or custodian of
54.27 a child to reimburse the cost of care, examination or treatment.

54.28 (g) The commissioner may contract with an individual or entity to collect and analyze
54.29 financial data reported by counties in paragraphs (d) and (f).

55.1 **ARTICLE 3**

55.2 **CHILD SUPPORT**

55.3 Section 1. Minnesota Statutes 2022, section 518A.31, is amended to read:

55.4 **518A.31 SOCIAL SECURITY OR VETERANS' BENEFIT PAYMENTS**
 55.5 **RECEIVED ON BEHALF OF THE CHILD.**

55.6 (a) The amount of the monthly Social Security benefits or apportioned veterans' benefits
 55.7 provided for a joint child shall be included in the gross income of the parent on whose
 55.8 eligibility the benefits are based.

55.9 (b) The amount of the monthly survivors' and dependents' educational assistance provided
 55.10 for a joint child shall be included in the gross income of the parent on whose eligibility the
 55.11 benefits are based.

55.12 (c) If Social Security or apportioned veterans' benefits are provided for a joint child
 55.13 based on the eligibility of the obligor, and are received by the obligee as a representative
 55.14 payee for the child or by the child attending school, then the amount of the benefits shall
 55.15 also be subtracted from the obligor's net child support obligation as calculated pursuant to
 55.16 section 518A.34.

55.17 (d) If the survivors' and dependents' educational assistance is provided for a joint child
 55.18 based on the eligibility of the obligor, and is received by the obligee as a representative
 55.19 payee for the child or by the child attending school, then the amount of the assistance shall
 55.20 also be subtracted from the obligor's net child support obligation as calculated under section
 55.21 518A.34.

55.22 (e) Upon a motion to modify child support, any regular or lump sum payment of Social
 55.23 Security or apportioned veterans' benefit received by the obligee for the benefit of the joint
 55.24 child based upon the obligor's disability prior to filing the motion to modify may be used
 55.25 to satisfy arrears that remain due for the period of time for which the benefit was received.
 55.26 This paragraph applies only if the derivative benefit was not considered in the guidelines
 55.27 calculation of the previous child support order.

55.28 **EFFECTIVE DATE.** This section is effective January 1, 2025.

55.29 Sec. 2. Minnesota Statutes 2022, section 518A.32, subdivision 3, is amended to read:

55.30 Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed**
 55.31 **on a less than full-time basis.** A parent is not considered voluntarily unemployed,

56.1 underemployed, or employed on a less than full-time basis upon a showing by the parent
56.2 that:

56.3 (1) the unemployment, underemployment, or employment on a less than full-time basis
56.4 is temporary and will ultimately lead to an increase in income;

56.5 (2) the unemployment, underemployment, or employment on a less than full-time basis
56.6 represents a bona fide career change that outweighs the adverse effect of that parent's
56.7 diminished income on the child; ~~or~~

56.8 (3) the unemployment, underemployment, or employment on a less than full-time basis
56.9 is because a parent is physically or mentally incapacitated or due to incarceration; or

56.10 (4) a governmental agency authorized to determine eligibility for general assistance or
56.11 supplemental Social Security income has determined that the individual is eligible to receive
56.12 general assistance or supplemental Social Security income. Actual income earned by the
56.13 parent may be considered for the purpose of calculating child support.

56.14 **EFFECTIVE DATE.** This section is effective January 1, 2025.

56.15 Sec. 3. Minnesota Statutes 2022, section 518A.32, subdivision 4, is amended to read:

56.16 Subd. 4. **TANF or MFIP recipient.** If the parent of a joint child is a recipient of a
56.17 temporary assistance to a needy family (TANF) ~~cash grant; or comparable state-funded~~
56.18 Minnesota family investment program (MFIP) benefits, no potential income is to be imputed
56.19 to that parent.

56.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

56.21 Sec. 4. Minnesota Statutes 2022, section 518A.34, is amended to read:

56.22 **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

56.23 (a) To determine the presumptive child support obligation of a parent, the court shall
56.24 follow the procedure set forth in this section.

56.25 (b) To determine the obligor's basic support obligation, the court shall:

56.26 (1) determine the gross income of each parent under section 518A.29;

56.27 (2) calculate the parental income for determining child support (PICS) of each parent,
56.28 by subtracting from the gross income the credit, if any, for each parent's nonjoint children
56.29 under section 518A.33;

57.1 (3) determine the percentage contribution of each parent to the combined PICS by
57.2 dividing the combined PICS into each parent's PICS;

57.3 (4) determine the combined basic support obligation by application of the guidelines in
57.4 section 518A.35;

57.5 (5) determine each parent's share of the combined basic support obligation by multiplying
57.6 the percentage figure from clause (3) by the combined basic support obligation in clause
57.7 (4); and

57.8 (6) apply the parenting expense adjustment formula provided in section 518A.36 to
57.9 determine the obligor's basic support obligation.

57.10 (c) If the parents have split custody of joint children, child support must be calculated
57.11 for each joint child as follows:

57.12 (1) the court shall determine each parent's basic support obligation under paragraph (b)
57.13 and include the amount of each parent's obligation in the court order. If the basic support
57.14 calculation results in each parent owing support to the other, the court shall offset the higher
57.15 basic support obligation with the lower basic support obligation to determine the amount
57.16 to be paid by the parent with the higher obligation to the parent with the lower obligation.
57.17 For the purpose of the cost-of-living adjustment required under section 518A.75, the
57.18 adjustment must be based on each parent's basic support obligation prior to offset. For the
57.19 purposes of this paragraph, "split custody" means that there are two or more joint children
57.20 and each parent has at least one joint child more than 50 percent of the time;

57.21 (2) if each parent pays all child care expenses for at least one joint child, the court shall
57.22 calculate child care support for each joint child as provided in section 518A.40. The court
57.23 shall determine each parent's child care support obligation and include the amount of each
57.24 parent's obligation in the court order. If the child care support calculation results in each
57.25 parent owing support to the other, the court shall offset the higher child care support
57.26 obligation with the lower child care support obligation to determine the amount to be paid
57.27 by the parent with the higher obligation to the parent with the lower obligation; and

57.28 (3) if each parent pays all medical or dental insurance expenses for at least one joint
57.29 child, medical support shall be calculated for each joint child as provided in section 518A.41.
57.30 The court shall determine each parent's medical support obligation and include the amount
57.31 of each parent's obligation in the court order. If the medical support calculation results in
57.32 each parent owing support to the other, the court shall offset the higher medical support
57.33 obligation with the lower medical support obligation to determine the amount to be paid by
57.34 the parent with the higher obligation to the parent with the lower obligation. Unreimbursed

58.1 and uninsured medical expenses are not included in the presumptive amount of support
58.2 owed by a parent and are calculated and collected as provided in section 518A.41.

58.3 (d) The court shall determine the child care support obligation for the obligor as provided
58.4 in section 518A.40.

58.5 (e) The court shall determine the medical support obligation for each parent as provided
58.6 in section 518A.41. Unreimbursed and uninsured medical expenses are not included in the
58.7 presumptive amount of support owed by a parent and are calculated and collected as described
58.8 in section 518A.41.

58.9 (f) The court shall determine each parent's total child support obligation by adding
58.10 together each parent's basic support, child care support, and health care coverage obligations
58.11 as provided in this section.

58.12 (g) If Social Security benefits or veterans' benefits are received by one parent as a
58.13 representative payee for a joint child based on the other parent's eligibility, the court shall
58.14 subtract the amount of benefits from the other parent's net child support obligation, if any.
58.15 Any benefit received by the obligee for the benefit of the joint child based upon the obligor's
58.16 disability or past earnings in any given month in excess of the child support obligation must
58.17 not be treated as an arrearage payment or a future payment.

58.18 (h) The final child support order shall separately designate the amount owed for basic
58.19 support, child care support, and medical support. If applicable, the court shall use the
58.20 self-support adjustment and minimum support adjustment under section 518A.42 to determine
58.21 the obligor's child support obligation.

58.22 **EFFECTIVE DATE.** This section is effective January 1, 2025.

58.23 Sec. 5. Minnesota Statutes 2022, section 518A.41, is amended to read:

58.24 **518A.41 MEDICAL SUPPORT.**

58.25 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter and
58.26 chapter 518.

58.27 (a) "Health care coverage" means ~~medical, dental, or other health care benefits that are~~
58.28 ~~provided by one or more health plans. Health care coverage does not include any form of~~
58.29 ~~public coverage~~ private health care coverage, including fee for service, health maintenance
58.30 organization, preferred provider organization, and other types of private health care coverage.
58.31 Health care coverage also means public health care coverage under which medical or dental
58.32 services could be provided to a dependent child.

59.1 ~~(b) "Health carrier" means a carrier as defined in sections 62A.011, subdivision 2, and~~
 59.2 ~~62L.02, subdivision 16.~~

59.3 ~~(c) "Health plan" (b) "Private health care coverage" means a health plan, other than any~~
 59.4 ~~form of public coverage, that provides medical, dental, or other health care benefits and is:~~

59.5 (1) provided on an individual or group basis;

59.6 (2) provided by an employer or union;

59.7 (3) purchased in the private market; ~~or~~

59.8 (4) provided through MinnesotaCare under chapter 256L; or

59.9 ~~(4)~~ (5) available to a person eligible to carry insurance for the joint child, including a
 59.10 party's spouse or parent.

59.11 ~~Health plan~~ Private health care coverage includes, but is not limited to, a health plan meeting
 59.12 the definition under section 62A.011, subdivision 3, except that the exclusion of coverage
 59.13 designed solely to provide dental or vision care under section 62A.011, subdivision 3, clause
 59.14 (6), does not apply to the definition of ~~health plan~~ private health care coverage under this
 59.15 section; a group health plan governed under the federal Employee Retirement Income
 59.16 Security Act of 1974 (ERISA); a self-insured plan under sections 43A.23 to 43A.317 and
 59.17 471.617; and a policy, contract, or certificate issued by a community-integrated service
 59.18 network licensed under chapter 62N.

59.19 (c) "Public health care coverage" means health care benefits provided by any form of
 59.20 medical assistance under chapter 256B. Public health care coverage does not include
 59.21 MinnesotaCare or health plans subsidized by federal premium tax credits or federal
 59.22 cost-sharing reductions.

59.23 (d) "Medical support" means providing health care coverage for a joint child ~~by carrying~~
 59.24 ~~health care coverage for the joint child or~~ by contributing to the cost of health care coverage,
 59.25 ~~public coverage, unreimbursed medical~~ health-related expenses, and uninsured ~~medical~~
 59.26 health-related expenses of the joint child.

59.27 (e) "National medical support notice" means an administrative notice issued by the public
 59.28 authority to enforce health insurance provisions of a support order in accordance with Code
 59.29 of Federal Regulations, title 45, section 303.32, in cases where the public authority provides
 59.30 support enforcement services.

60.1 ~~(f) "Public coverage" means health care benefits provided by any form of medical~~
 60.2 ~~assistance under chapter 256B. Public coverage does not include MinnesotaCare or health~~
 60.3 ~~plans subsidized by federal premium tax credits or federal cost-sharing reductions.~~

60.4 ~~(g)~~ (f) "Uninsured medical health-related expenses" means a joint child's reasonable and
 60.5 necessary ~~health-related~~ medical and dental expenses if the joint child is not covered by a
 60.6 ~~health plan or public coverage~~ private health insurance care when the expenses are incurred.

60.7 ~~(h)~~ (g) "Unreimbursed medical health-related expenses" means a joint child's reasonable
 60.8 and necessary ~~health-related~~ medical and dental expenses if a joint child is covered by a
 60.9 ~~health plan or public coverage~~ health care coverage and ~~the plan or~~ health care coverage
 60.10 does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed
 60.11 ~~medical~~ health-related expenses do not include the cost of premiums. Unreimbursed ~~medical~~
 60.12 health-related expenses include, but are not limited to, deductibles, co-payments, and
 60.13 expenses for orthodontia, and prescription eyeglasses and contact lenses, but not
 60.14 over-the-counter medications if ~~coverage is under a health plan~~ provided through health
 60.15 care coverage.

60.16 Subd. 2. **Order.** (a) A completed national medical support notice issued by the public
 60.17 authority or a court order that complies with this section is a qualified medical child support
 60.18 order under the federal Employee Retirement Income Security Act of 1974 (ERISA), United
 60.19 States Code, title 29, section 1169(a).

60.20 (b) Every order addressing child support must state:

60.21 (1) the names, last known addresses, and Social Security numbers of the parents and the
 60.22 joint child that is a subject of the order unless the court prohibits the inclusion of an address
 60.23 or Social Security number and orders the parents to provide the address and Social Security
 60.24 number to the administrator of the health plan;

60.25 (2) ~~if a joint child is not presently enrolled in health care coverage~~, whether appropriate
 60.26 health care coverage for the joint child is available and, if so, state:

60.27 (i) the parents' responsibilities for carrying health care coverage;

60.28 (ii) the cost of premiums and how the cost is allocated between the parents; ~~and~~

60.29 (iii) the circumstances, if any, under which an obligation to provide private health care
 60.30 coverage for the joint child will shift from one parent to the other; and

60.31 ~~(3) if appropriate health care coverage is not available for the joint child,~~ (iv) whether
 60.32 a contribution for ~~medical support~~ public health care coverage is required; and

61.1 ~~(4)~~(3) how unreimbursed or uninsured ~~medical~~ health-related expenses will be allocated
61.2 between the parents.

61.3 Subd. 3. **Determining appropriate health care coverage.** Public health care coverage
61.4 is presumed appropriate. In determining whether a parent has appropriate private health
61.5 care coverage for the joint child, the court must consider the following factors:

61.6 (1) comprehensiveness of private health care coverage providing medical benefits.
61.7 Dependent private health care coverage providing medical benefits is presumed
61.8 comprehensive if it includes medical and hospital coverage and provides for preventive,
61.9 emergency, acute, and chronic care; or if it meets the minimum essential coverage definition
61.10 in United States Code, title 26, section 5000A(f). If both parents have private health care
61.11 coverage providing medical benefits that is presumed comprehensive under this paragraph,
61.12 the court must determine which parent's private health care coverage is more comprehensive
61.13 by considering what other benefits are included in the private health care coverage;

61.14 (2) accessibility. Dependent private health care coverage is accessible if the covered
61.15 joint child can obtain services from a health plan provider with reasonable effort by the
61.16 parent with whom the joint child resides. Private health care coverage is presumed accessible
61.17 if:

61.18 (i) primary care is available within 30 minutes or 30 miles of the joint child's residence
61.19 and specialty care is available within 60 minutes or 60 miles of the joint child's residence;

61.20 (ii) the private health care coverage is available through an employer and the employee
61.21 can be expected to remain employed for a reasonable amount of time; and

61.22 (iii) no preexisting conditions exist to unduly delay enrollment in private health care
61.23 coverage;

61.24 (3) the joint child's special medical needs, if any; and

61.25 (4) affordability. Dependent private health care coverage is presumed affordable if it is
61.26 ~~reasonable in cost. If both parents have health care coverage available for a joint child that~~
61.27 ~~is comparable with regard to comprehensiveness of medical benefits, accessibility, and the~~
61.28 ~~joint child's special needs, the least costly health care coverage is presumed to be the most~~
61.29 ~~appropriate health care coverage for the joint child~~ the premium to cover the marginal cost
61.30 of the joint child does not exceed five percent of the parents' combined monthly PICS. A
61.31 court may additionally consider high deductibles and the cost to enroll the parent if the
61.32 parent must enroll themselves in private health care coverage to access private health care
61.33 coverage for the child.

62.1 Subd. 4. **Ordering health care coverage.** ~~(a) If a joint child is presently enrolled in~~
 62.2 ~~health care coverage, the court must order that the parent who currently has the joint child~~
 62.3 ~~enrolled continue that enrollment unless the parties agree otherwise or a party requests a~~
 62.4 ~~change in coverage and the court determines that other health care coverage is more~~
 62.5 ~~appropriate.~~

62.6 ~~(b) If a joint child is not presently enrolled in health care coverage providing medical~~
 62.7 ~~benefits, upon motion of a parent or the public authority, the court must determine whether~~
 62.8 ~~one or both parents have appropriate health care coverage providing medical benefits for~~
 62.9 ~~the joint child.~~

62.10 (a) If a joint child is presently enrolled in health care coverage, the court shall order that
 62.11 the parent who currently has the joint child enrolled in health care coverage continue that
 62.12 enrollment if the health care coverage is appropriate as defined under subdivision 3.

62.13 ~~(e)~~ (b) If only one parent has appropriate health care coverage providing medical benefits
 62.14 available, the court must order that parent to carry the coverage for the joint child.

62.15 ~~(d)~~ (c) If both parents have appropriate health care coverage providing medical benefits
 62.16 available, the court must order the parent with whom the joint child resides to carry the
 62.17 health care coverage for the joint child, unless:

62.18 (1) a party expresses a preference for private health care coverage providing medical
 62.19 benefits available through the parent with whom the joint child does not reside;

62.20 (2) the parent with whom the joint child does not reside is already carrying dependent
 62.21 private health care coverage providing medical benefits for other children and the cost of
 62.22 contributing to the premiums of the other parent's health care coverage would cause the
 62.23 parent with whom the joint child does not reside extreme hardship; or

62.24 (3) the parties agree as to which parent will carry health care coverage providing medical
 62.25 benefits and agree on the allocation of costs.

62.26 ~~(e)~~ (d) If the exception in paragraph ~~(d)~~ (c), clause (1) or (2), applies, the court must
 62.27 determine which parent has the most appropriate health care coverage providing medical
 62.28 benefits available and order that parent to carry health care coverage for the joint child.

