ARTICLE 12

CHILDERN AND FAMILIES

Section 1. Minnesota Statutes 2022, section 4.045, is amended to read:

4.045 CHILDREN’S CABINET.

The Children’s Cabinet shall consist of the commissioners of education, human services, employment and economic development, public safety, corrections, management and budget, health, administration, Housing Finance Agency, transportation, and the director of the Office of Strategic and Long Range Planning; children, youth, and families.

The governor shall designate one member to serve as cabinet chair. The chair is responsible for ensuring that the duties of the Children’s Cabinet are performed.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 10.65, subdivision 2, is amended to read:

"consultation" means the direct and interactive involvement of the Minnesota Tribal governments in the development of policy on matters that have Tribal implications.

This definition adds to statutorily mandated notification procedures. During a consultation, the burden is on the agency to show that it has made a good faith effort to elicit feedback. Consultation is a formal engagement between agency

ARTICLE 7

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 4.045, is amended to read:

4.045 CHILDREN’S CABINET.

The Children’s Cabinet shall consist of the commissioners of education, human services, employment and economic development, public safety, corrections, management and budget, health, administration, Housing Finance Agency, transportation, and the director of the Office of Strategic and Long Range Planning; children, youth, and families.

The governor shall designate one member to serve as cabinet chair. The chair is responsible for ensuring that the duties of the Children’s Cabinet are performed.

EFFECTIVE DATE. This section is effective July 1, 2024.

Subd. 2. Definitions. (a) As used in this section, the following terms have the meanings given:

(1) "agency" means the Department of Administration; Department of Agriculture; Department of Children, Youth, and Families; Department of Commerce; Department of Corrections; Department of Education; Department of Employment and Economic Development; Department of Health; Office of Higher Education; Housing Finance Agency; Department of Human Rights; Department of Human Services; Department of Information Technology Services; Department of Iron Range Resources and Rehabilitation; Department of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services; Department of Military Affairs; Metropolitan Council; Department of Natural Resources; Pollution Control Agency; Department of Public Safety; Department of Revenue; Department of Transportation; Department of Veterans Affairs; Gambling Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; and the Board of Water and Soil Resources;

(2) "consultation" means the direct and interactive involvement of the Minnesota Tribal governments in the development of policy on matters that have Tribal implications.

Consultation is the proactive, affirmative process of identifying and seeking input from appropriate Tribal governments and considering their interest as a necessary and integral part of the decision-making process. This definition adds to statutorily mandated notification procedures. During a consultation, the burden is on the agency to show that it has made a good faith effort to elicit feedback. Consultation is a formal engagement between agency
officials and the governing body or bodies of an individual Minnesota Tribal government that the agency or an individual Tribal government may initiate. Formal meetings or communication between top agency officials and the governing body of a Minnesota Tribal government is a necessary element of consultation;

statement that have Tribal implications” means rules, legislative proposals, policy statements, or other actions that have substantial direct effects on one or more Minnesota Tribal governments, or on the distribution of power and responsibilities between the state and Minnesota Tribal governments;

(4) “Minnesota Tribal governments” means the federally recognized Indian Tribes located in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community; and Upper Sioux Community; and

(5) “timely and meaningful” means done or occurring at a favorable or useful time that allows the result of consultation to be included in the agency's decision-making process for a matter that has Tribal implications.

EFFECTIVE DATE. This section is effective July 1, 2024.

June 1, 2024. This section applies to the following departments or agencies: the Departments of Administration; the Department of Agriculture; the Department of Children, Youth, and Families; the Department of Commerce; the Department of Corrections; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Information Technology Services; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Human Services; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

EFFECTIVE DATE. This section is effective July 1, 2024. This section applies to the following departments or agencies: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Education; Employment and Economic Development; Health; Human Rights; Labor and Industry; Management and Budget; Natural Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range.
Sec. 5. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. Group I salary limits. The salary for a position listed in this subdivision shall not exceed 133 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year. The commissioner of management and budget must publish the limit on the department's website. This subdivision applies to the following positions:

- Commissioner of administration;
- Commissioner of agriculture;
- Commissioner of education;
- Commissioner of children, youth, and families;
- Commissioner of commerce;
- Commissioner of corrections;
- Commissioner of health;
- Commissioner, Minnesota Office of Higher Education;
- Commissioner, Housing Finance Agency;
- Commissioner of human rights;
- Commissioner of human services;
- Commissioner of labor and industry;
- Commissioner of management and budget;
- Commissioner of natural resources;
- Commissioner, Pollution Control Agency;
- Commissioner of public safety;
- Commissioner of revenue;
- Commissioner of employment and economic development;
- Commissioner of transportation; and
Commissioner of veterans affairs.

Subd. 1a. Additional unclassified positions. Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Labor and Industry; Natural Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services; the Offices of the Attorney General, Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

1. the designation of the position would not be contrary to other law relating specifically to that agency;
2. the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;
3. the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;
4. the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;
5. there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;
6. the position would be at the level of division or bureau director or assistant to the agency head; and
7. the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2024.
Sec. 7. Minnesota Statutes 2022, section 119B.011, subdivision 2, is amended to read:

Subd. 2. Applicant. "Child care fund applicants" means all parents, stepparents, legal guardians, or other eligible relative caregivers and their spouses; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.315, subdivision 4, or similar permanency disposition in Tribal code; successor custodians or guardians as established by section 256N.22, subdivision 10; or foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b. Applicants must be members of the family and reside in the household that applies for child care assistance under the child care fund.

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

Sec. 8. Minnesota Statutes 2022, section 119B.011, subdivision 5, is amended to read:

Subd. 5. "Child care" means the care of a child by someone other than a parent, stepparent, legal guardian, eligible relative caregiver, relative custodian or guardian who accepted a transfer of permanent legal and physical custody of a child under section 260C.315, subdivision 4, or similar permanency disposition in Tribal code; successor custodians or guardians as established according to section 256N.22, subdivision 10; foster parent providing care to a child placed in a family foster home under section 260C.007, subdivision 16b; or the spouse of any of the foregoing in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

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

Sec. 9. Minnesota Statutes 2022, section 119B.011, subdivision 13, is amended to read:

Subd. 13. Family. "Family" means parents, stepparents, guardians and their spouses, or other eligible relative caregivers and their spouses; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.315, subdivision 4, or similar permanency disposition in Tribal code; and their spouses; successor custodians or guardians as established by section 256N.22, subdivision 10, and their spouses; foster parents providing care to a child placed in a foster home under section 260C.007, subdivision 16b, and their spouses; and blood-related dependent children and adoptive siblings under the age of 18 years living in the same home as any of the above. Family includes children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities or other relative caregivers and their spouses and adults temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. An adult family member who is not in an authorized activity under this chapter may be temporarily absent for up to 60 days. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or postsecondary student may be considered eligible relative caregiver.