62.29 ~~(f)~~ (e) If neither parent has appropriate health care coverage available, the court must
 62.30 order the parents to:

62.31 ~~(f)~~ contribute toward the actual health care costs of the joint children based on a pro
 62.32 rata share; ~~or~~ or

63.1 ~~(2) if the joint child is receiving any form of public coverage, the parent with whom the~~
 63.2 ~~joint child does not reside shall contribute a monthly amount toward the actual cost of public~~
 63.3 ~~coverage. The amount of the nonecustodial parent's contribution is determined by applying~~
 63.4 ~~the nonecustodial parent's PICS to the premium scale for MinnesotaCare under section~~
 63.5 ~~256L.15, subdivision 2, paragraph (d). If the nonecustodial parent's PICS meets the eligibility~~
 63.6 ~~requirements for MinnesotaCare, the contribution is the amount the nonecustodial parent~~
 63.7 ~~would pay for the child's premium. If the nonecustodial parent's PICS exceeds the eligibility~~
 63.8 ~~requirements, the contribution is the amount of the premium for the highest eligible income~~
 63.9 ~~on the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph~~
 63.10 ~~(d). For purposes of determining the premium amount, the nonecustodial parent's household~~
 63.11 ~~size is equal to one parent plus the child or children who are the subject of the child support~~
 63.12 ~~order. The custodial parent's obligation is determined under the requirements for public~~
 63.13 ~~coverage as set forth in chapter 256B; or~~

63.14 ~~(3) if the nonecustodial parent's PICS meet the eligibility requirement for public coverage~~
 63.15 ~~under chapter 256B or the nonecustodial parent receives public assistance, the nonecustodial~~
 63.16 ~~parent must not be ordered to contribute toward the cost of public coverage.~~

63.17 ~~(g)~~ (f) If neither parent has appropriate health care coverage available, the court may
 63.18 order the parent with whom the child resides to apply for public health care coverage for
 63.19 the child.

63.20 ~~(h) The commissioner of human services must publish a table with the premium schedule~~
 63.21 ~~for public coverage and update the chart for changes to the schedule by July 1 of each year.~~

63.22 ~~(i)~~ (g) If a joint child is not presently enrolled in private health care coverage providing
 63.23 dental benefits, upon motion of a parent or the public authority, the court must determine
 63.24 whether one or both parents have appropriate ~~dental~~ private health care coverage providing
 63.25 dental benefits for the joint child, and the court may order a parent with appropriate ~~dental~~
 63.26 private health care coverage providing dental benefits available to carry the health care
 63.27 coverage for the joint child.

63.28 ~~(j)~~ (h) If a joint child is not presently enrolled in available private health care coverage
 63.29 providing benefits other than medical benefits or dental benefits, upon motion of a parent
 63.30 or the public authority, the court may determine whether ~~that other~~ private health care
 63.31 coverage providing other health benefits for the joint child is appropriate, and the court may
 63.32 order a parent with that appropriate private health care coverage available to carry the
 63.33 coverage for the joint child.

64.1 Subd. 5. **Medical support costs; unreimbursed and uninsured ~~medical~~ health-related**
64.2 **expenses.** (a) Unless otherwise agreed to by the parties and approved by the court, the court
64.3 must order that the cost of private health care coverage and all unreimbursed and uninsured
64.4 ~~medical~~ health-related expenses ~~under the health plan~~ be divided between the obligor and
64.5 obligee based on their proportionate share of the parties' combined monthly PICS. The
64.6 amount allocated for medical support is considered child support but is not subject to a
64.7 cost-of-living adjustment under section 518A.75.

64.8 (b) If a party owes a ~~joint child~~ basic support obligation for a joint child and is ordered
64.9 to carry private health care coverage for the joint child, and the other party is ordered to
64.10 contribute to the carrying party's cost for coverage, the carrying party's ~~child~~ basic support
64.11 payment must be reduced by the amount of the contributing party's contribution.

64.12 (c) If a party owes a ~~joint child~~ basic support obligation for a joint child and is ordered
64.13 to contribute to the other party's cost for carrying private health care coverage for the joint
64.14 child, the contributing party's child support payment must be increased by the amount of
64.15 the contribution. The contribution toward private health care coverage must not be charged
64.16 in any month in which the party ordered to carry private health care coverage fails to maintain
64.17 private coverage.

64.18 (d) If the party ordered to carry private health care coverage for the joint child already
64.19 carries dependent private health care coverage for other dependents and would incur no
64.20 additional premium costs to add the joint child to the existing health care coverage, the court
64.21 must not order the other party to contribute to the premium costs for health care coverage
64.22 of the joint child.

64.23 (e) If a party ordered to carry private health care coverage for the joint child does not
64.24 already carry dependent private health care coverage but has other dependents who may be
64.25 added to the ordered health care coverage, the full premium costs of the dependent private
64.26 health care coverage must be allocated between the parties in proportion to the party's share
64.27 of the parties' combined monthly PICS, unless the parties agree otherwise.

64.28 (f) If a party ordered to carry private health care coverage for the joint child is required
64.29 to enroll in a health plan so that the joint child can be enrolled in dependent private health
64.30 care coverage under the plan, the court must allocate the costs of the dependent private
64.31 health care coverage between the parties. The costs of the private health care coverage for
64.32 the party ordered to carry the health care coverage for the joint child must not be allocated
64.33 between the parties.

64.34 (g) If the joint child is receiving any form of public health care coverage:

65.1 (1) the parent with whom the joint child does not reside shall contribute a monthly
 65.2 amount toward the actual cost of public health care coverage. The amount of the noncustodial
 65.3 parent's contribution is determined by applying the noncustodial parent's PICS to the premium
 65.4 scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). If the
 65.5 noncustodial parent's PICS meets the eligibility requirements for MinnesotaCare, the
 65.6 contribution is the amount that the noncustodial parent would pay for the child's premium;

65.7 (2) if the noncustodial parent's PICS exceeds the eligibility requirements, the contribution
 65.8 is the amount of the premium for the highest eligible income on the premium scale for
 65.9 MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). For purposes of
 65.10 determining the premium amount, the noncustodial parent's household size is equal to one
 65.11 parent plus the child or children who are the subject of the order;

65.12 (3) the custodial parent's obligation is determined under the requirements for public
 65.13 health care coverage in chapter 256B; or

65.14 (4) if the noncustodial parent's PICS is less than 200 percent of the federal poverty
 65.15 guidelines for one person or the noncustodial parent receives public assistance, the
 65.16 noncustodial parent must not be ordered to contribute toward the cost of public health care
 65.17 coverage.

65.18 (h) The commissioner of human services must publish a table for section 256L.15,
 65.19 subdivision 2, paragraph (d), and update the table with changes to the schedule by July 1
 65.20 of each year.

65.21 **Subd. 6. Notice or court order sent to party's employer, union, or health carrier. (a)**
 65.22 The public authority must forward a copy of the national medical support notice or court
 65.23 order for private health care coverage to the party's employer within two business days after
 65.24 the date the party is entered into the work reporting system under section 256.998.

65.25 (b) The public authority or a party seeking to enforce an order for private health care
 65.26 coverage must forward a copy of the national medical support notice or court order to the
 65.27 obligor's employer or union, or to the health carrier under the following circumstances:

65.28 (1) the party ordered to carry private health care coverage for the joint child fails to
 65.29 provide written proof to the other party or the public authority, within 30 days of the effective
 65.30 date of the court order, that the party has applied for private health care coverage for the
 65.31 joint child;

65.32 (2) the party seeking to enforce the order or the public authority gives written notice to
 65.33 the party ordered to carry private health care coverage for the joint child of its intent to

66.1 enforce medical support. The party seeking to enforce the order or public authority must
66.2 mail the written notice to the last known address of the party ordered to carry private health
66.3 care coverage for the joint child; and

66.4 (3) the party ordered to carry private health care coverage for the joint child fails, within
66.5 15 days after the date on which the written notice under clause (2) was mailed, to provide
66.6 written proof to the other party or the public authority that the party has applied for private
66.7 health care coverage for the joint child.

66.8 (c) The public authority is not required to forward a copy of the national medical support
66.9 notice or court order to the obligor's employer or union, or to the health carrier, if the court
66.10 orders private health care coverage for the joint child that is not employer-based or
66.11 union-based coverage.

66.12 Subd. 7. **Employer or union requirements.** (a) An employer or union must forward
66.13 the national medical support notice or court order to its health plan within 20 business days
66.14 after the date on the national medical support notice or after receipt of the court order.

66.15 (b) Upon determination by an employer's or union's health plan administrator that a joint
66.16 child is eligible to be covered under the health plan, the employer or union and health plan
66.17 must enroll the joint child as a beneficiary in the health plan, and the employer must withhold
66.18 any required premiums from the income or wages of the party ordered to carry health care
66.19 coverage for the joint child.

66.20 (c) If enrollment of the party ordered to carry private health care coverage for a joint
66.21 child is necessary to obtain dependent private health care coverage under the plan, and the
66.22 party is not enrolled in the health plan, the employer or union must enroll the party in the
66.23 plan.

66.24 (d) Enrollment of dependents and, if necessary, the party ordered to carry private health
66.25 care coverage for the joint child must be immediate and not dependent upon open enrollment
66.26 periods. Enrollment is not subject to the underwriting policies under section 62A.048.

66.27 (e) Failure of the party ordered to carry private health care coverage for the joint child
66.28 to execute any documents necessary to enroll the dependent in the health plan does not
66.29 affect the obligation of the employer or union and health plan to enroll the dependent in a
66.30 plan. Information and authorization provided by the public authority, or by a party or
66.31 guardian, is valid for the purposes of meeting enrollment requirements of the health plan.

66.32 (f) An employer or union that is included under the federal Employee Retirement Income
66.33 Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), may not deny

67.1 enrollment to the joint child or to the parent if necessary to enroll the joint child based on
67.2 exclusionary clauses described in section 62A.048.

67.3 (g) A new employer or union of a party who is ordered to provide private health care
67.4 coverage for a joint child must enroll the joint child in the party's health plan as required
67.5 by a national medical support notice or court order.

67.6 Subd. 8. **Health plan requirements.** (a) If a health plan administrator receives a
67.7 completed national medical support notice or court order, the plan administrator must notify
67.8 the parties, and the public authority if the public authority provides support enforcement
67.9 services, within 40 business days after the date of the notice or after receipt of the court
67.10 order, of the following:

67.11 (1) whether health care coverage is available to the joint child under the terms of the
67.12 health plan and, if not, the reason why health care coverage is not available;

67.13 (2) whether the joint child is covered under the health plan;

67.14 (3) the effective date of the joint child's coverage under the health plan; and

67.15 (4) what steps, if any, are required to effectuate the joint child's coverage under the health
67.16 plan.

67.17 (b) If the employer or union offers more than one plan and the national medical support
67.18 notice or court order does not specify the plan to be carried, the plan administrator must
67.19 notify the parents and the public authority if the public authority provides support
67.20 enforcement services. When there is more than one option available under the plan, the
67.21 public authority, in consultation with the parent with whom the joint child resides, must
67.22 promptly select from available plan options.

67.23 (c) The plan administrator must provide the parents and public authority, if the public
67.24 authority provides support enforcement services, with a notice of the joint child's enrollment,
67.25 description of the health care coverage, and any documents necessary to effectuate coverage.

67.26 (d) The health plan must send copies of all correspondence regarding the private health
67.27 care coverage to the parents.

67.28 (e) An insured joint child's parent's signature is a valid authorization to a health plan for
67.29 purposes of processing an insurance reimbursement payment to the medical services provider
67.30 or to the parent, if medical services have been prepaid by that parent.

67.31 Subd. 9. **Employer or union liability.** (a) An employer or union that willfully fails to
67.32 comply with the order or notice is liable for any uninsured ~~medical~~ health-related expenses

68.1 incurred by the dependents while the dependents were eligible to be enrolled in the health
68.2 plan and for any other premium costs incurred because the employer or union willfully
68.3 failed to comply with the order or notice.

68.4 (b) An employer or union that fails to comply with the order or notice is subject to a
68.5 contempt finding, a \$250 civil penalty under section 518A.73, and is subject to a civil penalty
68.6 of \$500 to be paid to the party entitled to reimbursement or the public authority. Penalties
68.7 paid to the public authority are designated for child support enforcement services.

68.8 Subd. 10. **Contesting enrollment.** (a) A party may contest a joint child's enrollment in
68.9 a health plan on the limited grounds that the enrollment is improper due to mistake of fact
68.10 or that the enrollment meets the requirements of section 518.145.

68.11 (b) If the party chooses to contest the enrollment, the party must do so no later than 15
68.12 days after the employer notifies the party of the enrollment by doing the following:

68.13 (1) filing a motion in district court or according to section 484.702 and the expedited
68.14 child support process rules if the public authority provides support enforcement services;

68.15 (2) serving the motion on the other party and public authority if the public authority
68.16 provides support enforcement services; and

68.17 (3) securing a date for the matter to be heard no later than 45 days after the notice of
68.18 enrollment.

68.19 (c) The enrollment must remain in place while the party contests the enrollment.

68.20 Subd. 11. **Disenrollment; continuation of coverage; coverage options.** (a) Unless a
68.21 court order provides otherwise, a child for whom a party is required to provide private health
68.22 care coverage under this section must be covered as a dependent of the party until the child
68.23 is emancipated, until further order of the court, or as consistent with the terms of the health
68.24 care coverage.

68.25 (b) The health carrier, employer, or union may not disenroll or eliminate health care
68.26 coverage for the child unless:

68.27 (1) the health carrier, employer, or union is provided satisfactory written evidence that
68.28 the court order is no longer in effect;

68.29 (2) the joint child is or will be enrolled in comparable private health care coverage
68.30 through another health plan that will take effect no later than the effective date of the
68.31 disenrollment;

68.32 (3) the employee is no longer eligible for dependent health care coverage; or

69.1 (4) the required premium has not been paid by or on behalf of the joint child.

69.2 (c) The health plan must provide 30 days' written notice to the joint child's parents, and
69.3 the public authority if the public authority provides support enforcement services, before
69.4 the health plan disenrolls or eliminates the joint child's health care coverage.

69.5 (d) A joint child enrolled in private health care coverage under a qualified medical child
69.6 support order, including a national medical support notice, under this section is a dependent
69.7 and a qualified beneficiary under the Consolidated Omnibus Budget and Reconciliation Act
69.8 of 1985 (COBRA), Public Law 99-272. Upon expiration of the order, the joint child is
69.9 entitled to the opportunity to elect continued health care coverage that is available under
69.10 the health plan. The employer or union must provide notice to the parties and the public
69.11 authority, if it provides support services, within ten days of the termination date.

69.12 (e) If the public authority provides support enforcement services and a plan administrator
69.13 reports to the public authority that there is more than one coverage option available under
69.14 the health plan, the public authority, in consultation with the parent with whom the joint
69.15 child resides, must promptly select health care coverage from the available options.

69.16 Subd. 12. **Spousal or former spousal coverage.** The court must require the parent with
69.17 whom the joint child does not reside to provide dependent private health care coverage for
69.18 the benefit of the parent with whom the joint child resides if the parent with whom the child
69.19 does not reside is ordered to provide dependent private health care coverage for the parties'
69.20 joint child and adding the other parent to the health care coverage results in no additional
69.21 premium cost.

69.22 Subd. 13. **Disclosure of information.** (a) If the public authority provides support
69.23 enforcement services, the parties must provide the public authority with the following
69.24 information:

69.25 (1) information relating to dependent health care coverage ~~or public coverage~~ available
69.26 for the benefit of the joint child for whom support is sought, including all information
69.27 required to be included in a medical support order under this section;

69.28 (2) verification that application for court-ordered health care coverage was made within
69.29 30 days of the court's order; and

69.30 (3) the reason that a joint child is not enrolled in court-ordered health care coverage, if
69.31 a joint child is not enrolled in health care coverage or subsequently loses health care coverage.

69.32 (b) Upon request from the public authority under section 256.978, an employer, union,
69.33 or plan administrator, including an employer subject to the federal Employee Retirement

70.1 Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), must
70.2 provide the public authority the following information:

70.3 (1) information relating to dependent private health care coverage available to a party
70.4 for the benefit of the joint child for whom support is sought, including all information
70.5 required to be included in a medical support order under this section; and

70.6 (2) information that will enable the public authority to determine whether a health plan
70.7 is appropriate for a joint child, including, but not limited to, all available plan options, any
70.8 geographic service restrictions, and the location of service providers.

70.9 (c) The employer, union, or plan administrator must not release information regarding
70.10 one party to the other party. The employer, union, or plan administrator must provide both
70.11 parties with insurance identification cards and all necessary written information to enable
70.12 the parties to utilize the insurance benefits for the covered dependent.

70.13 (d) The public authority is authorized to release to a party's employer, union, or health
70.14 plan information necessary to verify availability of dependent private health care coverage,
70.15 or to establish, modify, or enforce medical support.

70.16 (e) An employee must disclose to an employer if medical support is required to be
70.17 withheld under this section and the employer must begin withholding according to the terms
70.18 of the order and under section 518A.53. If an employee discloses an obligation to obtain
70.19 private health care coverage and health care coverage is available through the employer,
70.20 the employer must make all application processes known to the individual and enroll the
70.21 employee and dependent in the plan.

70.22 Subd. 14. **Child support enforcement services.** The public authority must take necessary
70.23 steps to establish, enforce, and modify an order for medical support if the joint child receives
70.24 public assistance or a party completes an application for services from the public authority
70.25 under section 518A.51.

70.26 Subd. 15. **Enforcement.** (a) Remedies available for collecting and enforcing child
70.27 support apply to medical support.

70.28 (b) For the purpose of enforcement, the following are additional support:

70.29 (1) the costs of individual or group health or hospitalization coverage;

70.30 (2) dental coverage;

71.1 (3) medical costs ordered by the court to be paid by either party, including health care
71.2 coverage premiums paid by the obligee because of the obligor's failure to obtain health care
71.3 coverage as ordered; and

71.4 (4) liabilities established under this subdivision.

71.5 (c) A party who fails to carry court-ordered dependent private health care coverage is
71.6 liable for the joint child's uninsured ~~medical~~ health-related expenses unless a court order
71.7 provides otherwise. A party's failure to carry court-ordered health care coverage, or to
71.8 provide other medical support as ordered, is a basis for modification of medical support
71.9 under section 518A.39, subdivision 8, unless it meets the presumption in section 518A.39,
71.10 subdivision 2.

71.11 (d) Payments by the health carrier or employer for services rendered to the dependents
71.12 that are directed to a party not owed reimbursement must be endorsed over to and forwarded
71.13 to the vendor or appropriate party or the public authority. A party retaining insurance
71.14 reimbursement not owed to the party is liable for the amount of the reimbursement.

71.15 Subd. 16. **Offset.** (a) If a party is the parent with primary physical custody as defined
71.16 in section 518A.26, subdivision 17, and is an obligor ordered to contribute to the other
71.17 party's cost for carrying health care coverage for the joint child, the other party's child
71.18 support and spousal maintenance obligations are subject to an offset under subdivision 5.

71.19 (b) The public authority, if the public authority provides child support enforcement
71.20 services, may remove the offset to a party's child support obligation when:

- 71.21 (1) the party's court-ordered private health care coverage for the joint child terminates;
71.22 (2) the party does not enroll the joint child in other private health care coverage; and
71.23 (3) a modification motion is not pending.

71.24 The public authority must provide notice to the parties of the action. If neither party requests
71.25 a hearing, the public authority must remove the offset effective the first day of the month
71.26 following termination of the joint child's private health care coverage.

71.27 (c) The public authority, if the public authority provides child support enforcement
71.28 services, may resume the offset when the party ordered to provide private health care
71.29 coverage for the joint child has resumed the court-ordered private health care coverage or
71.30 enrolled the joint child in other private health care coverage. The public authority must
71.31 provide notice to the parties of the action. If neither party requests a hearing, the public
71.32 authority must resume the offset effective the first day of the month following certification
71.33 that private health care coverage is in place for the joint child.

72.1 (d) A party may contest the public authority's action to remove or resume the offset to
72.2 the child support obligation if the party makes a written request for a hearing within 30 days
72.3 after receiving written notice. If a party makes a timely request for a hearing, the public
72.4 authority must schedule a hearing and send written notice of the hearing to the parties by
72.5 mail to the parties' last known addresses at least 14 days before the hearing. The hearing
72.6 must be conducted in district court or in the expedited child support process if section
72.7 484.702 applies. The district court or child support magistrate must determine whether
72.8 removing or resuming the offset is appropriate and, if appropriate, the effective date for the
72.9 removal or resumption.

72.10 Subd. 16a. **Suspension or reinstatement of medical support contribution.** (a) If a
72.11 party is the parent with primary physical custody, as defined in section 518A.26, subdivision
72.12 17, and is ordered to carry private health care coverage for the joint child but fails to carry
72.13 the court-ordered private health care coverage, the public authority may suspend the medical
72.14 support obligation of the other party if that party has been court-ordered to contribute to the
72.15 cost of the private health care coverage carried by the parent with primary physical custody
72.16 of the joint child.

72.17 (b) If the public authority provides child support enforcement services, the public
72.18 authority may suspend the other party's medical support contribution toward private health
72.19 care coverage when:

72.20 (1) the party's court-ordered private health care coverage for the joint child terminates;

72.21 (2) the party does not enroll the joint child in other private health care coverage; and

72.22 (3) a modification motion is not pending.

72.23 The public authority must provide notice to the parties of the action. If neither party requests
72.24 a hearing, the public authority must remove the medical support contribution effective the
72.25 first day of the month following the termination of the joint child's private health care
72.26 coverage.

72.27 (c) If the public authority provides child support enforcement services, the public authority
72.28 may reinstate the medical support contribution when the party ordered to provide private
72.29 health care coverage for the joint child has resumed the joint child's court-ordered private
72.30 health care coverage or has enrolled the joint child in other private health care coverage.

72.31 The public authority must provide notice to the parties of the action. If neither party requests
72.32 a hearing, the public authority must resume the medical support contribution effective the
72.33 first day of the month following certification that the joint child is enrolled in private health
72.34 care coverage.

73.1 (d) A party may contest the public authority's action to suspend or reinstate the medical
73.2 support contribution if the party makes a written request for a hearing within 30 days after
73.3 receiving written notice. If a party makes a timely request for a hearing, the public authority
73.4 must schedule a hearing and send written notice of the hearing to the parties by mail to the
73.5 parties' last known addresses at least 14 days before the hearing. The hearing must be
73.6 conducted in district court or in the expedited child support process if section 484.702
73.7 applies. The district court or child support magistrate must determine whether suspending
73.8 or reinstating the medical support contribution is appropriate and, if appropriate, the effective
73.9 date of the removal or reinstatement of the medical support contribution.

73.10 Subd. 17. **Collecting unreimbursed or uninsured ~~medical~~ health-related expenses.** (a)
73.11 This subdivision and subdivision 18 apply when a court order has determined and ordered
73.12 the parties' proportionate share and responsibility to contribute to unreimbursed or uninsured
73.13 ~~medical~~ health-related expenses.

73.14 (b) A party requesting reimbursement of unreimbursed or uninsured ~~medical~~
73.15 health-related expenses must initiate a request to the other party within two years of the
73.16 date that the requesting party incurred the unreimbursed or uninsured ~~medical~~ health-related
73.17 expenses. If a court order has been signed ordering the contribution ~~towards~~ toward
73.18 unreimbursed or uninsured expenses, a two-year limitations provision must be applied to
73.19 any requests made on or after January 1, 2007. The provisions of this section apply
73.20 retroactively to court orders signed before January 1, 2007. Requests for unreimbursed or
73.21 uninsured expenses made on or after January 1, 2007, may include expenses incurred before
73.22 January 1, 2007, and on or after January 1, 2005.

73.23 (c) A requesting party must mail a written notice of intent to collect the unreimbursed
73.24 or uninsured ~~medical~~ health-related expenses and a copy of an affidavit of health care
73.25 expenses to the other party at the other party's last known address.

73.26 (d) The written notice must include a statement that the other party has 30 days from
73.27 the date the notice was mailed to (1) pay in full; (2) agree to a payment schedule; or (3) file
73.28 a motion requesting a hearing to contest the amount due or to set a court-ordered monthly
73.29 payment amount. If the public authority provides services, the written notice also must
73.30 include a statement that, if the other party does not respond within the 30 days, the requesting
73.31 party may submit the amount due to the public authority for collection.

73.32 (e) The affidavit of health care expenses must itemize and document the joint child's
73.33 unreimbursed or uninsured ~~medical~~ health-related expenses and include copies of all bills,
73.34 receipts, and insurance company explanations of benefits.

74.1 (f) If the other party does not respond to the request for reimbursement within 30 days,
 74.2 the requesting party may commence enforcement against the other party under subdivision
 74.3 18; file a motion for a court-ordered monthly payment amount under paragraph (i); or notify
 74.4 the public authority, if the public authority provides services, that the other party has not
 74.5 responded.

74.6 (g) The notice to the public authority must include: a copy of the written notice, a copy
 74.7 of the affidavit of health care expenses, and copies of all bills, receipts, and insurance
 74.8 company explanations of benefits.

74.9 (h) If noticed under paragraph (f), the public authority must serve the other party with
 74.10 a notice of intent to enforce unreimbursed and uninsured ~~medical~~ health-related expenses
 74.11 and file an affidavit of service by mail with the district court administrator. The notice must
 74.12 state that the other party has 14 days to (1) pay in full; or (2) file a motion to contest the
 74.13 amount due or to set a court-ordered monthly payment amount. The notice must also state
 74.14 that if there is no response within 14 days, the public authority will commence enforcement
 74.15 of the expenses as arrears under subdivision 18.

74.16 (i) To contest the amount due or set a court-ordered monthly payment amount, a party
 74.17 must file a timely motion and schedule a hearing in district court or in the expedited child
 74.18 support process if section 484.702 applies. The moving party must provide the other party
 74.19 and the public authority, if the public authority provides services, with written notice at
 74.20 least 14 days before the hearing by mailing notice of the hearing to the public authority and
 74.21 to the requesting party at the requesting party's last known address. The moving party must
 74.22 file the affidavit of health care expenses with the court at least five days before the hearing.
 74.23 The district court or child support magistrate must determine liability for the expenses and
 74.24 order that the liable party is subject to enforcement of the expenses as arrears under
 74.25 subdivision 18 or set a court-ordered monthly payment amount.

74.26 Subd. 18. **Enforcing unreimbursed or uninsured ~~medical~~ health-related expenses**
 74.27 **as arrears.** (a) Unreimbursed or uninsured ~~medical~~ health-related expenses enforced under
 74.28 this subdivision are collected as arrears.

74.29 (b) If the liable party is the parent with primary physical custody as defined in section
 74.30 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
 74.31 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
 74.32 or uninsured expenses remain after the deduction, the expenses must be collected as follows:

74.33 (1) If the requesting party owes a current child support obligation to the liable party, 20
 74.34 percent of each payment received from the requesting party must be returned to the requesting

75.1 party. The total amount returned to the requesting party each month must not exceed 20
75.2 percent of the current monthly support obligation.

75.3 (2) If the requesting party does not owe current child support or arrears, a payment
75.4 agreement under section 518A.69 is required. If the liable party fails to enter into or comply
75.5 with a payment agreement, the requesting party or the public authority, if the public authority
75.6 provides services, may schedule a hearing to set a court-ordered payment. The requesting
75.7 party or the public authority must provide the liable party with written notice of the hearing
75.8 at least 14 days before the hearing.

75.9 (c) If the liable party is not the parent with primary physical custody as defined in section
75.10 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
75.11 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
75.12 or uninsured expenses remain after the deduction, the expenses must be added and collected
75.13 as arrears owed by the liable party.

75.14 **EFFECTIVE DATE.** This section is effective January 1, 2025.

75.15 Sec. 6. Minnesota Statutes 2022, section 518A.42, subdivision 1, is amended to read:

75.16 Subdivision 1. **Ability to pay.** (a) It is a rebuttable presumption that a child support
75.17 order should not exceed the obligor's ability to pay. To determine the amount of child support
75.18 the obligor has the ability to pay, the court shall follow the procedure set out in this section.

75.19 (b) The court shall calculate the obligor's income available for support by subtracting a
75.20 monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one
75.21 person from the obligor's parental income for determining child support (PICS). If benefits
75.22 under section 518A.31 are received by the obligee as a representative payee for a joint child
75.23 or are received by the child attending school, based on the other parent's eligibility, the court
75.24 shall subtract the amount of benefits from the obligor's PICS before subtracting the
75.25 self-support reserve. If the obligor's income available for support calculated under this
75.26 paragraph is equal to or greater than the obligor's support obligation calculated under section
75.27 518A.34, the court shall order child support under section 518A.34.

75.28 (c) If the obligor's income available for support calculated under paragraph (b) is more
75.29 than the minimum support amount under subdivision 2, but less than the guideline amount
75.30 under section 518A.34, then the court shall apply a reduction to the child support obligation
75.31 in the following order, until the support order is equal to the obligor's income available for
75.32 support:

75.33 (1) medical support obligation;

76.1 (2) child care support obligation; and

76.2 (3) basic support obligation.

76.3 (d) If the obligor's income available for support calculated under paragraph (b) is equal
76.4 to or less than the minimum support amount under subdivision 2 or if the obligor's gross
76.5 income is less than 120 percent of the federal poverty guidelines for one person, the minimum
76.6 support amount under subdivision 2 applies.

76.7 **EFFECTIVE DATE.** This section is effective January 1, 2025.

76.8 Sec. 7. Minnesota Statutes 2022, section 518A.42, subdivision 3, is amended to read:

76.9 Subd. 3. **Exception.** (a) This section does not apply to an obligor who is incarcerated
76.10 or is a recipient of a general assistance grant, temporary assistance for needy families (TANF)
76.11 grant or comparable state-funded Minnesota family investment program (MFIP) benefits.

76.12 (b) If the court finds the obligor receives no income and completely lacks the ability to
76.13 earn income, the minimum basic support amount under this subdivision does not apply.

76.14 (c) If the obligor's basic support amount is reduced below the minimum basic support
76.15 amount due to the application of the parenting expense adjustment, the minimum basic
76.16 support amount under this subdivision does not apply and the lesser amount is the guideline
76.17 basic support.

76.18 **EFFECTIVE DATE.** This section is effective January 1, 2025.

76.19 Sec. 8. Minnesota Statutes 2022, section 518A.65, is amended to read:

76.20 **518A.65 DRIVER'S LICENSE SUSPENSION.**

76.21 (a) This paragraph is effective July 1, 2023. Upon motion of an obligee, which has been
76.22 properly served on the obligor and upon which there has been an opportunity for hearing,
76.23 if a court finds that the obligor has been or may be issued a driver's license by the
76.24 commissioner of public safety and the obligor is in arrears in court-ordered child support
76.25 or maintenance payments, or both, in an amount equal to or greater than three times the
76.26 obligor's total monthly support and maintenance payments and is not in compliance with a
76.27 written payment agreement pursuant to section 518A.69 that is approved by the court, a
76.28 child support magistrate, or the public authority, the court ~~shall~~ may order the commissioner
76.29 of public safety to suspend the obligor's driver's license. The court may consider the
76.30 circumstances in paragraph (i) to determine whether driver's license suspension is an
76.31 appropriate remedy that is likely to induce the payment of child support. The court may

77.1 consider whether driver's license suspension would have a direct harmful effect on the
 77.2 obligor or joint children that would make driver's license suspension an inappropriate remedy.
 77.3 This paragraph expires December 31, 2025.

77.4 (b) This paragraph is effective January 1, 2026. Upon motion of an obligee, which has
 77.5 been properly served on the obligor and upon which there has been an opportunity for
 77.6 hearing, if a court finds that the obligor has a valid driver's license issued by the commissioner
 77.7 of public safety and the obligor is in arrears in court-ordered child support or maintenance
 77.8 payments, or both, in an amount equal to or greater than three times the obligor's total
 77.9 monthly support and maintenance payments and is not in compliance with a written payment
 77.10 agreement pursuant to section 518A.69 that is approved by the court, a child support
 77.11 magistrate, or the public authority, the court may order the commissioner of public safety
 77.12 to suspend the obligor's driver's license. The court may consider the circumstances in
 77.13 paragraph (i) to determine whether driver's license suspension is an appropriate remedy that
 77.14 is likely to induce the payment of child support. The court may consider whether driver's
 77.15 license suspension would have a direct harmful effect on the obligor or joint children that
 77.16 would make driver's license suspension an inappropriate remedy.

77.17 (c) The court's order must be stayed for 90 days in order to allow the obligor to execute
 77.18 a written payment agreement pursuant to section 518A.69. The payment agreement must
 77.19 be approved by either the court or the public authority responsible for child support
 77.20 enforcement. If the obligor has not executed or is not in compliance with a written payment
 77.21 agreement pursuant to section 518A.69 after the 90 days expires, the court's order becomes
 77.22 effective and the commissioner of public safety shall suspend the obligor's driver's license.
 77.23 The remedy under this section is in addition to any other enforcement remedy available to
 77.24 the court. An obligee may not bring a motion under this paragraph within 12 months of a
 77.25 denial of a previous motion under this paragraph.

77.26 ~~(b)~~ (d) This paragraph is effective July 1, 2023. If a public authority responsible for child
 77.27 support enforcement determines that the obligor has been or may be issued a driver's license
 77.28 by the commissioner of public safety and the obligor is in arrears in court-ordered child
 77.29 support or maintenance payments or both in an amount equal to or greater than three times
 77.30 the obligor's total monthly support and maintenance payments and not in compliance with
 77.31 a written payment agreement pursuant to section 518A.69 that is approved by the court, a
 77.32 child support magistrate, or the public authority, the public authority shall direct the
 77.33 commissioner of public safety to suspend the obligor's driver's license unless exercising
 77.34 administrative discretion under paragraph (i). The remedy under this section is in addition

78.1 to any other enforcement remedy available to the public authority. This paragraph expires
78.2 December 31, 2025.

78.3 (e) This paragraph is effective January 1, 2026. If a public authority responsible for child
78.4 support enforcement determines that:

78.5 (1) the obligor has a valid driver's license issued by the commissioner of public safety;

78.6 (2) the obligor is in arrears in court-ordered child support or maintenance payments or
78.7 both in an amount equal to or greater than three times the obligor's total monthly support
78.8 and maintenance payments;

78.9 (3) the obligor is not in compliance with a written payment agreement pursuant to section
78.10 518A.69 that is approved by the court, a child support magistrate, or the public authority;
78.11 and

78.12 (4) the obligor's mailing address is known to the public authority;

78.13 then the public authority shall direct the commissioner of public safety to suspend the
78.14 obligor's driver's license unless exercising administrative discretion under paragraph (i).
78.15 The remedy under this section is in addition to any other enforcement remedy available to
78.16 the public authority.

78.17 ~~(e)~~ (f) At least 90 days prior to notifying the commissioner of public safety according
78.18 to paragraph ~~(b)~~ (d), the public authority must mail a written notice to the obligor at the
78.19 obligor's last known address, that it intends to seek suspension of the obligor's driver's
78.20 license and that the obligor must request a hearing within 30 days in order to contest the
78.21 suspension. If the obligor makes a written request for a hearing within 30 days of the date
78.22 of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the
78.23 obligor must be served with 14 days' notice in writing specifying the time and place of the
78.24 hearing and the allegations against the obligor. The notice must include information that
78.25 apprises the obligor of the requirement to develop a written payment agreement that is
78.26 approved by a court, a child support magistrate, or the public authority responsible for child
78.27 support enforcement regarding child support, maintenance, and any arrearages in order to
78.28 avoid license suspension. The notice may be served personally or by mail. If the public
78.29 authority does not receive a request for a hearing within 30 days of the date of the notice,
78.30 and the obligor does not execute a written payment agreement pursuant to section 518A.69
78.31 that is approved by the public authority within 90 days of the date of the notice, the public
78.32 authority shall direct the commissioner of public safety to suspend the obligor's driver's
78.33 license under paragraph ~~(b)~~ (d).