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

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

Subd. 13. Family. "Family" means parents, stepparents, guardians and their spouses, or other eligible relative caregivers and their spouses; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.315, subdivision 4, or similar permanency disposition in Tribal code; and their spouses; successor custodians or guardians as established by section 256N.22, subdivision 10, and their spouses; foster parents providing care to a child placed in a foster home under section 260C.007, subdivision 16b, and their spouses; and blood-related dependent children and adoptive siblings under the age of 18 years living in the same home as any of the above. Family includes children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities or other relative caregivers and their spouses and adults temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. An adult family member who is not in an authorized activity under this chapter may be temporarily absent for up to 60 days. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or postsecondary student may be considered eligible relative caregiver.

REVISOR FULL-TEXT SIDE-BY-SIDE

May 01, 2023 11:01 AM

House Language H0238-3

Senate Language S2995-3
445.20 a dependent member of the family unit if 50 percent or more of the adult's support is provided
445.21 by the parent(s), stepparent(s), guardians and their spouses; relative custodians who accepted
445.22 a transfer of permanent legal and physical custody of a child under section 260C.515,
445.23 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
445.24 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
445.25 foster parents providing care to a child placed in a family foster home under section
445.26 260C.007, subdivision 16b, and their spouses; or eligible relative caregivers and their spouses
445.27 residing in the same household.

445.28 EFFECTIVE DATE. This section is effective August 25, 2024.

445.29 Sec. 10. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

445.30 Subd. 4a. Temporary reprioritization Funding priorities. (a) Notwithstanding
445.31 subdivision 4 in the event that inadequate funding necessitates the use of waiting lists,
445.32 priority for child care assistance under the basic sliding fee assistance program shall be
445.33 determined according to this subdivision beginning July 1, 2021, through May 31, 2024.

446.1 (b) First priority must be given to eligible non-MFIP families who do not have a high
446.2 school diploma or commissioner of education-selected high school equivalency certification
446.3 or who need remedial and basic skill courses in order to pursue employment or to pursue
446.4 education leading to employment and who need child care assistance to participate in the
446.5 education program. This includes student parents as defined under section 119B.011,
446.6 subdivision 19b. Within this priority, the following subpriorities must be used:

446.7 (1) child care needs of minor parents;
446.8 (2) child care needs of parents under 21 years of age; and
446.9 (3) child care needs of other parents within the priority group described in this paragraph.

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

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

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

446.16 (f) Fifth priority must be given to eligible families receiving services under section
446.17 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
446.18 year, or if the parents are no longer receiving or eligible for DWP supports.

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

446.30 EFFECTIVE DATE. This section is effective August 25, 2024.

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

446.32 Subd. 4a. Temporary reprioritization Funding priorities. (a) Notwithstanding
446.33 subdivision 4 in the event that inadequate funding necessitates the use of waiting lists,
446.34 priority for child care assistance under the basic sliding fee assistance program shall be
446.35 determined according to this subdivision beginning July 1, 2021, through May 31, 2024.

446.36 (b) First priority must be given to eligible non-MFIP families who do not have a high
446.37 school diploma or commissioner of education-selected high school equivalency certification
446.38 or who need remedial and basic skill courses in order to pursue employment or to pursue
446.39 education leading to employment and who need child care assistance to participate in the
446.40 education program. This includes student parents as defined under section 119B.011,
446.41 subdivision 19b. Within this priority, the following subpriorities must be used:

446.42 (1) child care needs of minor parents;
446.43 (2) child care needs of parents under 21 years of age; and
446.44 (3) child care needs of other parents within the priority group described in this paragraph.

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

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

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

446.51 (f) Fifth priority must be given to eligible families receiving services under section
446.52 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
446.53 year, or if the parents are no longer receiving or eligible for DWP supports.

446.54 (g) Families under paragraph (f) must be added to the basic sliding fee waiting list on
446.55 the date they complete their transition year under section 119B.011, subdivision 20.
Sec. 11. Minnesota Statutes 2022, section 119B.13, subdivision 1, is amended to read:

Sec. 11. Minnesota Statutes 2022, section 119B.13, subdivision 1, as amended is effective July 1, 2023.

Subdivision 1. Subsidy restrictions. (a) Beginning November 15, 2024 October 30, 2023, the maximum rate paid for child care assistance in any county or county price cluster under the child care fund shall be:

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

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

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

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

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

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

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

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

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

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

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

(f) If a child uses one provider, the maximum payment for one day of care must not exceed the daily rate. The maximum payment for one week of care must not exceed the weekly rate.
If a child uses two providers under section 119B.097, the maximum payment must not exceed:

(1) the daily rate for one day of care;
(2) the weekly rate for one week of care by the child's primary provider; and
(3) two daily rates during two weeks of care by a child's secondary provider.

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

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

(j) Beginning October 30, 2023, the maximum registration fee paid for child care assistance in any county or county price cluster under the child care fund shall be the greater of the 40th percentile of the most recent child care provider rate survey or the registration fee in effect at the time of the update, and (2) beginning the first full service period on or after January 1, 2025, the maximum registration fee shall be the greater of the 40th percentile of the 2024 child care provider rate survey or the registration fee in effect at the time of the update. The registration fees under clause (1) continue until the registration fees under clause (2) go into effect.

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

Subdivision 1. Establishment. The commissioner of human services shall establish a family, friend, and neighbor (FFN) grant program to promote children's social-emotional learning and healthy development, early literacy, and other skills to succeed as learners and to foster community partnerships that will help children thrive when they enter school.