79.1 ~~(d)~~ (g) At a hearing requested by the obligor under paragraph ~~(e)~~ (f), and on finding that
79.2 the obligor is in arrears in court-ordered child support or maintenance payments or both in
79.3 an amount equal to or greater than three times the obligor's total monthly support and
79.4 maintenance payments, the district court or child support magistrate shall order the
79.5 commissioner of public safety to suspend the obligor's driver's license or operating privileges
79.6 unless:

79.7 (1) the court or child support magistrate determines that the obligor has executed and is
79.8 in compliance with a written payment agreement pursuant to section 518A.69 that is approved
79.9 by the court, a child support magistrate, or the public authority; or

79.10 (2) the court, in its discretion, determines that driver's license suspension is unlikely to
79.11 induce payment of child support or would have direct harmful effects on the obligor or joint
79.12 child that makes driver's license suspension an inappropriate remedy. The court may consider
79.13 the circumstances in paragraph (f) in exercising the court's discretion.

79.14 ~~(e)~~ (h) An obligor whose driver's license or operating privileges are suspended may:

79.15 (1) provide proof to the public authority responsible for child support enforcement that
79.16 the obligor is in compliance with all written payment agreements pursuant to section 518A.69;

79.17 (2) bring a motion for reinstatement of the driver's license. At the hearing, if the court
79.18 or child support magistrate orders reinstatement of the driver's license, the court or child
79.19 support magistrate must establish a written payment agreement pursuant to section 518A.69;
79.20 or

79.21 (3) seek a limited license under section 171.30. A limited license issued to an obligor
79.22 under section 171.30 expires 90 days after the date it is issued.

79.23 Within 15 days of the receipt of that proof or a court order, the public authority shall
79.24 inform the commissioner of public safety that the obligor's driver's license or operating
79.25 privileges should no longer be suspended.

79.26 (i) Prior to notifying the commissioner of public safety that an obligor's driver's license
79.27 should be suspended or after an obligor's driving privileges have been suspended, the public
79.28 authority responsible for child support enforcement may use administrative authority to end
79.29 the suspension process or inform the commissioner of public safety that the obligor's driving
79.30 privileges should no longer be suspended under any of the following circumstances:

79.31 (1) the full amount of court-ordered payments have been received for at least one month;

79.32 (2) an income withholding notice has been sent to an employer or payor of funds;

80.1 (3) payments less than the full court-ordered amount have been received and the
80.2 circumstances of the obligor demonstrate the obligor's substantial intent to comply with the
80.3 order;

80.4 (4) the obligor receives public assistance;

80.5 (5) the case is being reviewed by the public authority for downward modification due
80.6 to changes in the obligor's financial circumstances or a party has filed a motion to modify
80.7 the child support order;

80.8 (6) the obligor no longer lives in the state and the child support case is in the process of
80.9 interstate enforcement;

80.10 (7) the obligor is currently incarcerated for one week or more or is receiving in-patient
80.11 treatment for physical health, mental health, chemical dependency, or other treatment. This
80.12 clause applies for six months after the obligor is no longer incarcerated or receiving in-patient
80.13 treatment;

80.14 (8) the obligor is temporarily or permanently disabled and unable to pay child support;

80.15 (9) the obligor has presented evidence to the public authority that the obligor needs
80.16 driving privileges to maintain or obtain the obligor's employment;

80.17 (10) the obligor has not had a meaningful opportunity to pay toward arrears; and

80.18 (11) other circumstances of the obligor indicate that a temporary condition exists for
80.19 which suspension of a driver's license for the nonpayment of child support is not appropriate.
80.20 When considering whether driver's license suspension is appropriate, the public authority
80.21 must assess: (i) whether suspension of the driver's license is likely to induce payment of
80.22 child support; and (ii) whether suspension of the driver's license would have direct harmful
80.23 effects on the obligor or joint children that make driver's license suspension an inappropriate
80.24 remedy.

80.25 The presence of circumstances in this paragraph does not prevent the public authority from
80.26 proceeding with a suspension of a driver's license.

80.27 ~~(f)~~ (j) In addition to the criteria established under this section for the suspension of an
80.28 obligor's driver's license, a court, a child support magistrate, or the public authority may
80.29 direct the commissioner of public safety to suspend the license of a party who has failed,
80.30 after receiving notice, to comply with a subpoena relating to a paternity or child support
80.31 proceeding. Notice to an obligor of intent to suspend must be served by first class mail at
80.32 the obligor's last known address. The notice must inform the obligor of the right to request
80.33 a hearing. If the obligor makes a written request within ten days of the date of the hearing,

81.1 a hearing must be held. At the hearing, the only issues to be considered are mistake of fact
81.2 and whether the obligor received the subpoena.

81.3 ~~(g)~~ (k) The license of an obligor who fails to remain in compliance with an approved
81.4 written payment agreement may be suspended. Prior to suspending a license for
81.5 noncompliance with an approved written payment agreement, the public authority must
81.6 mail to the obligor's last known address a written notice that (1) the public authority intends
81.7 to seek suspension of the obligor's driver's license under this paragraph, and (2) the obligor
81.8 must request a hearing, within 30 days of the date of the notice, to contest the suspension.
81.9 If, within 30 days of the date of the notice, the public authority does not receive a written
81.10 request for a hearing and the obligor does not comply with an approved written payment
81.11 agreement, the public authority must direct the Department of Public Safety to suspend the
81.12 obligor's license under paragraph ~~(b)~~ (d). If the obligor makes a written request for a hearing
81.13 within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any
81.14 law to the contrary, the obligor must be served with 14 days' notice in writing specifying
81.15 the time and place of the hearing and the allegations against the obligor. The notice may be
81.16 served personally or by mail at the obligor's last known address. If the obligor appears at
81.17 the hearing and the court determines that the obligor has failed to comply with an approved
81.18 written payment agreement, the court or public authority shall notify the Department of
81.19 Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d). If the obligor fails
81.20 to appear at the hearing, the court or public authority must notify the Department of Public
81.21 Safety to suspend the obligor's license under paragraph ~~(b)~~ (d).

81.22 **EFFECTIVE DATE.** This section is effective July 1, 2023, unless otherwise specified.

81.23 Sec. 9. Minnesota Statutes 2022, section 518A.77, is amended to read:

81.24 **518A.77 GUIDELINES REVIEW.**

81.25 ~~(a)~~ No later than 2006 and every four years after that, the Department of Human Services
81.26 must conduct a review of the child support guidelines as required under Code of Federal
81.27 Regulations, title 45, section 302.56(h).

81.28 ~~(b) This section expires January 1, 2032.~~

ARTICLE 4

ECONOMIC ASSISTANCE

82.1
82.2
82.3 Section 1. Minnesota Statutes 2022, section 119B.025, subdivision 4, is amended to read:

82.4 Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility
82.5 factors according to paragraphs (b) to (g).

82.6 (b) A family is subject to the reporting requirements in section 256P.07, subdivision 6.

82.7 (c) If a family reports a change or a change is known to the agency before the family's
82.8 regularly scheduled redetermination, the county must act on the change. The commissioner
82.9 shall establish standards for verifying a change.

82.10 (d) A change in income occurs on the day the participant received the first payment
82.11 reflecting the change in income.

82.12 (e) During a family's 12-month eligibility period, if the family's income increases and
82.13 remains at or below 85 percent of the state median income, adjusted for family size, there
82.14 is no change to the family's eligibility. The county shall not request verification of the
82.15 change. The co-payment fee shall not increase during the remaining portion of the family's
82.16 12-month eligibility period.

82.17 (f) During a family's 12-month eligibility period, if the family's income increases and
82.18 exceeds 85 percent of the state median income, adjusted for family size, the family is not
82.19 eligible for child care assistance. The family must be given 15 calendar days to provide
82.20 verification of the change. If the required verification is not returned or confirms ineligibility,
82.21 the family's eligibility ends following a subsequent 15-day adverse action notice.

82.22 (g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170,
82.23 subpart 1, if an applicant or participant reports that employment ended, the agency may
82.24 accept a signed statement from the applicant or participant as verification that employment
82.25 ended.

82.26 **EFFECTIVE DATE.** This section is effective March 1, 2025.

82.27 Sec. 2. Minnesota Statutes 2022, section 256D.03, is amended by adding a subdivision to
82.28 read:

82.29 Subd. 2b. **Budgeting and reporting.** Every county agency shall determine eligibility
82.30 and calculate benefit amounts for general assistance according to chapter 256P.

82.31 **EFFECTIVE DATE.** This section is effective March 1, 2025.

83.1 Sec. 3. Minnesota Statutes 2022, section 256D.63, subdivision 2, is amended to read:

83.2 Subd. 2. **SNAP reporting requirements.** The commissioner of human services shall
 83.3 implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as
 83.4 amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP
 83.5 benefit recipient households required to report periodically shall not be required to report
 83.6 more often than one time every six months. ~~This provision shall not apply to households~~
 83.7 ~~receiving food benefits under the Minnesota family investment program waiver.~~

83.8 **EFFECTIVE DATE.** This section is effective March 1, 2025.

83.9 Sec. 4. **[256D.65] SUPPLEMENTAL NUTRITION ASSISTANCE OUTREACH**
 83.10 **PROGRAM.**

83.11 Subdivision 1. **SNAP outreach program.** The commissioner of human services shall
 83.12 implement a Supplemental Nutrition Assistance Program (SNAP) outreach program to
 83.13 inform low-income households about the availability, eligibility requirements, application
 83.14 procedures, and benefits of SNAP that meets the requirements of the United States
 83.15 Department of Agriculture.

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

83.18 (1) supervise the administration of the SNAP outreach program according to guidance
 83.19 provided by the United States Department of Agriculture;

83.20 (2) submit the SNAP outreach plan and budget to the United States Department of
 83.21 Agriculture;

83.22 (3) accept any funds provided by the federal government or other sources for SNAP
 83.23 outreach;

83.24 (4) administer the request-for-proposals process and establish contracts with grantees
 83.25 to ensure SNAP outreach services are available to inform low-income households statewide;

83.26 (5) approve budgets from grantees to ensure that activities are eligible for federal
 83.27 reimbursement;

83.28 (6) monitor grantees, review invoices, and reimburse grantees for allowable costs that
 83.29 are eligible for federal reimbursement;

83.30 (7) provide technical assistance to grantees to ensure that projects support SNAP outreach
 83.31 goals and project costs are eligible for federal reimbursement;

84.1 (8) work in partnership with counties, Tribal Nations, and community organizations to
 84.2 enhance the reach and services of a statewide SNAP outreach program; and

84.3 (9) identify and leverage eligible nonfederal funds to earn federal reimbursement for
 84.4 SNAP outreach.

84.5 Subd. 3. **Program funding.** (a) Grantees must submit allowable costs for approved
 84.6 SNAP outreach activities to the commissioner of human services in order to receive federal
 84.7 reimbursement.

84.8 (b) The commissioner of human services shall disburse federal reimbursement funds
 84.9 for allowable costs for approved SNAP outreach activities to the state agency or grantee
 84.10 that incurred the costs being reimbursed.

84.11 Sec. 5. Minnesota Statutes 2022, section 256E.34, subdivision 4, is amended to read:

84.12 Subd. 4. **Use of money.** At least 96 percent of the money distributed to Hunger Solutions
 84.13 under this section must be distributed to food shelf programs to purchase, transport, and
 84.14 coordinate the distribution of nutritious food to needy individuals and families. The money
 84.15 distributed to food shelf programs may also be used to purchase personal hygiene products,
 84.16 including but not limited to diapers and toilet paper. No more than four percent of the money
 84.17 may be expended for other expenses, such as rent, salaries, and other administrative expenses
 84.18 of Hunger Solutions.

84.19 Sec. 6. **[256E.341] AMERICAN INDIAN FOOD SOVEREIGNTY FUNDING**
 84.20 **PROGRAM.**

84.21 Subdivision 1. **Establishment.** The American Indian food sovereignty funding program
 84.22 is established to improve access and equity to food security programs within Tribal and
 84.23 urban American Indian communities. The program shall assist Tribal Nations and urban
 84.24 American Indian communities in achieving self-determination and improve collaboration
 84.25 and partnership building between American Indian communities and the state. The
 84.26 commissioner of human services shall administer the program and provide outreach, technical
 84.27 assistance, and program development support to increase food security for American Indians.

84.28 Subd. 2. **Distribution of funding.** (a) The commissioner shall provide funding to support
 84.29 food system changes and provide equitable access to existing and new methods of food
 84.30 support for American Indian communities. The commissioner shall determine the funding
 84.31 formula, timing, and form of the application for the program.

84.32 (b) Eligible recipients of funding under this section include:

85.1 (1) federally recognized American Indian Tribes or bands in Minnesota as defined in
85.2 section 10.65;

85.3 (2) the American Indian Community Housing Organization;

85.4 (3) the Division of Indian Work;

85.5 (4) Department of Indian Work within the Interfaith Action of Greater Saint Paul;

85.6 (5) the Northwest Indian Community Development Center; and

85.7 (6) other entities as determined by the commissioner.

85.8 Subd. 3. **Allowable uses of funds.** Recipients shall use funds provided under this section
85.9 to promote food security for American Indian communities by:

85.10 (1) planning for sustainable food systems;

85.11 (2) implementing food security programs, including but not limited to technology to
85.12 facilitate no-contact or low-contact food distribution and outreach models;

85.13 (3) providing culturally relevant training for building food access;

85.14 (4) purchasing, producing, processing, transporting, storing, and coordinating the
85.15 distribution of food, including culturally relevant food; and

85.16 (5) purchasing seeds, plants, equipment, or materials to preserve, procure, or grow food.

85.17 Subd. 4. **Reporting.** (a) Recipients shall report annually on the use of American Indian
85.18 food sovereignty funding program money under this section to the commissioner. Each
85.19 report shall include the following information:

85.20 (1) the name and location of the recipient;

85.21 (2) the amount of funding received;

85.22 (3) the use of funds; and

85.23 (4) the number of people served.

85.24 (b) The commissioner shall determine the form required for the reports and may specify
85.25 additional reporting requirements.

85.26 Sec. 7. Minnesota Statutes 2022, section 256E.35, subdivision 1, is amended to read:

85.27 Subdivision 1. **Establishment.** The Minnesota family assets for independence initiative
85.28 is established to provide incentives for low-income families to accrue assets for education,
85.29 housing, vehicles, emergencies, and economic development purposes.

86.1 Sec. 8. Minnesota Statutes 2022, section 256E.35, subdivision 2, is amended to read:

86.2 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

86.3 (b) "Eligible educational institution" means the following:

86.4 (1) an institution of higher education described in section 101 or 102 of the Higher
86.5 Education Act of 1965; or

86.6 (2) an area vocational education school, as defined in subparagraph (C) or (D) of United
86.7 States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and
86.8 Applied Technology Education Act), which is located within any state, as defined in United
86.9 States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the
86.10 extent section 2302 is in effect on August 1, 2008.

86.11 (c) "Family asset account" means a savings account opened by a household participating
86.12 in the Minnesota family assets for independence initiative.

86.13 (d) "Fiduciary organization" means:

86.14 (1) a community action agency that has obtained recognition under section 256E.31;

86.15 (2) a federal community development credit union ~~servicing the seven-county metropolitan~~
86.16 ~~area; or~~

86.17 (3) a women-oriented economic development agency ~~servicing the seven-county~~
86.18 ~~metropolitan area;~~

86.19 (4) a federally recognized Tribal Nation; or

86.20 (5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue
86.21 Code.

86.22 (e) "Financial coach" means a person who:

86.23 (1) has completed an intensive financial literacy training workshop that includes
86.24 curriculum on budgeting to increase savings, debt reduction and asset building, building a
86.25 good credit rating, and consumer protection;

86.26 (2) participates in ongoing statewide family assets for independence in Minnesota (FAIM)
86.27 network training meetings under FAIM program supervision; and

86.28 (3) provides financial coaching to program participants under subdivision 4a.

86.29 (f) "Financial institution" means a bank, bank and trust, savings bank, savings association,
86.30 or credit union, the deposits of which are insured by the Federal Deposit Insurance
86.31 Corporation or the National Credit Union Administration.

87.1 (g) "Household" means all individuals who share use of a dwelling unit as primary
87.2 quarters for living and eating separate from other individuals.

87.3 (h) "Permissible use" means:

87.4 (1) postsecondary educational expenses at an eligible educational institution as defined
87.5 in paragraph (b), including books, supplies, and equipment required for courses of instruction;

87.6 (2) acquisition costs of acquiring, constructing, or reconstructing a residence, including
87.7 any usual or reasonable settlement, financing, or other closing costs;

87.8 (3) business capitalization expenses for expenditures on capital, plant, equipment, working
87.9 capital, and inventory expenses of a legitimate business pursuant to a business plan approved
87.10 by the fiduciary organization;

87.11 (4) acquisition costs of a principal residence within the meaning of section 1034 of the
87.12 Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase
87.13 price applicable to the residence determined according to section 143(e)(2) and (3) of the
87.14 Internal Revenue Code of 1986; ~~and~~

87.15 (5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

87.16 (6) contributions to an emergency savings account; and

87.17 (7) contributions to a Minnesota 529 savings plan.

87.18 Sec. 9. Minnesota Statutes 2022, section 256E.35, subdivision 3, is amended to read:

87.19 Subd. 3. **Grants awarded.** The commissioner shall allocate funds to participating
87.20 fiduciary organizations to provide family asset services. Grant awards must be based on a
87.21 plan submitted by a statewide organization representing fiduciary organizations. The
87.22 statewide organization must ensure that any interested unrepresented fiduciary organization
87.23 have input into the development of the plan. The plan must equitably distribute funds to
87.24 achieve geographic balance and document the capacity of participating fiduciary
87.25 organizations to manage the program. A portion of funds appropriated for this section may
87.26 be expended on evaluation of the Minnesota family assets for independence initiative.

87.27 Sec. 10. Minnesota Statutes 2022, section 256E.35, subdivision 4a, is amended to read:

87.28 Subd. 4a. **Financial coaching.** A financial coach shall provide the following to program
87.29 participants:

87.30 (1) financial education relating to budgeting, debt reduction, asset-specific training,
87.31 credit building, and financial stability activities;

88.1 (2) asset-specific training related to buying a home or vehicle, acquiring postsecondary
 88.2 education, ~~or starting or expanding a small business,~~ saving for emergencies, or saving for
 88.3 a child's education; and

88.4 (3) financial stability education and training to improve and sustain financial security.

88.5 Sec. 11. Minnesota Statutes 2022, section 256E.35, subdivision 6, is amended to read:

88.6 Subd. 6. **Withdrawal; matching; permissible uses.** (a) To receive a match, a
 88.7 participating household must transfer funds withdrawn from a family asset account to its
 88.8 matching fund custodial account held by the fiscal agent, according to the family asset
 88.9 agreement. The fiscal agent must determine if the match request is for a permissible use
 88.10 consistent with the household's family asset agreement.

88.11 (b) The fiscal agent must ensure the household's custodial account contains the applicable
 88.12 matching funds to match the balance in the household's account, including interest, on at
 88.13 least a quarterly basis and at the time of an approved withdrawal. Matches must be a
 88.14 contribution of \$3 from state grant or TANF funds for every \$1 of funds withdrawn from
 88.15 the family asset account not to exceed a ~~\$6,000~~ \$12,000 lifetime limit.

88.16 (c) Notwithstanding paragraph (b), if funds are appropriated for the Federal Assets for
 88.17 Independence Act of 1998, and a participating fiduciary organization is awarded a grant
 88.18 under that act, participating households with that fiduciary organization must be provided
 88.19 matches as follows:

88.20 (1) from state grant and TANF funds, a matching contribution of \$1.50 for every \$1 of
 88.21 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit;
 88.22 and

88.23 (2) from nonstate funds, a matching contribution of not less than \$1.50 for every \$1 of
 88.24 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit.

88.25 (d) Upon receipt of transferred custodial account funds, the fiscal agent must make a
 88.26 direct payment to the vendor of the goods or services for the permissible use.

88.27 Sec. 12. Minnesota Statutes 2022, section 256E.35, subdivision 7, is amended to read:

88.28 Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary organization
 88.29 participating in a family assets for independence initiative must report quarterly to the
 88.30 commissioner of human services identifying the participants with accounts;₂ the number of
 88.31 accounts;₂ the amount of savings and matches for each participant's account;₂ the uses of
 88.32 the account, ~~and~~; the number of businesses, homes, vehicles, and educational services paid

89.1 for with money from the account; and the amount of contributions to Minnesota 529 savings
89.2 plans and emergency savings accounts, as well as other information that may be required
89.3 for the commissioner to administer the program and meet federal TANF reporting
89.4 requirements.

89.5 Sec. 13. Minnesota Statutes 2022, section 256I.03, subdivision 13, is amended to read:

89.6 Subd. 13. **Prospective budgeting.** "~~Prospective budgeting~~" ~~means estimating the amount~~
89.7 ~~of monthly income a person will have in the payment month~~ has the meaning given in
89.8 section 256P.01, subdivision 9.

89.9 **EFFECTIVE DATE.** This section is effective March 1, 2025.

89.10 Sec. 14. Minnesota Statutes 2022, section 256I.06, subdivision 6, is amended to read:

89.11 Subd. 6. **Reports.** Recipients must report changes in circumstances according to section
89.12 ~~256P.07 that affect eligibility or housing support payment amounts, other than changes in~~
89.13 ~~earned income, within ten days of the change.~~ Recipients with countable earned income
89.14 must complete a household report form ~~at least~~ once every six months according to section
89.15 256P.10. ~~If the report form is not received before the end of the month in which it is due,~~
89.16 ~~the county agency must terminate eligibility for housing support payments. The termination~~
89.17 ~~shall be effective on the first day of the month following the month in which the report was~~
89.18 ~~due. If a complete report is received within the month eligibility was terminated, the~~
89.19 ~~individual is considered to have continued an application for housing support payment~~
89.20 ~~effective the first day of the month the eligibility was terminated.~~

89.21 **EFFECTIVE DATE.** This section is effective March 1, 2025.

89.22 Sec. 15. Minnesota Statutes 2022, section 256I.06, is amended by adding a subdivision
89.23 to read:

89.24 Subd. 6a. **When to terminate assistance.** An agency must terminate benefits when the
89.25 assistance unit fails to submit the household report form before the end of the month in
89.26 which it is due. The termination shall be effective on the first day of the month following
89.27 the month in which the report was due. If the assistance unit submits the household report
89.28 form within 30 days of the termination of benefits and remains eligible, benefits must be
89.29 reinstated and made available retroactively for the full benefit month.

89.30 **EFFECTIVE DATE.** This section is effective March 1, 2025.

90.1 Sec. 16. Minnesota Statutes 2022, section 256I.06, subdivision 8, is amended to read:

90.2 Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board
 90.3 payment to be made on behalf of an eligible individual is determined by subtracting the
 90.4 individual's countable income under section 256I.04, subdivision 1, for a whole calendar
 90.5 month from the room and board rate for that same month. The housing support payment is
 90.6 determined by multiplying the housing support rate times the period of time the individual
 90.7 was a resident or temporarily absent under section 256I.05, subdivision 2a.

90.8 (b) For an individual with earned income under paragraph (a), prospective budgeting
 90.9 according to section 256P.09 must be used to ~~determine the amount of the individual's~~
 90.10 ~~payment for the following six-month period. An increase in income shall not affect an~~
 90.11 ~~individual's eligibility or payment amount until the month following the reporting month.~~
 90.12 ~~A decrease in income shall be effective the first day of the month after the month in which~~
 90.13 ~~the decrease is reported.~~

90.14 (c) For an individual who receives housing support payments under section 256I.04,
 90.15 subdivision 1, paragraph (c), the amount of the housing support payment is determined by
 90.16 multiplying the housing support rate times the period of time the individual was a resident.

90.17 **EFFECTIVE DATE.** This section is effective March 1, 2025.

90.18 Sec. 17. Minnesota Statutes 2022, section 256J.08, subdivision 71, is amended to read:

90.19 Subd. 71. **Prospective budgeting.** "Prospective budgeting" ~~means a method of~~
 90.20 ~~determining the amount of the assistance payment in which the budget month and payment~~
 90.21 ~~month are the same~~ has the meaning given in section 256P.01, subdivision 9.

90.22 **EFFECTIVE DATE.** This section is effective March 1, 2025.

90.23 Sec. 18. Minnesota Statutes 2022, section 256J.08, subdivision 79, is amended to read:

90.24 Subd. 79. **Recurring income.** "Recurring income" means a form of income which is:

90.25 (1) received periodically, and may be received irregularly when receipt can be anticipated
 90.26 even though the date of receipt cannot be predicted; and

90.27 (2) from the same source or of the same type that is received and budgeted in a
 90.28 prospective month ~~and is received in one or both of the first two retrospective months.~~

90.29 **EFFECTIVE DATE.** This section is effective March 1, 2025.

91.1 Sec. 19. Minnesota Statutes 2022, section 256J.21, subdivision 3, is amended to read:

91.2 Subd. 3. **Initial income test.** (a) The agency shall determine initial eligibility by
 91.3 considering all earned and unearned income as defined in section 256P.06. To be eligible
 91.4 for MFIP, the assistance unit's countable income minus the earned income disregards in
 91.5 paragraph (a) and section 256P.03 must be below the family wage level according to section
 91.6 256J.24, subdivision 7, for that size assistance unit.

91.7 ~~(a)~~ (b) The initial eligibility determination must disregard the following items:

91.8 (1) the earned income disregard as determined in section 256P.03;

91.9 (2) dependent care costs must be deducted from gross earned income for the actual
 91.10 amount paid for dependent care up to a maximum of \$200 per month for each child less
 91.11 than two years of age, and \$175 per month for each child two years of age and older;

91.12 (3) all payments made according to a court order for spousal support or the support of
 91.13 children not living in the assistance unit's household shall be disregarded from the income
 91.14 of the person with the legal obligation to pay support; and

91.15 (4) an allocation for the unmet need of an ineligible spouse or an ineligible child under
 91.16 the age of 21 for whom the caregiver is financially responsible and who lives with the
 91.17 caregiver according to section 256J.36.

91.18 ~~(b) After initial eligibility is established,~~ (c) The income test is for a six-month period.
 91.19 The assistance payment calculation is based on ~~the monthly income test~~ prospective budgeting
 91.20 according to section 256P.09.

91.21 **EFFECTIVE DATE.** This section is effective March 1, 2025.

91.22 Sec. 20. Minnesota Statutes 2022, section 256J.21, subdivision 4, is amended to read:

91.23 Subd. 4. **Monthly Income test and determination of assistance payment.** ~~The county~~
 91.24 ~~agency shall determine ongoing eligibility and the assistance payment amount according~~
 91.25 ~~to the monthly income test.~~ To be eligible for MFIP, the result of the computations in
 91.26 paragraphs (a) to (e) applied to prospective budgeting must be at least \$1.

91.27 (a) Apply an income disregard as defined in section 256P.03, to gross earnings and
 91.28 subtract this amount from the family wage level. If the difference is equal to or greater than
 91.29 the MFIP transitional standard, the assistance payment is equal to the MFIP transitional
 91.30 standard. If the difference is less than the MFIP transitional standard, the assistance payment
 91.31 is equal to the difference. The earned income disregard in this paragraph must be deducted
 91.32 every month there is earned income.

92.1 (b) All payments made according to a court order for spousal support or the support of
 92.2 children not living in the assistance unit's household must be disregarded from the income
 92.3 of the person with the legal obligation to pay support.

92.4 (c) An allocation for the unmet need of an ineligible spouse or an ineligible child under
 92.5 the age of 21 for whom the caregiver is financially responsible and who lives with the
 92.6 caregiver must be made according to section 256J.36.

92.7 (d) Subtract unearned income dollar for dollar from the MFIP transitional standard to
 92.8 determine the assistance payment amount.

92.9 (e) When income is both earned and unearned, the amount of the assistance payment
 92.10 must be determined by first treating gross earned income as specified in paragraph (a). After
 92.11 determining the amount of the assistance payment under paragraph (a), unearned income
 92.12 must be subtracted from that amount dollar for dollar to determine the assistance payment
 92.13 amount.

92.14 ~~(f) When the monthly income is greater than the MFIP transitional standard after~~
 92.15 ~~deductions and the income will only exceed the standard for one month, the county agency~~
 92.16 ~~must suspend the assistance payment for the payment month.~~

92.17 **EFFECTIVE DATE.** This section is effective March 1, 2025.

92.18 Sec. 21. Minnesota Statutes 2022, section 256J.33, subdivision 1, is amended to read:

92.19 Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP
 92.20 eligibility prospectively ~~for a payment month~~ based on ~~retrospectively~~ assessing income
 92.21 and the county agency's best estimate of the circumstances that will exist in the payment
 92.22 month.

92.23 ~~(b) Except as described in section 256J.34, subdivision 1, when prospective eligibility~~
 92.24 ~~exists,~~ A county agency must calculate the amount of the assistance payment using
 92.25 ~~retrospective~~ prospective budgeting. To determine MFIP eligibility and the assistance
 92.26 payment amount, a county agency must apply countable income, described in sections
 92.27 256P.06 and 256J.37, subdivisions 3 to ~~10~~ 9, received by members of an assistance unit or
 92.28 by other persons whose income is counted for the assistance unit, described under sections
 92.29 256J.37, subdivisions 1 to 2, and 256P.06, subdivision 1.

92.30 (c) This income must be applied to the MFIP standard of need or family wage level
 92.31 subject to this section and sections 256J.34 to 256J.36. Countable income as described in
 92.32 section 256P.06, subdivision 3, received ~~in a calendar month~~ must be applied to the needs
 92.33 of an assistance unit.

93.1 (d) An assistance unit is not eligible when the countable income equals or exceeds the
 93.2 MFIP standard of need or the family wage level for the assistance unit.

93.3 **EFFECTIVE DATE.** This section is effective March 1, 2025, except that the amendment
 93.4 to paragraph (b) striking "10" and inserting "9" is effective July 1, 2024.

93.5 Sec. 22. Minnesota Statutes 2022, section 256J.33, subdivision 2, is amended to read:

93.6 Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility
 93.7 requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15
 93.8 and 256P.02, will be met prospectively for the payment month period. ~~Except for the~~
 93.9 ~~provisions in section 256J.34, subdivision 1,~~ The income test will be applied ~~retrospectively~~
 93.10 prospectively.

93.11 **EFFECTIVE DATE.** This section is effective March 1, 2025.

93.12 Sec. 23. Minnesota Statutes 2022, section 256J.37, subdivision 3, is amended to read:

93.13 Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency
 93.14 must include gross earned income less any disregards in the initial ~~and monthly~~ income
 93.15 test. Gross earned income received by persons employed on a contractual basis must be
 93.16 prorated over the period covered by the contract even when payments are received over a
 93.17 lesser period of time.

93.18 **EFFECTIVE DATE.** This section is effective March 1, 2025.

93.19 Sec. 24. Minnesota Statutes 2022, section 256J.37, subdivision 3a, is amended to read:

93.20 Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency
 93.21 shall count \$50 of the value of public and assisted rental subsidies provided through the
 93.22 Department of Housing and Urban Development (HUD) as unearned income to the cash
 93.23 portion of the MFIP grant. The full amount of the subsidy must be counted as unearned
 93.24 income when the subsidy is less than \$50. The income from this subsidy shall be budgeted
 93.25 according to section ~~256J.34~~ 256P.09.

93.26 (b) The provisions of this subdivision shall not apply to an MFIP assistance unit which
 93.27 includes a participant who is:

93.28 (1) age 60 or older;

93.29 (2) a caregiver who is suffering from an illness, injury, or incapacity that has been
 93.30 certified by a qualified professional when the illness, injury, or incapacity is expected to

94.1 continue for more than 30 days and severely limits the person's ability to obtain or maintain
94.2 suitable employment; or

94.3 (3) a caregiver whose presence in the home is required due to the illness or incapacity
94.4 of another member in the assistance unit, a relative in the household, or a foster child in the
94.5 household when the illness or incapacity and the need for the participant's presence in the
94.6 home has been certified by a qualified professional and is expected to continue for more
94.7 than 30 days.

94.8 (c) The provisions of this subdivision shall not apply to an MFIP assistance unit where
94.9 the parental caregiver is an SSI participant.

94.10 **EFFECTIVE DATE.** This section is effective March 1, 2025.

94.11 Sec. 25. Minnesota Statutes 2022, section 256J.95, subdivision 19, is amended to read:

94.12 Subd. 19. **DWP overpayments and underpayments.** DWP benefits are subject to
94.13 overpayments and underpayments. Anytime an overpayment or an underpayment is
94.14 determined for DWP, the correction shall be calculated using prospective budgeting.
94.15 Corrections shall be determined based on the policy in section ~~256J.34, subdivision 1,~~
94.16 ~~paragraphs (a), (b), and (c)~~ 256P.09, subdivisions 1 to 4. ATM errors must be recovered as
94.17 specified in section 256P.08, subdivision 7. Cross program recoupment of overpayments
94.18 cannot be assigned to or from DWP.

94.19 **EFFECTIVE DATE.** This section is effective March 1, 2025.

94.20 Sec. 26. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision
94.21 to read:

94.22 Subd. 9. **Prospective budgeting.** "Prospective budgeting" means estimating the amount
94.23 of monthly income that an assistance unit will have in the payment month.

94.24 **EFFECTIVE DATE.** This section is effective March 1, 2025.

94.25 Sec. 27. Minnesota Statutes 2022, section 256P.02, subdivision 2, is amended to read:

94.26 Subd. 2. **Personal property limitations.** The equity value of an assistance unit's personal
94.27 property listed in clauses (1) to (5) must not exceed \$10,000 for applicants and participants.
94.28 For purposes of this subdivision, personal property is limited to:

94.29 (1) cash;

94.30 (2) bank accounts not excluded under subdivision 4;

- 95.1 (3) liquid stocks and bonds that can be readily accessed without a financial penalty;
- 95.2 (4) vehicles not excluded under subdivision 3; and
- 95.3 (5) the full value of business accounts used to pay expenses not related to the business.

95.4 Sec. 28. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision
95.5 to read:

95.6 Subd. 4. **Account exception.** Family asset accounts under section 256E.35 and individual
95.7 development accounts authorized under the Assets for Independence Act, Title IV of the
95.8 Community Opportunities, Accountability, and Training and Educational Services Human
95.9 Services Reauthorization Act of 1998, Public Law 105-285, shall be excluded when
95.10 determining the equity value of personal property.

95.11 Sec. 29. Minnesota Statutes 2022, section 256P.04, subdivision 4, is amended to read:

95.12 Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

- 95.13 (1) identity of adults;
- 95.14 (2) age, if necessary to determine eligibility;
- 95.15 (3) immigration status;
- 95.16 (4) income;
- 95.17 (5) spousal support and child support payments made to persons outside the household;
- 95.18 (6) vehicles;
- 95.19 (7) checking and savings accounts, including but not limited to any business accounts
95.20 used to pay expenses not related to the business;
- 95.21 (8) inconsistent information, if related to eligibility;
- 95.22 (9) residence; and
- 95.23 (10) Social Security number; and
- 95.24 ~~(11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item~~
95.25 ~~(ix), for the intended purpose for which it was given and received.~~

95.26 (b) Applicants who are qualified noncitizens and victims of domestic violence as defined
95.27 under section 256J.08, subdivision 73, clauses (8) and (9), are not required to verify the
95.28 information in paragraph (a), clause (10). When a Social Security number is not provided
95.29 to the agency for verification, this requirement is satisfied when each member of the

96.1 assistance unit cooperates with the procedures for verification of Social Security numbers,
 96.2 issuance of duplicate cards, and issuance of new numbers which have been established
 96.3 jointly between the Social Security Administration and the commissioner.