Subd. 2. Grant awards. The commissioner may award grants under this section to the following entities working with FFN caregivers: community-based organizations, nonprofit organizations, local or regional libraries, local public health agencies, and Indian Tribes and Tribal organizations. Grantee may use grant money received under this section to:

(1) provide culturally and linguistically appropriate training, support, and resources to FFN caregivers and children's families to improve and promote children's health, safety, nutrition, and learning;
(2) connect FFN caregivers and children's families with community resources that support 
the families' physical and mental health and economic and developmental needs;
(3) connect FFN caregivers and children's families to early childhood screening programs 
and facilitate referrals to state and local agencies, schools, community organizations, and 
medical providers, as appropriate;
(4) provide FFN caregivers and children's families with information about high-quality, 
community-based early care and learning programs and financial assistance available to the 
families, including but not limited to child care assistance under this chapter and early 
learning scholarships under section 124D.165;
(5) provide FFN caregivers with information about registering as a legal nonlicensed 
child care provider as defined in section 119B.011, subdivision 16, and establishing a 
licensed family or group family child care program;
(6) provide transportation for FFN caregivers and children's families to educational and 
other early childhood training activities;
(7) translate materials for FFN caregivers and children's families and provide translation 
services to FFN caregivers and children's families;
(8) develop and disseminate social-emotional learning, health and safety, and early 
learning kits to FFN caregivers; and
(9) establish play and learning groups for FFN caregivers.

Subd. 3. Administration.
Applicants must apply for the grants using the forms and 
according to timelines established by the commissioner.

Subd. 4. Reporting requirements.
(a) Grantees shall provide data and program outcomes 
to the commissioner in a form and manner specified by the commissioner for the purpose 
of evaluating the grant program.
(b) Beginning February 1, 2024; and every two years thereafter, the commissioner shall 
report to the legislature on program outcomes.

Sec. 7. [119C.01] GREAT START SCHOLARSHIPS PROGRAM.
Subdivision 1. Establishment; purpose. The commissioner of children, youth, and 
families, in collaboration with the commissioner of education and the commissioner of 
human services, shall establish and develop the great start scholarships program to ensure 
affordable access to high-quality early care and learning for children from birth to 
kindergarten entry.
Subd. 2. **Development.** In developing the program under this section, the commissioner shall:

1. identify ways to integrate the functions, administrative structures, and funding mechanisms of early care and learning programs administered by the state with the great start scholarships program;
2. consider the recommendations made by the Great Start for All Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article 14, section 18, subdivision 2;
3. make a plan to seamlessly transition the following families to the great start scholarships program by July 1, 2026:
   i. families with at least one child receiving an early learning scholarship under section 124D.165; and
   ii. families with at least one child who is not yet in kindergarten and is receiving child care assistance under section 119B.03 or 119B.05 for care received from a provider licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed, or a Head Start program that has a rating under section 124D.142;
4. create mechanisms for members of local communities, including families and members of the early care and learning workforce, to have input in decisions regarding needs and preferences for early care and learning options;
5. develop a method for funding early care and learning slots in response to local need through contracts with eligible providers that may be used to deliver services that meet quality and compensation standards with the intent to build early care and learning capacity statewide for children from birth to kindergarten entry; and
6. maximize available federal resources while minimizing the extent to which state policy is limited by federal regulations. The executive director, in consultation with an appropriate state agency, may seek federal technical assistance or outside consultation as necessary to provide minimally burdensome program access to all participating families.

Subd. 3. **Program requirements.** The great start scholarships program must include at a minimum:

1. family-directed scholarships that provide financial assistance to families voluntarily participating in the program;
2. family eligibility for any family that has at least one child who is not yet in kindergarten;
3. provider eligibility for:
(i) any program licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally
licensed, that participates in the quality rating and improvement system under section
124D.142; and
(ii) any school-based program and Head Start program that has a rating under section
124D.142;
(d) a unified, integrated, and simple online application process that utilizes administrative
data to ease qualification and benefit determination and facilitate required reporting to the
federal government;
(e) an integrated electronic attendance tracking system and payments system to safeguard
program integrity and streamline billing and payment processes for providers; and
(f) a schedule for scholarship amounts that ensures that no participating family pays
more than seven percent of annual income for early care and learning services for children
from birth to kindergarten entry. Scholarship amounts may vary by family income, program
quality, geography, and need for compensatory services, and may take into consideration
the results of the market rate survey under section 119B.02, subdivision 7; information from
cost estimation models for providing early care and learning in the state; and cost information
gathered through contracts under subdivision 2, clause (5);
Subd. 4. Administration. By May 1, 2026, the commissioner, in consultation with the
commissioners of education and human services, shall have in place the administrative
structures and systems needed for the great start scholarships program to meet the operational
needs of participating families and eligible providers;
EFFECTIVE DATE. This section is effective July 1, 2024;
Sec. 8. Minnesota Statutes 2022, section 124D.142, subdivision 2, is amended to read:
Subd. 2. System components. (a) The standards-based voluntary quality rating and
improvement system includes:
(1) at least a one-star rating for all programs licensed under Minnesota Rules, chapter
9502 or 9503, that do not opt out of the system under paragraph (b) and that are not:
(i) the subject of a finding of fraud;
(ii) prohibited from receiving public funds under section 245.095;
(iii) under revocation, suspension, temporary immediate suspension, or decertification;
regardless of whether the action is under appeal; or
(iv) operating under a conditional license, regardless of whether the license holder has
requested reconsideration;
(1) quality opportunities in order to improve the educational outcomes of children
so that they are ready for school;
Sec. 13. [143.01] DEFINITIONS.
Subd. 1. Application. The definitions in this section apply to this chapter.
Subd. 2. Commissioner. "Commissioner" means the commissioner of children, youth, and families.
Subd. 3. Department. "Department" means the Department of Children, Youth, and Families.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 14. [143.02] CREATION OF THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.
Subd. 1. Department. The Department of Children, Youth, and Families is established.
Subd. 2. Transfer and restructuring provisions. The restructuring of agencies under this act must be conducted in accordance with sections 15.039 and 43A.045.
Subd. 3. Successor and employee protection clause. (a) Personnel relating to the functions assigned to the commissioner in section 143.03 are transferred to the department effective 30 days after approval by the commissioner.
(b) Before the commissioner's appointment, personnel relating to the functions in this section may be transferred beginning July 1, 2024, with 30 days' notice from the commissioner of management and budget.
(c) All employees transferred to the department remain in the same employment status, bargaining unit, and civil service protection as the employees had before the transfer. All collective bargaining agreements that cover any employee of the Departments of Human