96.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

96.5 Sec. 30. Minnesota Statutes 2022, section 256P.04, subdivision 8, is amended to read:

96.6 Subd. 8. **Recertification.** The agency shall recertify eligibility annually. During
 96.7 recertification and reporting under section 256P.10, the agency shall verify the following:

96.8 (1) income, unless excluded, including self-employment earnings;

96.9 (2) assets when the value is within \$200 of the asset limit; and

96.10 (3) inconsistent information, if related to eligibility.

96.11 **EFFECTIVE DATE.** This section is effective March 1, 2025.

96.12 Sec. 31. Minnesota Statutes 2022, section 256P.06, subdivision 3, is amended to read:

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

96.15 (1) earned income; and

96.16 (2) unearned income, which includes:

96.17 (i) interest and dividends from investments and savings;

96.18 (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

96.19 (iii) proceeds from rent and contract for deed payments in excess of the principal and
 96.20 interest portion owed on property;

96.21 (iv) income from trusts, excluding special needs and supplemental needs trusts;

96.22 (v) interest income from loans made by the participant or household;

96.23 (vi) cash prizes and winnings;

96.24 (vii) unemployment insurance income that is received by an adult member of the
 96.25 assistance unit unless the individual receiving unemployment insurance income is:

96.26 (A) 18 years of age and enrolled in a secondary school; or

96.27 (B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

96.28 (viii) retirement, survivors, and disability insurance payments;

97.1 ~~(ix) nonrecurring income over \$60 per quarter unless the nonrecurring income is: (A)~~
 97.2 ~~from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or~~
 97.3 ~~refund of personal or real property or costs or losses incurred when these payments are~~
 97.4 ~~made by: a public agency; a court; solicitations through public appeal; a federal, state, or~~
 97.5 ~~local unit of government; or a disaster assistance organization; (C) provided as an in-kind~~
 97.6 ~~benefit; or (D) earmarked and used for the purpose for which it was intended, subject to~~
 97.7 ~~verification requirements under section 256P.04;~~

97.8 ~~(x)~~ (ix) retirement benefits;

97.9 ~~(xi)~~ (x) cash assistance benefits, as defined by each program in chapters 119B, 256D,
 97.10 256I, and 256J;

97.11 ~~(xii)~~ (xi) Tribal per capita payments unless excluded by federal and state law;

97.12 ~~(xiii)~~ (xii) income from members of the United States armed forces unless excluded
 97.13 from income taxes according to federal or state law;

97.14 ~~(xiv)~~ (xiii) all child support payments for programs under chapters 119B, 256D, and
 97.15 256I;

97.16 ~~(xv)~~ (xiv) the amount of child support received that exceeds \$100 for assistance units
 97.17 with one child and \$200 for assistance units with two or more children for programs under
 97.18 chapter 256J;

97.19 ~~(xvi)~~ (xv) spousal support; and

97.20 ~~(xvii)~~ (xvi) workers' compensation.

97.21 **EFFECTIVE DATE.** This section is effective July 1, 2024.

97.22 Sec. 32. Minnesota Statutes 2022, section 256P.07, subdivision 1, is amended to read:

97.23 Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security
 97.24 Income and qualify for Minnesota supplemental aid under chapter 256D ~~and~~ or for housing
 97.25 support under chapter 256I ~~on the basis of eligibility for Supplemental Security Income~~ are
 97.26 exempt from ~~this section~~ reporting income under this chapter.

97.27 **EFFECTIVE DATE.** This section is effective March 1, 2025.

98.1 Sec. 33. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
98.2 to read:

98.3 Subd. 1a. **Child care assistance programs.** Participants who qualify for child care
98.4 assistance programs under chapter 119B are exempt from this section except the reporting
98.5 requirements in subdivision 6.

98.6 **EFFECTIVE DATE.** This section is effective March 1, 2025.

98.7 Sec. 34. Minnesota Statutes 2022, section 256P.07, subdivision 2, is amended to read:

98.8 Subd. 2. **Reporting requirements.** An applicant or participant must provide information
98.9 on an application and any subsequent reporting forms about the assistance unit's
98.10 circumstances that affect eligibility or benefits. An applicant or assistance unit must report
98.11 changes that affect eligibility or benefits as identified in subdivision subdivisions 3, 4, 5,
98.12 7, 8, and 9 during the application period or by the tenth of the month following the month
98.13 the assistance unit's circumstances changed. When information is not accurately reported,
98.14 both an overpayment and a referral for a fraud investigation may result. When information
98.15 or documentation is not provided, the receipt of any benefit may be delayed or denied,
98.16 depending on the type of information required and its effect on eligibility.

98.17 **EFFECTIVE DATE.** This section is effective March 1, 2025.

98.18 Sec. 35. Minnesota Statutes 2022, section 256P.07, subdivision 3, is amended to read:

98.19 Subd. 3. **Changes that must be reported.** ~~An assistance unit must report the changes~~
98.20 ~~or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur,~~
98.21 ~~at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or~~
98.22 ~~within eight calendar days of a reporting period, whichever occurs first. An assistance unit~~
98.23 ~~must report other changes at the time of recertification of eligibility under section 256P.04,~~
98.24 ~~subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency~~
98.25 ~~could have reduced or terminated assistance for one or more payment months if a delay in~~
98.26 ~~reporting a change specified under clauses (1) to (12) had not occurred, the agency must~~
98.27 ~~determine whether a timely notice could have been issued on the day that the change~~
98.28 ~~occurred. When a timely notice could have been issued, each month's overpayment~~
98.29 ~~subsequent to that notice must be considered a client error overpayment under section~~
98.30 ~~119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must be reported within~~
98.31 ~~ten days must also be reported for the reporting period in which those changes occurred.~~
98.32 ~~Within ten days, an assistance unit must report:~~

- 99.1 ~~(1) a change in earned income of \$100 per month or greater with the exception of a~~
 99.2 ~~program under chapter 119B;~~
- 99.3 ~~(2) a change in unearned income of \$50 per month or greater with the exception of a~~
 99.4 ~~program under chapter 119B;~~
- 99.5 ~~(3) a change in employment status and hours with the exception of a program under~~
 99.6 ~~chapter 119B;~~
- 99.7 ~~(4) a change in address or residence;~~
- 99.8 ~~(5) a change in household composition with the exception of programs under chapter~~
 99.9 ~~256I;~~
- 99.10 ~~(6) a receipt of a lump-sum payment with the exception of a program under chapter~~
 99.11 ~~119B;~~
- 99.12 ~~(7) an increase in assets if over \$9,000 with the exception of programs under chapter~~
 99.13 ~~119B;~~
- 99.14 ~~(8) a change in citizenship or immigration status;~~
- 99.15 ~~(9) a change in family status with the exception of programs under chapter 256I;~~
- 99.16 ~~(10) a change in disability status of a unit member, with the exception of programs under~~
 99.17 ~~chapter 119B;~~
- 99.18 ~~(11) a new rent subsidy or a change in rent subsidy with the exception of a program~~
 99.19 ~~under chapter 119B; and~~
- 99.20 ~~(12) a sale, purchase, or transfer of real property with the exception of a program under~~
 99.21 ~~chapter 119B.~~
- 99.22 (a) An assistance unit must report changes or anticipated changes as described in this
 99.23 section.
- 99.24 (b) An assistance unit must report:
- 99.25 (1) a change in eligibility for Supplemental Security Income, Retirement Survivors
 99.26 Disability Insurance, or another federal income support;
- 99.27 (2) a change in address or residence;
- 99.28 (3) a change in household composition with the exception of programs under chapter
 99.29 256I;

100.1 (4) cash prizes and winnings according to guidance provided for the Supplemental
 100.2 Nutrition Assistance Program;

100.3 (5) a change in citizenship or immigration status;

100.4 (6) a change in family status with the exception of programs under chapter 256I; and

100.5 (7) a change that makes the value of the unit's assets at or above the asset limit.

100.6 (c) When an agency could have reduced or terminated assistance for one or more payment
 100.7 months if a delay in reporting a change specified under paragraph (b) had not occurred, the
 100.8 agency must determine whether the agency could have issued a timely notice on the day
 100.9 that the change occurred. When a timely notice could have been issued, each month's
 100.10 overpayment subsequent to the notice must be considered a client error overpayment under
 100.11 section 256P.08.

100.12 **EFFECTIVE DATE.** This section is effective March 1, 2025, except that the amendment
 100.13 striking clause (6) is effective July 1, 2024.

100.14 Sec. 36. Minnesota Statutes 2022, section 256P.07, subdivision 4, is amended to read:

100.15 Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under
 100.16 chapter 256J, ~~within ten days of the change,~~ must report:

100.17 (1) a pregnancy not resulting in birth when there are no other minor children; ~~and~~

100.18 (2) a change in school attendance of a parent under 20 years of age ~~or of an employed~~
 100.19 ~~child;~~ and

100.20 (3) an individual in the household who is 18 or 19 years of age attending high school
 100.21 who graduates or drops out of school.

100.22 **EFFECTIVE DATE.** This section is effective March 1, 2025.

100.23 Sec. 37. Minnesota Statutes 2022, section 256P.07, subdivision 6, is amended to read:

100.24 Subd. 6. **Child care assistance programs-specific reporting.** (a) ~~In addition to~~
 100.25 ~~subdivision 3,~~ An assistance unit under chapter 119B, within ten days of the change, must
 100.26 report:

100.27 (1) a change in a parentally responsible individual's custody schedule for any child
 100.28 receiving child care assistance program benefits;

100.29 (2) a permanent end in a parentally responsible individual's authorized activity; ~~and~~

101.1 (3) if the unit's family's annual included income exceeds 85 percent of the state median
101.2 income, adjusted for family size;

101.3 (4) a change in address or residence;

101.4 (5) a change in household composition;

101.5 (6) a change in citizenship or immigration status; and

101.6 (7) a change in family status.

101.7 (b) An assistance unit subject to section 119B.095, subdivision 1, paragraph (b), must
101.8 report a change in the unit's authorized activity status.

101.9 (c) An assistance unit must notify the county when the unit wants to reduce the number
101.10 of authorized hours for children in the unit.

101.11 **EFFECTIVE DATE.** This section is effective March 1, 2025.

101.12 Sec. 38. Minnesota Statutes 2022, section 256P.07, subdivision 7, is amended to read:

101.13 Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision
101.14 3, an assistance unit participating in the Minnesota supplemental aid program under section
101.15 256D.44, subdivision 5, paragraph (g), within ten days of the change, chapter 256D and not
101.16 receiving Supplemental Security Income must report shelter expenses.:

101.17 (1) a change in unearned income of \$50 per month or greater; and

101.18 (2) a change in earned income of \$100 per month or greater.

101.19 (b) An assistance unit receiving housing assistance under section 256D.44, subdivision
101.20 5, paragraph (g), including assistance units that also receive Supplemental Security Income,
101.21 must report:

101.22 (1) a change in shelter expenses; and

101.23 (2) a new rent subsidy or a change in rent subsidy.

101.24 **EFFECTIVE DATE.** This section is effective March 1, 2025.

101.25 Sec. 39. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
101.26 to read:

101.27 Subd. 8. **Housing support-specific reporting.** (a) In addition to subdivision 3, an
101.28 assistance unit participating in the housing support program under chapter 256I and not
101.29 receiving Supplemental Security Income must report:

102.1 (1) a change in unearned income of \$50 per month or greater; and

102.2 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
 102.3 is already subject to six-month reporting requirements in section 256P.10.

102.4 (b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving
 102.5 housing support under chapter 256I, including an assistance unit that receives Supplemental
 102.6 Security Income, must report:

102.7 (1) a new rent subsidy or a change in rent subsidy;

102.8 (2) a change in the disability status of a unit member; and

102.9 (3) a change in household composition if the assistance unit is a participant in housing
 102.10 support under section 256I.04, subdivision 3, paragraph (a), clause (3).

102.11 **EFFECTIVE DATE.** This section is effective March 1, 2025.

102.12 Sec. 40. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
 102.13 to read:

102.14 Subd. 9. **General assistance-specific reporting.** In addition to subdivision 3, an
 102.15 assistance unit participating in the general assistance program under chapter 256D must
 102.16 report:

102.17 (1) a change in unearned income of \$50 per month or greater;

102.18 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
 102.19 is already subject to six-month reporting requirements in section 256P.10; and

102.20 (3) changes in any condition that would result in the loss of basis for eligibility in section
 102.21 256D.05, subdivision 1, paragraph (a).

102.22 **EFFECTIVE DATE.** This section is effective March 1, 2025.

102.23 Sec. 41. **[256P.09] PROSPECTIVE BUDGETING OF BENEFITS.**

102.24 Subdivision 1. **Exempted programs.** Assistance units that qualify for child care
 102.25 assistance programs under chapter 119B and assistance units that receive housing support
 102.26 under chapter 256I are not subject to reporting under section 256P.10, and assistance units
 102.27 that qualify for Minnesota supplemental aid under chapter 256D are exempt from this
 102.28 section.

102.29 Subd. 2. **Prospective budgeting of benefits.** An agency subject to this chapter must use
 102.30 prospective budgeting to calculate the assistance payment amount.

103.1 Subd. 3. **Initial income.** For the purpose of determining an assistance unit's level of
103.2 benefits, an agency must take into account the income already received by the assistance
103.3 unit during or anticipated to be received during the application period. Income anticipated
103.4 to be received only in the initial month of eligibility must only be counted in the initial
103.5 month.

103.6 Subd. 4. **Income determination.** An agency must use prospective budgeting to determine
103.7 the amount of the assistance unit's benefit for the eligibility period based on the best
103.8 information available at the time of approval. An agency shall only count anticipated income
103.9 when the participant and the agency are reasonably certain of the amount of the payment
103.10 and the month in which the payment will be received. If the exact amount of the income is
103.11 not known, the agency shall consider only the amounts that can be anticipated as income.

103.12 Subd. 5. **Income changes.** An increase in income shall not affect an assistance unit's
103.13 eligibility or benefit amount until the next review unless otherwise required to be reported
103.14 in section 256P.07. A decrease in income shall be effective on the date that the change
103.15 occurs if the change is reported by the tenth of the month following the month when the
103.16 change occurred. If the assistance unit does not report the change in income by the tenth of
103.17 the month following the month when the change occurred, the change in income shall be
103.18 effective on the date the change was reported.

103.19 **EFFECTIVE DATE.** This section is effective March 1, 2025.

103.20 Sec. 42. **[256P.10] SIX-MONTH REPORTING.**

103.21 Subdivision 1. **Exempted programs.** Assistance units that qualify for child care
103.22 assistance programs under chapter 119B, assistance units that qualify for Minnesota
103.23 supplemental aid under chapter 256D, and assistance units that qualify for housing support
103.24 under chapter 256I and also receive Supplemental Security Income are exempt from this
103.25 section.

103.26 Subd. 2. **Reporting.** (a) Every six months, an assistance unit that qualifies for the
103.27 Minnesota family investment program under chapter 256J, an assistance unit that qualifies
103.28 for general assistance under chapter 256D with an earned income of \$100 per month or
103.29 greater, or an assistance unit that qualifies for housing support under chapter 256I with an
103.30 earned income of \$100 per month or greater is subject to six-month reviews. The initial
103.31 reporting period may be shorter than six months in order to align with other programs'
103.32 reporting periods.

104.1 (b) An assistance unit that qualifies for the Minnesota family investment program or an
104.2 assistance unit that qualifies for general assistance with an earned income of \$100 per month
104.3 or greater must complete household report forms as required by the commissioner for
104.4 redetermination of benefits.

104.5 (c) An assistance unit that qualifies for housing support with an earned income of \$100
104.6 per month or greater must complete household report forms as prescribed by the
104.7 commissioner to provide information about earned income.

104.8 (d) An assistance unit that qualifies for housing support and also receives assistance
104.9 through the Minnesota family investment program shall be subject to requirements of this
104.10 section for purposes of the Minnesota family investment program but not for housing support.

104.11 (e) An assistance unit covered by this section must submit a household report form in
104.12 compliance with the provisions in section 256P.04, subdivision 11.

104.13 (f) An assistance unit covered by this section may choose to report changes under this
104.14 section at any time.

104.15 Subd. 3. **When to terminate assistance.** (a) An agency must terminate benefits when
104.16 the assistance unit fails to submit the household report form before the end of the six-month
104.17 review period. If the assistance unit submits the household report form within 30 days of
104.18 the termination of benefits and remains eligible, benefits must be reinstated and made
104.19 available retroactively for the full benefit month.

104.20 (b) When an assistance unit is determined to be ineligible for assistance according to
104.21 this section and chapter 256D, 256I, or 256J, the agency must terminate assistance.

104.22 **EFFECTIVE DATE.** This section is effective March 1, 2025.

104.23 Sec. 43. **APPROPRIATION; EMERGENCY FOOD DISTRIBUTION FACILITIES.**

104.24 \$19,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner
104.25 of human services for improving and expanding the infrastructure of food shelf facilities
104.26 across the state, including adding freezer or cooler space and dry storage space, improving
104.27 the safety and sanitation of existing food shelves, and addressing deferred maintenance or
104.28 other facility needs of existing food shelves. Grant money shall be made available to nonprofit
104.29 organizations, federally recognized Tribes, and local units of government. This is a onetime
104.30 appropriation and is available until June 30, 2027.

105.1 Sec. 44. **REPEALER.**

105.2 (a) Minnesota Statutes 2022, sections 256.9864; 256J.08, subdivisions 10, 53, 61, 62,
105.3 81, and 83; 256J.30, subdivisions 5, 7, and 8; 256J.33, subdivisions 3, 4, and 5; 256J.34,
105.4 subdivisions 1, 2, 3, and 4; and 256J.37, subdivision 10, are repealed.

105.5 (b) Minnesota Statutes 2022, section 256.8799, is repealed.

105.6 **EFFECTIVE DATE.** Paragraph (a) is effective March 1, 2025, except the repeal of
105.7 Minnesota Statutes 2022, sections 256J.08, subdivisions 62 and 53, and 256J.37, subdivision
105.8 10, is effective July 1, 2024. Paragraph (b) is effective August 1, 2023.