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 10. [143.02] CREATION OF THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.
Subd. 1. Department. The Department of Children, Youth, and Families is established.
Subd. 2. Transfer and restructuring provisions. The restructuring of agencies under this act must be conducted in accordance with sections 15.039 and 43A.045.
Subd. 3. Successor and employee protection clause. (a) Personnel relating to the functions assigned to the commissioner in section 143.03 are transferred to the department effective 30 days after approval by the commissioner.
(b) Before the commissioner's appointment, personnel relating to the functions in this section may be transferred beginning July 1, 2024, with 30 days' notice from the commissioner of management and budget.
(c) The following protections shall apply to employees who are transferred to the department from state agencies:
(1) no transferred employee shall have their employment status and job classification altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) any applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for transferred employees after the transfer;

(4) when an employee in a temporary unclassified position is transferred to the department, the total length of time that the employee has served in the appointment shall include all time served in the appointment at the transferring agency and the time served in the appointment at the department. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by the commissioner of management and budget shall be considered to have been hired through such process after the transfer;

(5) the state shall have the obligation to meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent that the proposed changes are not addressed in the applicable collective bargaining agreement; and

(6) in the event that the state transfers ownership or control of any facilities, services, or operations of the department to another private or public entity by subcontracting, sale, assignment, lease, or other transfer, the state shall require as a written condition of the transfer of ownership or control the following:

(i) employees who perform work in the facilities, services, or operations must be offered employment with the entity acquiring ownership or control before the entity offers employment to any individual who was not employed by the transferring agency at the time of the transfer; and

(ii) the wage and benefit standards of the transferred employees must not be reduced by the entity acquiring ownership or control through the expiration of the collective bargaining agreement in effect at the time of the transfer or for a period of two years after the transfer, whichever is longer.

There is no liability on the part of, and no cause of action arises against, the state of Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership or control of any facilities, services, or operations of the department.

To the extent that departmental changes affect the operations of any school district or charter school, employers have the obligation to bargain about any changes affecting or
relating to employees' terms and conditions of employment if such changes are necessary
during or after the term of an existing collective bargaining agreement.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 15. [143.03] COMMISSIONER.

Subdivision 1. General. The department is under the administrative control of the
commissioner. The commissioner is appointed by the governor with the advice and consent
of the senate. The commissioner has the general powers provided in section 15.06.

Subdivision 6. The commissioner's salary must be established according to the procedure
in section 15A.0815, subdivision 5, in the same range as specified for the commissioner of
management and budget.

Subd. 2. Duties of the commissioner. (a) The commissioner may apply for and accept
on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying
out the duties and responsibilities of the commissioner. Any money received under this
paragraph is appropriated and dedicated for the purpose for which the money is granted.

The commissioner must biennially report to the chairs and ranking minority members of
relevant legislative committees and divisions by January 15 of each even-numbered year a
list of all grants and gifts received under this subdivision.

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 11. [143.03] COMMISSIONER.

Subdivision 1. General. The department is under the administrative control of the
commissioner. The commissioner is appointed by the governor with the advice and consent
of the senate. The commissioner has the general powers provided in section 15.06.

Subdivision 6. The commissioner's salary must be established according to the procedure
in section 15A.0815, subdivision 5, in the same range as specified for the commissioner of
management and budget.

Subd. 2. Duties of the commissioner. (a) The commissioner may apply for and accept
on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying
out the duties and responsibilities of the commissioner. Any money received under this
paragraph is appropriated and dedicated for the purpose for which the money is granted.

The commissioner must biennially report to the chairs and ranking minority members of
relevant legislative committees and divisions by January 15 of each even-numbered year a
list of all grants and gifts received under this subdivision.

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

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

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

(1) considering the experiences of children, youth, and families in all aspects of the
department's work;

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

(3) increasing coordination and reducing inefficiencies among the department's programs
and the funding sources that support the programs;
(4) increasing the alignment and coordination of family access to child care and early
learning programs and improving systems of support for early childhood and learning
providers and services;

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

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

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 2.

Subdivision 1. Establishment of systems. (a) The commissioner shall establish and
enhance computer systems necessary for the efficient operation of the programs the
commissioner supervises, including:

1. (1) management and administration of the Supplemental Nutrition Assistance Program
(SNAP) and income maintenance program, including the electronic distribution of benefits;
and

2. (2) management and administration of the child support enforcement program.

(b) The commissioner's development costs incurred by computer systems for statewide
programs administered with that computer system and mandated by state or federal law
must not be assessed against county agencies. The commissioner may charge a county for
development and operating costs incurred by computer systems for functions requested by
the county and not mandated by state or federal law for programs administered by the
computer system incurring the cost.

(c) The commissioner shall distribute the nonfederal share of the costs of operating and
maintaining the systems to the commissioner and to the counties participating in the system
in a manner that reflects actual system usage, except that the nonfederal share of the costs
of the MAXIS computer system and child support enforcement systems for statewide
programs administered by those systems and mandated by state or federal law shall be borne
entirely by the commissioner.

(d) The commissioner may enter into contractual agreements with federally recognized
Indian Tribes with a reservation in Minnesota to participate in state-operated computer
systems related to the management and administration of the SNAP, income maintenance,
and child support enforcement programs to the extent necessary for the Tribe to operate a
federally approved family assistance program or any other program under the supervision
of the commissioner.

Subd. 2. State systems account created. A state systems account for the Department
of Children, Youth, and Families is created in the state treasury. Money collected by the
commissioner for the programs in subdivision 1 must be deposited in the account. Money
in the state systems account and federal matching money are appropriated to the commissioner for purposes of this section.

(a) The commissioner may use the procedure in section 14.386, paragraph (a), to adopt rules necessary to implement the responsibilities transferred under this article or through section 16B.37. Section 14.386, paragraph (b), does not apply to these rules.

(b) The commissioner must amend Minnesota Rules to make conforming changes related to the transfer of responsibilities under this act or through section 16B.37. The commissioner must obtain the approval of the commissioners of human services, education, health, and public safety for any amendments to or repeal of rules in existence on the effective date of this section and administered under the authority of those agencies.

(c) The time limit in section 14.125 is extended to 36 months for rulemaking under paragraphs (a) and (b). The commissioner must publish a notice of intent to adopt rules or a notice of hearing within 36 months of the effective date reported under section 143.05, subdivision 1, paragraph (c).

(d) The commissioner may adopt rules for the administration of activities related to the department. Rules adopted under this paragraph are subject to the rulemaking requirements of chapter 14.

SEC. 17.
The commissioner of health shall establish

This section is effective July 1, 2024.

EFFECTIVE DATE.

Subdivision 1.

The commissioner of health shall establish the community solutions for healthy child development grant program. The purpose of the program is to:

(1) improve child development outcomes related to the well-being of children of color and American Indian children from prenatal to grade 3 and their families, including but not limited to the goals outlined by the Department of Human Services' early childhood systems reform effort; early learning; health and well-being; economic security; and safe, stable, nurturing relationships and environments by funding community-based solutions for challenges that are identified by the affected community;

This section is effective July 1, 2024.

EFFECTIVE DATE.

Subdivision 1. Establishment. The commissioner of health shall establish a grant program to improve child development outcomes and the well-being of children of color and American Indian children from prenatal to grade 3 and their families. The purposes of the program are to:

(1) improve child development outcomes related to the well-being of children of color and American Indian children from prenatal to grade 3 and their families, including but not limited to the goals outlined by the Department of Human Services' early childhood systems reform effort; early learning; health and well-being; economic security; and safe, stable, nurturing relationships and environments by funding community-based solutions for challenges that are identified by the affected community;
reduce racial disparities in children's health and development from prenatal to grade
Commissioner's duties.
proposal process; maintain data on outcomes reported by grantees; and
13 particularly in greater Minnesota and areas where services to reduce health disparities have
Subd. 2. Commissioner's duties. The commissioner shall:
(1) develop a request for proposals for the healthy child development grant program in
Consultation with the Community Solutions Advisory Council,
(2) provide outreach, technical assistance, and program development support to increase
capacity for new and existing service providers in order to better meet statewide needs,
particularly in greater Minnesota and areas where services to reduce health disparities have
not been established;
(3) review responses to requests for proposals, in consultation with the Community
Solutions Advisory Council, and award grants under this section;
(4) ensure communication with the ethnic councils, Minnesota Indian Affairs Council,
and the state advisory council on early childhood education and care on the request for
proposal process;
(5) establish a transparent and objective accountability process, in consultation with the
Community Solutions Advisory Council, that is focused on outcomes that grantees agree
to achieve;
(6) provide grantees with access to data to assist grantees in establishing and
implementing effective community-led solutions;
(7) maintain data on outcomes reported by grantees; and
(8) contract with an independent third-party entity to evaluate the success of the grant
program and to build the evidence base for effective community solutions in reducing health
disparities of children of color and American Indian children from prenatal to grade 3.
Subd. 3. Community Solutions Advisory Council; establishment; duties; compensation. (a) The commissioner, in consultation with the three ethnic councils under
section 15.0185 and the Indian Affairs Council under section 3.925, shall appoint a
13-member Community Solutions Advisory Council, as follows:
(1) three members representing Black Minnesotans of African heritage, one of whom
is a parent with a child under the age of eight years at the time of the appointment,
(2) three members representing Latino and Latina Minnesotans with an ethnic heritage
from Mexico, a country in Central or South America, Cuba, the Dominican Republic, or
Puerto Rico, one of whom is a parent with a child under the age of eight years at the time
of the appointment;
(3) three members representing Asian-Pacific Minnesotans with Asian-Pacific heritage, one of whom is a parent with a child under the age of eight years at the time of the appointment;

(4) three members representing the American Indian community, one of whom is a parent of a child under the age of eight years at the time of the appointment; and

(8) one member with research or academic expertise in racial equity and healthy child development;

(b) The commissioner must include representation from organizations with expertise in advocacy on behalf of communities of color and Indigenous communities in areas related to the grant program:

(7) one member representing an organization that advocates on behalf of communities of color or American Indians.

At least three of the 13 members appointed under paragraph (a), clauses (1) to (4), of the advisory council must come from outside the seven-county metropolitan area.

The Community Solutions Advisory Council shall:

(1) advise the commissioner on the development of the request for proposals for community solutions healthy child development grants. In advising the commissioner, the council must consider how to build on the capacity of communities to promote child and family well-being and address social determinants of healthy child development;

(2) review responses to requests for proposals and advise the commissioner on the selection of grantees and grant awards;

(3) advise the commissioner on the establishment of a transparent and objective accountability process focused on outcomes the grantees agree to achieve;

(4) advise the commissioner on ongoing oversight and necessary support in the implementation of the program; and

(5) support the commissioner on other racial equity and early childhood grant efforts.

Member terms, compensation, and removal shall be as provided in section 15.059, subdivisions 2 to 4.

The commissioner must convene meetings of the advisory council at least four times per year.

The community solutions advisory council shall:

(1) advise the commissioner on the development of the request for proposals for community solutions healthy child development grants. In advising the commissioner, the council must consider how to build on the capacity of communities to promote child and family well-being and address social determinants of healthy child development;

(2) review responses to requests for proposals and advise the commissioner on the selection of grantees and grant awards;

(3) advise the commissioner on the establishment of a transparent and objective accountability process focused on outcomes the grantees agree to achieve;

(4) advise the commissioner on ongoing oversight and necessary support in the implementation of the program; and

(5) support the commissioner on other racial equity and early childhood grant efforts.

Each advisory council member shall be compensated in accordance with section 15.059, subdivision 3.
Subd. 4. Eligible grantees. Organizations eligible to receive grant funding under this section include:

1. organizations or entities that work with communities of color and American Indian communities;
2. Tribal Nations and Tribal organizations as defined in section 658P of the Child Care and Development Block Grant Act of 1990; and
3. organizations or entities focused on supporting healthy child development.

Subd. 5. Strategic consideration and priority of proposals; eligible populations; grant awards. (a) The commissioner, in consultation with the Community Solutions Advisory Council, shall develop a request for proposals for healthy child development grants. In developing the proposals and awarding the grants, the commissioner shall consider building on the capacity of communities to promote child and family well-being and address social determinants of healthy child development. Proposals must focus on increasing racial equity and healthy child development and reducing health disparities experienced by children of color and American Indian children from prenatal to grade 3 and their families.