105.9 **ARTICLE 5**

105.10 **APPROPRIATIONS**

105.11 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

105.12 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
105.13 and for the purposes specified in this article. The appropriations are from the general fund,
105.14 or another named fund, and are available for the fiscal years indicated for each purpose.
105.15 The figures "2024" and "2025" used in this article mean that the appropriations listed under
105.16 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
105.17 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
105.18 is fiscal years 2024 and 2025.

105.19 **APPROPRIATIONS**

105.20 **Available for the Year**

105.21 **Ending June 30**

105.22 **2024**

2025

105.23 **Sec. 2. COMMISSIONER OF HUMAN**
105.24 **SERVICES**

105.25 **Subdivision 1. Total Appropriation** \$ \$

105.26 **Appropriations by Fund**

105.27 **2024**

2025

105.28 **General**

105.29 **Federal TANF**

106.1 The amounts that may be spent for each
106.2 purpose are specified in the following
106.3 subdivisions.

106.4 **Subd. 2. TANF Maintenance of Effort**

106.5 **(a) Nonfederal expenditures.** The
106.6 commissioner shall ensure that sufficient
106.7 qualified nonfederal expenditures are made
106.8 each year to meet the state's maintenance of
106.9 effort requirements of the TANF block grant
106.10 specified under Code of Federal Regulations,
106.11 title 45, section 263.1. In order to meet these
106.12 basic TANF maintenance of effort
106.13 requirements, the commissioner may report
106.14 as TANF maintenance of effort expenditures
106.15 only nonfederal money expended for allowable
106.16 activities listed in the following clauses:

106.17 (1) MFIP cash, diversionary work program,
106.18 and food assistance benefits under Minnesota
106.19 Statutes, chapter 256J;

106.20 (2) the child care assistance programs under
106.21 Minnesota Statutes, sections 119B.03 and
106.22 119B.05, and county child care administrative
106.23 costs under Minnesota Statutes, section
106.24 119B.15;

106.25 (3) state and county MFIP administrative costs
106.26 under Minnesota Statutes, chapters 256J and
106.27 256K;

106.28 (4) state, county, and Tribal MFIP
106.29 employment services under Minnesota
106.30 Statutes, chapters 256J and 256K;

106.31 (5) expenditures made on behalf of legal
106.32 noncitizen MFIP recipients who qualify for
106.33 the MinnesotaCare program under Minnesota
106.34 Statutes, chapter 256L;

107.1 (6) qualifying working family credit
107.2 expenditures under Minnesota Statutes, section
107.3 290.0671;

107.4 (7) qualifying Minnesota education credit
107.5 expenditures under Minnesota Statutes, section
107.6 290.0674; and

107.7 (8) qualifying Head Start expenditures under
107.8 Minnesota Statutes, section 119A.50.

107.9 **(b) Nonfederal expenditures; reporting.** For
107.10 the activities listed in paragraph (a), clauses
107.11 (2) to (8), the commissioner may report only
107.12 expenditures that are excluded from the
107.13 definition of assistance under Code of Federal
107.14 Regulations, title 45, section 260.31.

107.15 **(c) Limitations; exceptions.** The
107.16 commissioner must not claim an amount of
107.17 TANF maintenance of effort in excess of the
107.18 75 percent standard in Code of Federal
107.19 Regulations, title 45, section 263.1(a)(2),
107.20 except:

107.21 (1) to the extent necessary to meet the 80
107.22 percent standard under Code of Federal
107.23 Regulations, title 45, section 263.1(a)(1), if it
107.24 is determined by the commissioner that the
107.25 state will not meet the TANF work
107.26 participation target rate for the current year;

107.27 (2) to provide any additional amounts under
107.28 Code of Federal Regulations, title 45, section
107.29 264.5, that relate to replacement of TANF
107.30 funds due to the operation of TANF penalties;
107.31 and

107.32 (3) to provide any additional amounts that may
107.33 contribute to avoiding or reducing TANF work
107.34 participation penalties through the operation

108.1 of the excess maintenance of effort provisions
108.2 of Code of Federal Regulations, title 45,
108.3 section 261.43(a)(2).

108.4 **(d) Supplemental expenditures.** For the
108.5 purposes of paragraph (d), the commissioner
108.6 may supplement the maintenance of effort
108.7 claim with working family credit expenditures
108.8 or other qualified expenditures to the extent
108.9 such expenditures are otherwise available after
108.10 considering the expenditures allowed in this
108.11 subdivision.

108.12 **(e) Reduction of appropriations; exception.**
108.13 The requirement in Minnesota Statutes, section
108.14 256.011, subdivision 3, that federal grants or
108.15 aids secured or obtained under that subdivision
108.16 be used to reduce any direct appropriations
108.17 provided by law does not apply if the grants
108.18 or aids are federal TANF funds.

108.19 **(f) IT appropriations generally.** This
108.20 appropriation includes funds for information
108.21 technology projects, services, and support.
108.22 Notwithstanding Minnesota Statutes, section
108.23 16E.0466, funding for information technology
108.24 project costs must be incorporated into the
108.25 service level agreement and paid to the
108.26 Minnesota IT Services by the Department of
108.27 Human Services under the rates and
108.28 mechanism specified in that agreement.

108.29 **(g) Receipts for systems project.**
108.30 Appropriations and federal receipts for
108.31 information technology systems projects for
108.32 MAXIS, PRISM, MMIS, ISDS, METS, and
108.33 SSIS must be deposited in the state systems
108.34 account authorized in Minnesota Statutes,
108.35 section 256.014. Money appropriated for

109.1 information technology projects approved by
 109.2 the commissioner of the Minnesota IT
 109.3 Services funded by the legislature and
 109.4 approved by the commissioner of management
 109.5 and budget may be transferred from one
 109.6 project to another and from development to
 109.7 operations as the commissioner of human
 109.8 services considers necessary. Any unexpended
 109.9 balance in the appropriation for these projects
 109.10 does not cancel and is available for ongoing
 109.11 development and operations.

109.12 **(h) Federal SNAP education and training**
 109.13 **grants.** Federal funds available during fiscal
 109.14 years 2024 and 2025 for Supplemental
 109.15 Nutrition Assistance Program Education and
 109.16 Training and SNAP Quality Control
 109.17 Performance Bonus grants are appropriated
 109.18 to the commissioner of human services for the
 109.19 purposes allowable under the terms of the
 109.20 federal award. This paragraph is effective the
 109.21 day following final enactment.

109.22 **Subd. 3. Central Office; Children and Families**

109.23 Appropriations by Fund

109.24 <u>General</u>	<u>40,568,000</u>	<u>42,523,000</u>
109.25 <u>Federal TANF</u>	<u>3,572,000</u>	<u>3,676,000</u>

109.26 (a) \$64,000 in fiscal year 2024 and \$32,000
 109.27 in fiscal year 2025 from the general fund are
 109.28 for a quadrennial review of child support
 109.29 guidelines. Funds will be transferred to the
 109.30 special revenue fund.

109.31 **(b) Base level adjustment.** The general fund
 109.32 base is \$41,848,000 in fiscal year 2026 and
 109.33 \$40,452,000 in fiscal year 2027.

109.34 **Subd. 4. Forecasted Programs; MFIP/DWP**

110.1	<u>Appropriations by Fund</u>		
110.2	<u>General</u>	<u>84,134,000</u>	<u>86,417,000</u>
110.3	<u>Federal TANF</u>	<u>114,075,000</u>	<u>114,884,000</u>
110.4	<u>Subd. 5. Forecasted Programs; MFIP Child Care</u>		
110.5	<u>Assistance</u>	<u>46,989,000</u>	<u>150,099,000</u>
110.6	<u>Subd. 6. Forecasted Programs; General</u>		
110.7	<u>Assistance</u>	<u>72,248,000</u>	<u>81,553,000</u>
110.8	<u>The amount appropriated for emergency</u>		
110.9	<u>general assistance is limited to no more than</u>		
110.10	<u>\$6,729,812 in fiscal year 2024 and \$6,729,812</u>		
110.11	<u>in fiscal year 2025. Funds to counties shall be</u>		
110.12	<u>allocated by the commissioner using the</u>		
110.13	<u>allocation method under Minnesota Statutes,</u>		
110.14	<u>section 256D.06.</u>		
110.15	<u>Subd. 7. Forecasted Programs; Northstar Care</u>		
110.16	<u>for Children</u>	<u>120,060,000</u>	<u>127,740,000</u>
110.17	<u>Subd. 8. Grant Programs; BSF Child Care</u>		
110.18	<u>Grants</u>	<u>68,402,000</u>	<u>119,785,000</u>
110.19	<u>The general fund base is \$145,462,000 in</u>		
110.20	<u>fiscal year 2026 and \$142,412,000 in fiscal</u>		
110.21	<u>year 2027.</u>		
110.22	<u>Subd. 9. Grant Programs; Child Care</u>		
110.23	<u>Development Grants</u>	<u>170,337,000</u>	<u>177,656,000</u>
110.24	<u>(a) Child care retention program.</u>		
110.25	<u>\$120,000,000 in fiscal year 2024 and</u>		
110.26	<u>\$168,704,000 in fiscal year 2025 are for the</u>		
110.27	<u>child care retention program payments under</u>		
110.28	<u>Minnesota Statutes, section 119B.27. The base</u>		
110.29	<u>for this program is \$161,700,000 in fiscal year</u>		
110.30	<u>2026 and \$161,714,000 in fiscal year 2027.</u>		
110.31	<u>Funds appropriated for this purpose in each</u>		
110.32	<u>fiscal year are available for two fiscal years.</u>		
110.33	<u>(b) Transition grant program. \$46,550,000</u>		
110.34	<u>in fiscal year 2024 is for transition grants for</u>		
110.35	<u>child care providers that intend to participate</u>		

111.1 in the child care retention program. This
 111.2 onetime appropriation is available until June
 111.3 30, 2025.

111.4 (c) Base level adjustment. The general fund
 111.5 base is \$170,652,000 in fiscal year 2026 and
 111.6 \$170,667,000 in fiscal year 2027.

111.7	<u>Subd. 10. Grant Programs; Child Support</u>		
111.8	<u>Enforcement Grants</u>	<u>50,000</u>	<u>50,000</u>

111.9 Subd. 11. Grant Programs; Children's Services
 111.10 Grants

111.11	<u>Appropriations by Fund</u>		
111.12	<u>General</u>	<u>84,024,000</u>	<u>105,668,000</u>
111.13	<u>Federal TANF</u>	<u>140,000</u>	<u>140,000</u>

111.14 (a) Mille Lacs Band of Ojibwe American
 111.15 Indian child welfare initiative. \$3,337,000
 111.16 in fiscal year 2024 and \$5,294,000 is fiscal
 111.17 year 2025 is from the general fund to support
 111.18 activities necessary for the Mille Lacs Band
 111.19 of Ojibwe to join the American Indian child
 111.20 welfare initiative. The base is \$7,893,000 in
 111.21 fiscal year 2026 and \$7,893,000 in fiscal year
 111.22 2027.

111.23 (b) Leech Lake Band of Ojibwe American
 111.24 Indian child welfare initiative. \$1,848,000
 111.25 in fiscal year 2024 and \$1,848,000 is fiscal
 111.26 year 2025 is from the general fund to the
 111.27 Leech Lake Band of Ojibwe to participate in
 111.28 the American Indian child welfare initiative.

111.29 (c) Red Lake Band of Chippewa American
 111.30 Indian child welfare initiative. \$3,000,000
 111.31 in fiscal year 2024 and \$3,000,000 is fiscal
 111.32 year 2025 is from the general fund to the Red
 111.33 Lake Band of Chippewa to participate in the
 111.34 American Indian child welfare initiative.

- 112.1 **(d) Staffing increase for Tribal nations.**
112.2 \$800,000 in fiscal year 2024 and \$800,000 in
112.3 fiscal year 2025 is from the general fund for
112.4 Tribal nations to expand staff capacity to
112.5 provide child welfare services.
- 112.6 (e) \$764,000 in fiscal year 2024 and \$764,000
112.7 in fiscal year 2025 from the general fund is
112.8 for grants for kinship navigator services and
112.9 grants to Tribal nations for kinship navigator
112.10 services. The base is \$750,000 in fiscal year
112.11 2026 and \$750,000 in fiscal year 2027.
- 112.12 (f) \$6,100,000 in fiscal year 2024 and
112.13 \$9,800,000 in fiscal year 2025 are for Family
112.14 First Prevention and Early Intervention Grants
112.15 pursuant to Minnesota Statutes, section
112.16 260.014.
- 112.17 (g) \$3,000,000 in fiscal year 2024 and
112.18 \$7,000,000 in fiscal year 2025 are for grants
112.19 to support prevention and early intervention
112.20 services to implement and build upon
112.21 Minnesota's Family First Prevention Services
112.22 Act Title IV-E Prevention Services plan under
112.23 Minnesota Statutes, section 260.014. The base
112.24 includes \$10,000,000 in fiscal year 2026 and
112.25 \$10,000,000 in fiscal year 2027.
- 112.26 (h) \$450,000 in fiscal year 2024 and \$450,000
112.27 in fiscal year 2025 are for grants to one or
112.28 more grantees to establish and manage a pool
112.29 of state-funded qualified individuals to assess
112.30 potential out-of-home placement of a child in
112.31 a qualified residential treatment program.
- 112.32 (i) \$1,958,000 in fiscal year 2024 and
112.33 \$2,095,000 in fiscal year 2025 is from the
112.34 general fund for the STAY in the community

113.1 program, pursuant Minnesota Statutes, section
113.2 260C.452. Funds are available until June 30,
113.3 2025.

113.4 (j) \$600,000 in fiscal year 2024 and
113.5 \$1,200,000 in fiscal year 2025 is from the
113.6 general fund for the support beyond 21
113.7 program pursuant to Minnesota Statutes,
113.8 section 256.4792. Funds are available until
113.9 June 30, 2025.

113.10 (k) \$800,000 in fiscal year 2024 and \$800,000
113.11 in fiscal year 2025 is from the general fund
113.12 for minor connect program pursuant to
113.13 Minnesota Statutes, section 256K.47. Funds
113.14 are available until June 30, 2025.

113.15 (l) \$3,000,000 in fiscal year 2024 and
113.16 \$3,000,000 in fiscal year 2025 is from the
113.17 general fund to provide grants to counties and
113.18 American Indian child welfare initiative Tribes
113.19 to be used to reduce extended foster care
113.20 caseload sizes. Funds are available until June
113.21 30, 2025.

113.22 (m) \$770,000 in fiscal year 2024 and \$770,000
113.23 in fiscal year 2025 for an increase in the public
113.24 private adoption initiative in order to carry out
113.25 the commissioner's duties under Minnesota
113.26 Statutes, section 256.01, subdivision 2,
113.27 paragraph (h).

113.28 (n) Grants to community resource centers; \$0
113.29 in fiscal year 2024 and \$11,250,000 in fiscal
113.30 year 2025 from the general fund is for
113.31 community resource centers, pursuant to
113.32 Minnesota Statutes, section 260C.30. The base
113.33 is \$14,528,000 in fiscal year 2026 and
113.34 \$14,528,000 in fiscal year 2027.

114.1 (o) Base level adjustment. The general fund
 114.2 base is \$114,766,000 in fiscal year 2026 and
 114.3 \$114,766,000 in fiscal year 2027.

114.4	<u>Subd. 12. Grant Programs; Children and</u>		
114.5	<u>Community Service Grants</u>	<u>60,856,000</u>	<u>60,856,000</u>

114.6	<u>Subd. 13. Grant Programs; Children and</u>		
114.7	<u>Economic Support Grants</u>	<u>90,609,000</u>	<u>77,109,000</u>

114.8 (a) \$400,000 in fiscal year 2024 is from the
 114.9 general fund to the commissioner for start-up
 114.10 grants to the Red Lake Nation, White Earth
 114.11 Nation, and Mille Lacs Band of Ojibwe to
 114.12 develop a fraud prevention program. This
 114.13 onetime appropriation is available until June
 114.14 30, 2025.

114.15 (b) Emergency services program.
 114.16 \$15,000,000 in fiscal year 2024 and
 114.17 \$20,000,000 in fiscal year 2025 from the
 114.18 general fund for the emergency services
 114.19 program under Minnesota Statutes, section
 114.20 256E.36. Grant allocation balances in the first
 114.21 year do not cancel but are available in the
 114.22 second year of the biennium. The base
 114.23 includes \$35,000,000 in fiscal year 2026 and
 114.24 \$35,000,000 in fiscal year 2027.

114.25 (c) Tribal food sovereignty grants.
 114.26 \$3,000,000 in fiscal year 2024 and \$3,000,000
 114.27 in fiscal year 2025 are from the general fund
 114.28 for grants to support food security among
 114.29 Tribal nations and American Indian
 114.30 communities under Minnesota Statutes, section
 114.31 256E.341. Funds are available until June 30,
 114.32 2025. The base includes \$2,000,000 in fiscal
 114.33 year 2026 and \$2,000,000 in fiscal year 2027.

114.34 (d) Food support grants. \$6,000,000 in fiscal
 114.35 year 2024 and \$6,000,000 in fiscal year 2025

115.1 is from the general fund for the Minnesota
 115.2 food shelf program under Minnesota Statutes,
 115.3 section 256E.34. Funds are available until June
 115.4 30, 2025.