(b) In awarding the grants, the commissioner shall provide strategic consideration and give priority to proposals from:

1. organizations or entities led by people of color and serving communities of color;
2. organizations or entities led by American Indians and serving American Indians, including Tribal Nations and Tribal organizations;
3. organizations or entities with proposals focused on healthy development from prenatal to grade 3;
4. organizations or entities with proposals focusing on multigenerational solutions;
5. organizations or entities located in or with proposals to serve communities located in counties that are moderate to high risk according to the Wilder Research Risk and Reach Report; and
6. community-based organizations that have historically served communities of color and American Indians and have not traditionally had access to state grant funding.

Subd. 4. Eligible grantees. Organizations eligible to receive grant funding under this section include:

1. organizations or entities that work with Black communities, nonwhite communities of color, and American Indian communities;
2. Tribal nations and Tribal organizations as defined in section 658P of the Child Care and Development Block Grant Act of 1990; and
3. organizations or entities focused on supporting healthy child development.

Subd. 5. Strategic consideration and priority of proposals; eligible populations; grant awards. (a) The commissioner, in consultation with the community solutions advisory council, shall develop a request for proposals for healthy child development grants. In developing the proposals and awarding the grants, the commissioner shall consider building on the capacity of communities to promote child and family well-being and address social determinants of healthy child development. Proposals must focus on increasing racial equity and healthy child development and reducing health disparities experienced by children who are Black, nonwhite people of color, American Indian from prenatal to grade 3 and their families.

(b) In awarding the grants, the commissioner shall provide strategic consideration and give priority to proposals from:

1. organizations or entities led by Black and other nonwhite people of color and serving Black communities, nonwhite communities of color;
2. organizations or entities led by American Indians and serving American Indians, including Tribal nations and Tribal organizations;
3. organizations or entities with proposals focused on healthy development from prenatal to grade three;
4. organizations or entities with proposals focusing on multigenerational solutions;
5. organizations or entities located in or with proposals to serve communities located in counties that are moderate to high risk according to the Wilder Research Risk and Reach Report; and
6. community-based organizations that have historically served communities of color and American Indians and have not traditionally had access to state grant funding.
The advisory council may recommend additional strategic considerations and priorities to the commissioner.

(c) The first round of grants must be awarded no later than April 15, 2024. Grants must be awarded annually thereafter. Grants are awarded for a period of three years.

Subd. 6. Geographic distribution of grants. The commissioner and the advisory council shall ensure that grant money is prioritized and awarded to organizations and entities that are within counties that have a higher proportion of people of color and American Indians than the state average, to the extent possible.

Subd. 7. Report. Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 14. Minnesota Statutes 2022, section 256.014, subdivision 1, is amended to read:

The commissioner may enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to participate in state-operated computer systems related to the management and administration of the SNAP, income maintenance, child support enforcement, and medical assistance programs program to the extent necessary.

Sec. 19. Minnesota Statutes 2022, section 256.014, subdivision 1, is amended to read:

The commissioner and the advisory council shall establish and enhance computer systems necessary for the efficient operation of the medical assistance and other programs the commissioner supervises, including:

(1) management and administration of the Supplemental Nutrition Assistance Program (SNAP) and income maintenance program, including the electronic distribution of benefits;

(2) management and administration of the child support enforcement program, and

(3) administration of medical assistance.

(b) The commissioner's development costs incurred by computer systems for statewide programs administered by that computer system and mandated by state or federal law must not be assessed against county agencies. The commissioner may charge a county for development and operating costs incurred by computer systems for functions requested by the county and not mandated by state or federal law for programs administered by the computer system incurring the cost.

(c) The commissioner shall distribute the nonfederal share of the costs of operating and maintaining the systems to the commissioner and to the counties participating in the system in a manner that reflects actual system usage, except that the nonfederal share of the costs of the MAXIS computer system and child support enforcement systems for statewide programs administered by those systems that system and mandated by state or federal law shall be borne entirely by the commissioner.

The commissioner may enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to participate in state-operated computer systems related to the management and administration of the SNAP, income maintenance, child support enforcement, and medical assistance programs program to the extent necessary.
for the Tribe to operate a federally approved family medical assistance program or any other program under the supervision of the commissioner. 

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 20. Minnesota Statutes 2022, section 256.014, subdivision 2, is amended to read:

Subd. 2. State systems account created. A state systems account for the Department of Human Services is created in the state treasury. Money collected by the commissioner of human services for the programs in subdivision 1 must be deposited in the account.

Money in the state systems account and federal matching money is appropriated to the commissioner of human services for purposes of this section.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 21. [256E.341] PREPARED MEALS FOOD RELIEF GRANTS.

Subdivision 1. Establishment. The commissioner of human services shall establish a prepared meals grant program to provide hunger relief to Minnesotans experiencing food insecurity and who have difficulty preparing meals due to limited mobility, disability, age, or limited resources to prepare their own meals.

Eligible grantees are nonprofit organizations and federally recognized American Indian Tribes or Bands located in Minnesota as defined in section 10.65, with a demonstrated history of providing and distributing prepared meals customized for the population that they serve, including tailoring meals to the cultural, religious, and dietary needs of the population served. Eligible grantees must prepare meals in a licensed commercial kitchen and distribute meals according to ServSafe guidelines.

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

Subd. 4. Allowable uses of grant funds. (a) Eligible grantees must use grant money awarded under this section to fund a prepared meals program that primarily targets individuals between 18 and 60 years of age, and their dependents, experiencing food insecurity. Grantees must avoid duplication with existing state and federal meal programs.

(b) Grant money must supplement, but not supplant, any state or federal funding used to provide prepared meals to Minnesotans experiencing food insecurity.

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

(b) In granting money, the commissioner shall prioritize applicants that have demonstrated ability to provide prepared meals to racially and geographically diverse populations at greater risk for food insecurity.

EFFECTIVE DATE. This section is effective July 1, 2024.
(2) work with external community partners to distribute meals targeting nontraditional meal sites reaching those most in need; and

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

(i) Minnesota food producers and processors; or

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

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

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

Sec. 22. [256E.38] DIAPER DISTRIBUTION GRANT PROGRAM.

Subdivision 1. Establishment; purpose. The commissioner of human services shall establish a diaper distribution program to award competitive grants to eligible applicants to provide diapers to underresourced families statewide.