115.5 **(e) Outreach and application assistance for**
 115.6 **SNAP-eligible Minnesotans. \$3,000,000 in**
 115.7 **fiscal year 2024 and \$3,000,000 in fiscal year**
 115.8 **2025 is from the general fund to provide**
 115.9 **outreach and application assistance to eligible**
 115.10 **Minnesotans who are not enrolled in SNAP.**
 115.11 **Funds may be used for support organizations**
 115.12 **across the state to provide education,**
 115.13 **information, and assistance to help**
 115.14 **Minnesotans apply for SNAP using culturally**
 115.15 **relevant and community-driven approaches.**

115.16 **(f) Capital for emergency food distribution**
 115.17 **facilities. \$19,000,000 in fiscal year 2024 is**
 115.18 **for improving and expanding the infrastructure**
 115.19 **of food shelf facilities across the state,**
 115.20 **including adding freezer or cooler space and**
 115.21 **dry storage space, improving the safety and**
 115.22 **sanitation of existing food shelves, and**
 115.23 **addressing deferred maintenance or other**
 115.24 **facility needs of existing food shelves. Grant**
 115.25 **money shall be made available to nonprofit**
 115.26 **organizations, federally recognized Tribes,**
 115.27 **and local units of government. This is a**
 115.28 **onetime appropriation and is available until**
 115.29 **June 30, 2027.**

115.30 **(g) Base level adjustment. The general fund**
 115.31 **base is \$93,609,000 in fiscal year 2026 and**
 115.32 **\$93,609,000 in fiscal year 2027.**

115.33 **Subd. 14. Grant Programs; Child Mental Health**
 115.34 **Grants**

48,530,000

46,676,000

- 116.1 (a) \$4,400,000 in fiscal year 2024 and
116.2 \$4,400,000 in fiscal year 2025 are from the
116.3 general fund for school-linked behavioral
116.4 health services in intermediate school districts.
- 116.5 (b) \$1,050,000 in fiscal year 2024 and
116.6 \$1,050,000 in fiscal year 2025 are from the
116.7 general fund for psychiatric residential
116.8 treatment facilities specialization grants for
116.9 staffing costs to treat and support behavioral
116.10 health conditions and support children and
116.11 families.
- 116.12 (c) \$1,250,000 in fiscal year 2024 and
116.13 \$1,250,000 in fiscal year 2025 are from the
116.14 general fund for emerging mood disorder
116.15 grants for evidence-informed interventions for
116.16 youth and young adults who are at higher risk
116.17 of developing a mood disorder or are already
116.18 experiencing an emerging mood disorder such
116.19 as major depression or bipolar disorder.
- 116.20 (d) \$1,000,000 in fiscal year 2024 and
116.21 \$1,000,000 in fiscal year 2025 are from the
116.22 general fund for grants to implement the
116.23 mobile response and stabilization services
116.24 model. The model is to promote access to
116.25 crisis response services, reduce admissions to
116.26 psychiatric hospitalizations and out-of-home
116.27 placement services, which are expensive and
116.28 traumatic for children, youth, and families.
- 116.29 (e) \$1,000,000 in fiscal year 2024 and
116.30 \$1,000,000 in fiscal year 2025 are from the
116.31 general fund and must be used to provide grant
116.32 funding to mental health consultants
116.33 throughout the state including Tribal nations
116.34 for expertise in young children's development
116.35 and early childhood services.

117.1 (f) Base level adjustment. The general fund
 117.2 base is \$50,926,000 in fiscal year 2026 and
 117.3 \$50,926,000 in fiscal year 2027.

117.4 Subd. 15. Technical Activities

117.5 This appropriation is from the federal TANF
 117.6 fund.

117.7 Sec. 3. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 32,
 117.8 as amended by Laws 2022, chapter 98, article 15, section 7, subdivision 32, is amended to
 117.9 read:

117.10	Subd. 32. Grant Programs; Child Mental Health		
117.11	Grants	30,167,000	30,182,000

117.12 **(a) Children's Residential Facilities.**
 117.13 \$1,964,000 in fiscal year 2022 and \$1,979,000
 117.14 in fiscal year 2023 are to reimburse counties
 117.15 and Tribal governments for a portion of the
 117.16 costs of treatment in children's residential
 117.17 facilities. The commissioner shall distribute
 117.18 the appropriation to counties and Tribal
 117.19 governments proportionally based on a
 117.20 methodology developed by the commissioner.
 117.21 ~~The fiscal year 2022 appropriation is available~~
 117.22 ~~until June 30, 2023~~ base for this activity is \$0
 117.23 in fiscal year 2025.

117.24 **(b) Base Level Adjustment.** The general fund
 117.25 base is \$29,580,000 in fiscal year 2024 and
 117.26 ~~\$27,705,000~~ \$25,726,000 in fiscal year 2025.

119B.03 BASIC SLIDING FEE PROGRAM.

Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-MFIP families who do not have a high school diploma or commissioner of education-selected high school equivalency certification or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment and who need child care assistance to participate in the education program. This includes student parents as defined under section 119B.011, subdivision 19b. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to parents who have completed their MFIP or DWP transition year, or parents who are no longer receiving or eligible for diversionary work program supports.

(c) Third priority must be given to families who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9.

(d) Fourth priority must be given to families in which at least one parent is a veteran as defined under section 197.447.

(e) Families under paragraph (b) must be added to the basic sliding fee waiting list on the date they begin the transition year under section 119B.011, subdivision 20, and must be moved into the basic sliding fee program as soon as possible after they complete their transition year.

245C.11 BACKGROUND STUDY; COUNTY AGENCIES.

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

256.8799 SUPPLEMENTAL NUTRITION ASSISTANCE OUTREACH PROGRAM.

Subdivision 1. **Establishment.** The commissioner of human services shall establish, in consultation with the representatives from community action agencies, a statewide outreach program to better inform potential recipients of the existence and availability of Supplemental Nutrition Assistance Program (SNAP) benefits under SNAP. As part of the outreach program, the commissioner and community action agencies shall encourage recipients in the use of SNAP benefits at food cooperatives. The commissioner shall explore and pursue federal funding sources, and specifically, apply for funding from the United States Department of Agriculture for the SNAP outreach program.

Subd. 2. **Administration of the program.** A community association representing community action agencies under section 256E.31, in consultation with the commissioner shall administer the outreach program, issue the request for proposals, and review and approve the potential grantee's plan. Grantees shall comply with the monitoring and reporting requirements as developed by the commissioner in accordance with subdivision 4, and must also participate in the evaluation process as directed by the commissioner. Grantees must successfully complete one year of outreach and demonstrate compliance with all monitoring and reporting requirements in order to be eligible for additional funding.

Subd. 3. **Plan content.** In approving the plan, the association shall evaluate the plan and give highest priority to a plan that:

- (1) targets communities in which 50 percent or fewer of the residents with incomes below 125 percent of the poverty level receive SNAP benefits;
- (2) demonstrates that the grantee has the experience necessary to administer the program;
- (3) demonstrates a cooperative relationship with the local county social service agencies;
- (4) provides ways to improve the dissemination of information on SNAP as well as other assistance programs through a statewide hotline or other community agencies;
- (5) provides direct advocacy consisting of face-to-face assistance with the potential applicants;

(6) improves access to SNAP by documenting barriers to participation and advocating for changes in the administrative structure of the program; and

(7) develops strategies for combatting community stereotypes about SNAP benefit recipients and SNAP, misinformation about the program, and the stigma associated with using SNAP benefits.

Subd. 4. **Coordinated development.** The commissioner shall consult with representatives from the United States Department of Agriculture, Minnesota Community Action Association, Food First Coalition, Minnesota Department of Human Services, Urban Coalition/University of Minnesota extension services, county social service agencies, local social service agencies, and organizations that have previously administered the state-funded SNAP outreach programs to:

(1) develop the reporting requirements for the program;

(2) develop and implement the monitoring of the program;

(3) develop, coordinate, and assist in the evaluation process; and

(4) provide an interim report to the legislature by January 1997, and a final report to the legislature by January 1998, which includes the results of the evaluation and recommendations.

256.9864 REPORTS BY RECIPIENT.

(a) An assistance unit with a recent work history or with earned income shall report monthly to the county agency on income received and other circumstances affecting eligibility or assistance amounts. All other assistance units shall report on income and other circumstances affecting eligibility and assistance amounts, as specified by the state agency.

(b) An assistance unit required to submit a report on the form designated by the commissioner and within ten days of the due date or the date of the significant change, whichever is later, or otherwise report significant changes which would affect eligibility or assistance amounts, is considered to have continued its application for assistance effective the date the required report is received by the county agency, if a complete report is received within a calendar month in which assistance was received.

256J.08 DEFINITIONS.

Subd. 10. **Budget month.** "Budget month" means the calendar month which the county agency uses to determine the income or circumstances of an assistance unit to calculate the amount of the assistance payment in the payment month.

Subd. 53. **Lump sum.** "Lump sum" means nonrecurring income as described in section 256P.06, subdivision 3, clause (2), item (ix).

Subd. 61. **Monthly income test.** "Monthly income test" means the test used to determine ongoing eligibility and the assistance payment amount according to section 256J.21.

Subd. 62. **Nonrecurring income.** "Nonrecurring income" means a form of income which is received:

(1) only one time or is not of a continuous nature; or

(2) in a prospective payment month but is no longer received in the corresponding retrospective payment month.

Subd. 81. **Retrospective budgeting.** "Retrospective budgeting" means a method of determining the amount of the assistance payment in which the payment month is the second month after the budget month.

Subd. 83. **Significant change.** "Significant change" means a decline in gross income of the amount of the disregard as defined in section 256P.03 or more from the income used to determine the grant for the current month.

256J.30 APPLICANT AND PARTICIPANT REQUIREMENTS AND RESPONSIBILITIES.

Subd. 5. **Monthly MFIP household reports.** Each assistance unit with a member who has earned income or a recent work history, and each assistance unit that has income deemed to it from a financially responsible person must complete a monthly MFIP household report form. "Recent work history" means the individual received earned income in the report month or any of the previous three calendar months even if the earnings are excluded. To be complete, the MFIP household

report form must be signed and dated by the caregivers no earlier than the last day of the reporting period. All questions required to determine assistance payment eligibility must be answered, and documentation of earned income must be included.

Subd. 7. Due date of MFIP household report form. An MFIP household report form must be received by the county agency by the eighth calendar day of the month following the reporting period covered by the form. When the eighth calendar day of the month falls on a weekend or holiday, the MFIP household report form must be received by the county agency the first working day that follows the eighth calendar day.

Subd. 8. Late MFIP household report forms. (a) Paragraphs (b) to (e) apply to the reporting requirements in subdivision 7.

(b) When the county agency receives an incomplete MFIP household report form, the county agency must immediately contact the caregiver by phone or in writing to acquire the necessary information to complete the form.

(c) The automated eligibility system must send a notice of proposed termination of assistance to the assistance unit if a complete MFIP household report form is not received by a county agency. The automated notice must be mailed to the caregiver by approximately the 16th of the month. When a caregiver submits an incomplete form on or after the date a notice of proposed termination has been sent, the termination is valid unless the caregiver submits a complete form before the end of the month.

(d) An assistance unit required to submit an MFIP household report form is considered to have continued its application for assistance if a complete MFIP household report form is received within a calendar month after the month in which the form was due and assistance shall be paid for the period beginning with the first day of that calendar month.

(e) A county agency must allow good cause exemptions from the reporting requirements under subdivision 5 when any of the following factors cause a caregiver to fail to provide the county agency with a completed MFIP household report form before the end of the month in which the form is due:

- (1) an employer delays completion of employment verification;
- (2) a county agency does not help a caregiver complete the MFIP household report form when the caregiver asks for help;
- (3) a caregiver does not receive an MFIP household report form due to mistake on the part of the department or the county agency or due to a reported change in address;
- (4) a caregiver is ill, or physically or mentally incapacitated; or
- (5) some other circumstance occurs that a caregiver could not avoid with reasonable care which prevents the caregiver from providing a completed MFIP household report form before the end of the month in which the form is due.

256J.33 PROSPECTIVE AND RETROSPECTIVE MFIP ELIGIBILITY.

Subd. 3. Retrospective eligibility. After the first two months of MFIP eligibility, a county agency must continue to determine whether an assistance unit is prospectively eligible for the payment month by looking at all factors other than income and then determine whether the assistance unit is retrospectively income eligible by applying the monthly income test to the income from the budget month. When the monthly income test is not satisfied, the assistance payment must be suspended when ineligibility exists for one month or ended when ineligibility exists for more than one month.

Subd. 4. Monthly income test. A county agency must apply the monthly income test retrospectively for each month of MFIP eligibility. An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit. The income applied against the monthly income test must include:

- (1) gross earned income from employment as described in chapter 256P, prior to mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;
- (2) gross earned income from self-employment less deductions for self-employment expenses in section 256J.37, subdivision 5, but prior to any reductions for personal or business state and

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federal income taxes, personal FICA, personal health and life insurance, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;

(3) unearned income as described in section 256P.06, subdivision 3, after deductions for allowable expenses in section 256J.37, subdivision 9, and allocations in section 256J.36;

(4) gross earned income from employment as determined under clause (1) which is received by a member of an assistance unit who is a minor child or minor caregiver and less than a half-time student;

(5) child support received by an assistance unit, excluded under section 256P.06, subdivision 3, clause (2), item (xvi);

(6) spousal support received by an assistance unit;

(7) the income of a parent when that parent is not included in the assistance unit;

(8) the income of an eligible relative and spouse who seek to be included in the assistance unit; and

(9) the unearned income of a minor child included in the assistance unit.

Subd. 5. **When to terminate assistance.** When an assistance unit is ineligible for MFIP assistance for two consecutive months, the county agency must terminate MFIP assistance.

256J.34 CALCULATING ASSISTANCE PAYMENTS.

Subdivision 1. **Prospective budgeting.** A county agency must use prospective budgeting to calculate the assistance payment amount for the first two months for an applicant who has not received assistance in this state for at least one payment month preceding the first month of payment under a current application. Notwithstanding subdivision 3, paragraph (a), clause (2), a county agency must use prospective budgeting for the first two months for a person who applies to be added to an assistance unit. Prospective budgeting is not subject to overpayments or underpayments unless fraud is determined under section 256.98.

(a) The county agency must apply the income received or anticipated in the first month of MFIP eligibility against the need of the first month. The county agency must apply the income received or anticipated in the second month against the need of the second month.

(b) When the assistance payment for any part of the first two months is based on anticipated income, the county agency must base the initial assistance payment amount on the information available at the time the initial assistance payment is made.

(c) The county agency must determine the assistance payment amount for the first two months of MFIP eligibility by budgeting both recurring and nonrecurring income for those two months.

Subd. 2. **Retrospective budgeting.** The county agency must use retrospective budgeting to calculate the monthly assistance payment amount after the payment for the first two months has been made under subdivision 1.

Subd. 3. **Additional uses of retrospective budgeting.** Notwithstanding subdivision 1, the county agency must use retrospective budgeting to calculate the monthly assistance payment amount for the first two months under paragraphs (a) and (b).

(a) The county agency must use retrospective budgeting to determine the amount of the assistance payment in the first two months of MFIP eligibility:

(1) when an assistance unit applies for assistance for the same month for which assistance has been interrupted, the interruption in eligibility is less than one payment month, the assistance payment for the preceding month was issued in this state, and the assistance payment for the immediately preceding month was determined retrospectively; or

(2) when a person applies in order to be added to an assistance unit, that assistance unit has received assistance in this state for at least the two preceding months, and that person has been living with and has been financially responsible for one or more members of that assistance unit for at least the two preceding months.

(b) Except as provided in clauses (1) to (4), the county agency must use retrospective budgeting and apply income received in the budget month by an assistance unit and by a financially responsible household member who is not included in the assistance unit against the MFIP standard of need or family wage level to determine the assistance payment to be issued for the payment month.

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(1) When a source of income ends prior to the third payment month, that income is not considered in calculating the assistance payment for that month. When a source of income ends prior to the fourth payment month, that income is not considered when determining the assistance payment for that month.

(2) When a member of an assistance unit or a financially responsible household member leaves the household of the assistance unit, the income of that departed household member is not budgeted retrospectively for any full payment month in which that household member does not live with that household and is not included in the assistance unit.

(3) When an individual is removed from an assistance unit because the individual is no longer a minor child, the income of that individual is not budgeted retrospectively for payment months in which that individual is not a member of the assistance unit, except that income of an ineligible child in the household must continue to be budgeted retrospectively against the child's needs when the parent or parents of that child request allocation of their income against any unmet needs of that ineligible child.

(4) When a person ceases to have financial responsibility for one or more members of an assistance unit, the income of that person is not budgeted retrospectively for the payment months which follow the month in which financial responsibility ends.

Subd. 4. Significant change in gross income. The county agency must recalculate the assistance payment when an assistance unit experiences a significant change, as defined in section 256J.08, resulting in a reduction in the gross income received in the payment month from the gross income received in the budget month. The county agency must issue a supplemental assistance payment based on the county agency's best estimate of the assistance unit's income and circumstances for the payment month. Supplemental assistance payments that result from significant changes are limited to two in a 12-month period regardless of the reason for the change. Notwithstanding any other statute or rule of law, supplementary assistance payments shall not be made when the significant change in income is the result of receipt of a lump sum, receipt of an extra paycheck, business fluctuation in self-employment income, or an assistance unit member's participation in a strike or other labor action.

256J.37 TREATMENT OF INCOME AND LUMP SUMS.

Subd. 10. Treatment of lump sums. (a) The agency must treat lump-sum payments as earned or unearned income. If the lump-sum payment is included in the category of income identified in subdivision 9, it must be treated as unearned income. A lump sum is counted as income in the month received and budgeted either prospectively or retrospectively depending on the budget cycle at the time of receipt. When an individual receives a lump-sum payment, that lump sum must be combined with all other earned and unearned income received in the same budget month, and it must be applied according to paragraphs (a) to (c). A lump sum may not be carried over into subsequent months. Any funds that remain in the third month after the month of receipt are counted in the asset limit.

(b) For a lump sum received by an applicant during the first two months, prospective budgeting is used to determine the payment and the lump sum must be combined with other earned or unearned income received and budgeted in that prospective month.

(c) For a lump sum received by a participant after the first two months of MFIP eligibility, the lump sum must be combined with other income received in that budget month, and the combined amount must be applied retrospectively against the applicable payment month.

(d) When a lump sum, combined with other income under paragraphs (b) and (c), is less than the MFIP transitional standard for the appropriate payment month, the assistance payment must be reduced according to the amount of the countable income. When the countable income is greater than the MFIP standard or family wage level, the assistance payment must be suspended for the payment month.