Subd. 2. Eligibility. To be eligible for a grant under this section, an applicant must demonstrate its capacity to distribute diapers statewide by having:

(1) a network of well-established partners for diaper distribution;

(2) the infrastructure needed to efficiently manage diaper procurement and distribution statewide;

(3) relationships with national organizations that support and enhance the work of addressing diaper need;

(4) the ability to engage in building community awareness of diaper need and advocate for diaper need at local, state, and federal levels;

(5) a commitment to and demonstration of working with organizations across ideological and political spectrums;

(6) the ability to address diaper need for children from birth through early childhood; and

(7) a commitment to working within an equity framework by ensuring access to organizations that provide culturally specific services or are located in communities with high concentrations of poverty.

Subd. 3. Application. Applicants must apply to the commissioner in a form and manner prescribed by the commissioner. Applications must be filed at the times and for the periods determined by the commissioner.
Subd. 4. Eligible uses of grant money. An eligible applicant that receives grant money under this section shall use the money to purchase diapers and wipes and may use up to four percent of the money for administrative costs.

Subd. 5. Enforcement. (a) An eligible applicant that receives grant money under this section must:

(1) retain records documenting expenditure of the grant money;

(2) report to the commissioner on the use of the grant money; and

(3) comply with any additional requirements imposed by the commissioner.

(b) The commissioner may require that a report submitted under this subdivision include an independent audit.

Sec. 23. DIRECTION TO COMMISSIONER; ALLOCATING BASIC SLIDING FEE MONEY.

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

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

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

Sec. 24. DIRECTION TO COMMISSIONER; COST ESTIMATION MODEL FOR EARLY CARE AND LEARNING PROGRAMS.

(a) The commissioner of human services shall develop a cost estimation model for providing early care and learning in the state. In developing the model, the commissioner shall consult with relevant entities and stakeholders, including but not limited to the State Advisory Council on Early Childhood Education and Care under Minnesota Statutes, section 124D.141; county administrators; child care resource and referral organizations under Minnesota Statutes, section 119B.19, subdivision 1; and organizations representing caregivers, teachers, and directors.

THE FOLLOWING SECTION WAS TAKEN OUT OF H0238-3 ARTICLE 1.

Sec. 37. DIRECTION TO COMMISSIONER; ALLOCATING BASIC SLIDING FEE MONEY.

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

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

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

Sec. 22. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; COST ESTIMATION MODEL FOR EARLY CARE AND LEARNING PROGRAMS.

(a) The commissioner of human services shall develop a cost estimation model for providing early care and learning in the state. In developing the model, the commissioner shall consult with relevant entities and stakeholders, including but not limited to the State Advisory Council on Early Childhood Education and Care under Minnesota Statutes, section 124D.141; county administrators; child care resource and referral organizations under Minnesota Statutes, section 119B.19, subdivision 1; and organizations representing caregivers, teachers, and directors.
(b) The commissioner shall contract with an organization with experience and expertise in early care and learning cost estimation modeling to conduct the work outlined in this section. If practicable, the commissioner shall contract with First Children's Finance.

(c) The commissioner shall ensure that the model can estimate variation in the cost of early care and learning by:

1. quality of care;
2. geographic area;
3. type of child care provider and associated licensing standards;
4. age of child;
5. whether the early care and learning is inclusive, including caring for children with disabilities alongside children without disabilities;
6. provider and staff compensation, including benefits such as professional development stipends, health care benefits, and retirement benefits;
7. a provider's fixed costs, including rent and mortgage payments, property taxes, and business-related insurance payments;
8. a provider's operating expenses, including expenses for training and substitutes; and
9. a provider's hours of operation.

(d) By January 30, 2025, the commissioner must submit a report to the legislative committees with jurisdiction over early childhood programs on the development of the cost estimation model. The report shall include:

1. recommendations for how the model could be used in conjunction with a child care and early education professional wage scale to set provider payment rates for child care assistance under Minnesota Statutes, chapter 119B, and great start scholarships under Minnesota Statutes, section 119C.01; and
2. a plan to seek federal approval to use the model for provider payment rates for child care assistance.

Sec. 25. DIRECTION TO COMMISSIONER; INCREASE FOR MAXIMUM CHILD CARE ASSISTANCE RATES.

Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the commissioner must allocate the additional basic sliding fee child care money for calendar year 2024 to counties for updated maximum rates based on relative need to cover maximum

(h) The commissioner shall contract with an organization with experience and expertise in early care and learning cost estimation modeling to conduct the work outlined in this section. If practicable, the commissioner shall contract with First Children's Finance.

(c) The commissioner shall ensure that the model can estimate variation in the cost of early care and learning by:

1. the quality of care;
2. the geographic area;
3. the type of child care provider and associated licensing standards;
4. the age of the child;
5. whether the early care and learning is inclusive by caring for children with disabilities alongside children without disabilities;
6. child care provider and staff compensation, including benefits such as professional development stipends, health care benefits, and retirement benefits;
7. a child care provider's fixed costs, including rent and mortgage payments, property taxes, and business-related insurance payments;
8. a child care provider's operating expenses, including expenses for training and substitutes; and
9. a child care provider's hours of operation.

(d) By January 30, 2025, the commissioner must report to the legislative committees with jurisdiction over early childhood programs on the development of the cost estimation model. The report must include:

1. recommendations on how the model could be used in conjunction with a child care and early education professional wage scale to set child care provider payment rates for child care assistance under Minnesota Statutes, chapter 119B, and great start scholarships under Minnesota Statutes, section 119C.01; and
2. a plan to seek federal approval to use the model for child care provider payment rates for child care assistance.

THE FOLLOWING SECTION WAS TAKEN OUT OF H0238-3 ARTICLE 1.
rate increases. In distributing the additional money, the commissioner shall consider the
following factors by county:

(1) the number of children;
(2) the provider type;
(3) the age of children served; and
(4) the amount of the increase in maximum rates.

The commissioner of health must appoint members to the Community Solutions Advisory
Council under Minnesota Statutes, section 145.9285, by July 1, 2023, and must convene
the first meeting by September 15, 2023. The commissioner must designate half of the
members appointed under Minnesota Statutes, section 145.9285, subdivision 3, paragraph
(a), clauses (1) to (4), to serve a two-year term and the remaining members will serve a
two-year term. The commissioner may appoint people who are serving on or who have
served on the council established under Laws 2019, First Special Session chapter 9, article
11, section 107, subdivision 3.

The governor shall appoint a commissioner-designee of the Department of Children,
Youth, and Families. The person appointed becomes the governor's appointee as the
commissioner of children, youth, and families on July 1, 2024.

EFFECTIVE DATE: This section is effective July 1, 2023.

(a) To the extent not prohibited by state or federal law, and notwithstanding the data's
classification under Minnesota Statutes, chapter 13:

(1) the commissioner of children, youth, and families may access data maintained by
the commissioners of education, health, human services, and public safety related to the
responsibilities transferred under section 29; and

(2) the commissioners of education, health, human services, and public safety may access
data maintained by the commissioner of children, youth, and families related to each
department's respective responsibilities transferred under section 29.

(b) Data sharing authorized by this section includes only the data necessary to coordinate
department activities and services transferred under section 29.

maximum rate increases. In distributing the additional money, the commissioner shall
consider the following factors by county and Tribe:

(1) the number of children;
(2) the provider type;
(3) the age of children served; and
(4) the amount of the increase in maximum rates.
(c) Any data shared under this section retain their classification from the agency holding the data.

(d) Existing limitations and legal requirements under Minnesota Statutes, chapter 13, including but not limited to any applicable data subject consent requirements, apply to any data accessed, transferred, disseminated, or shared under this section.

(e) This section expires July 1, 2027.

Sec. 29. TRANSFERS FROM OTHER AGENCIES.

Subdivision 1. General. (a) Between July 1, 2024, and July 1, 2025, the Departments of Human Services, Education, Health, and Public Safety must transition all of the responsibilities held by these departments and described in this section to the Department of Children, Youth, and Families.

(b) Notwithstanding paragraph (a), any programs identified in paragraph (a) that require federal approval to move to the Department of Children, Youth, and Families must be transferred on or after July 1, 2024, and upon the federal government granting transfer, authority to the commissioner of children, youth, and families.

(c) The commissioner of children, youth, and families must report an effective date of the transfer of each responsibility identified in this section to the commissioners of administration, management and budget, and other relevant departments along with the secretary of the senate, the chief clerk of the house of representatives, and the chairs and ranking minority members of relevant legislative committees and divisions. The reported date is the effective date of transfer of responsibilities under Minnesota Statutes, section 15.039.

(d) The requirement in Minnesota Statutes, section 16B.37, subdivision 1, that a state agency must have been in existence for at least one year before being eligible for receiving a transfer of personnel, powers, or duties does not apply to the Department of Children, Youth, and Families.

(e) Notwithstanding Minnesota Statutes, section 15.039, subdivision 6, for the transfer of responsibilities conducted under this chapter, the unexpended balance of any appropriation to an agency for the purposes of any responsibilities that are transferred to the Department of Children, Youth, and Families, along with the operational functions to support the responsibilities transferred, including administrative, legal, information technology, and personnel support, and a proportional share of base funding, are reappropriated under the same conditions as the original appropriation to the Department of Children, Youth, and Families effective on the date of the transfer of responsibilities and related elements. The commissioner of management and budget shall identify and allocate any unexpended appropriations and base funding.

(f) The commissioner of children, youth, and families or management and budget may request an extension to transfer any responsibility listed in this section. The commissioner

(c) Any data shared under this section retain the data's classification from the agency holding the data.

(d) Existing limitations and legal requirements under Minnesota Statutes, chapter 13, including but not limited to any applicable data subject consent requirements, apply to any data accessed, transferred, disseminated, or shared under this section.

(e) This section expires July 1, 2027.
of children, youth, and families or management and budget may request that the transfer of
any responsibility listed in this section be canceled if an effective date has not been reported
under paragraph (c). Any request under this paragraph must be made in writing to the
governor. Upon approval from the governor, the transfer may be delayed or canceled. Within
ten days after receiving the approval of the governor, the commissioner who requested the
transfer shall submit to the chairs and ranking minority members of relevant legislative
committees and divisions a notice of any extensions or cancellations granted under this
paragraph.

Subd. 2. Department of Human Services. The powers and duties of the Department
of Human Services with respect to the following responsibilities and related elements are
transferred to the Department of Children, Youth, and Families according to Minnesota
Statutes, section 15.039:

(1) Family services and community-based collaboratives under Minnesota Statutes,
section 124D.23;

(2) Child care programs under Minnesota Statutes, chapter 119B;

(3) Parent Aware quality rating and improvement system under Minnesota Statutes,
section 124D.142;

(4) Migrant child care services under Minnesota Statutes, section 256M.50;

(5) Early childhood and school-age professional development training under Laws 2007,
chapter 147, article 2, section 56;

(6) Licensure of family child care and child care centers, child foster care, and private
child-placing agencies under Minnesota Statutes, chapter 245A;

(7) Certification of license-exempt child care centers under Minnesota Statutes, chapter
245F;

(8) Program integrity and fraud related to the Child Care Assistance Program (CCAP),
the Minnesota Family Investment Program (MFIP), and the Supplemental Nutrition
Assistance Program (SNAP) under Minnesota Statutes, chapters 119B and 245E;

(9) SNAP under Minnesota Statutes, sections 256D.60 to 256D.63;

(10) Electronic benefit transactions under Minnesota Statutes, sections 256.9862, 256.9863,
256.9865, 256.987, 256.9871, 256.9872, and 256D.77;
(11) Minnesota food assistance program under Minnesota Statutes, section 256D.64;
(12) Minnesota food shelf program under Minnesota Statutes, section 256E.34;
(13) MFIP and Temporary Assistance for Needy Families (TANF) under Minnesota Statutes, sections 256.9864 and 256.9865 and chapters 256J and 256P;
(14) Diversionary Work Program (DWP) under Minnesota Statutes, section 256J.95;
(15) resettlement programs under Minnesota Statutes, section 256B.06, subdivision 6;
(16) child abuse under Minnesota Statutes, chapter 256E;
(17) reporting of the maltreatment of minors under Minnesota Statutes, chapter 256E;
(18) children in voluntary foster care for treatment under Minnesota Statutes, chapter 256E.
(19) juvenile safety and placement under Minnesota Statutes, chapter 260C;
(20) the Minnesota Indian Family Preservation Act under Minnesota Statutes, sections 260.751 to 260.835;
(21) the Interstate Compact for Juveniles under Minnesota Statutes, section 260.515, and the Interstate Compact on the Placement of Children under Minnesota Statutes, sections 260.851 to 260.93;
(22) adoption under Minnesota Statutes, sections 259.20 to 259.89;
(23) Northstar Care for Children under Minnesota Statutes, chapter 256N;
(24) child support under Minnesota Statutes, chapters 13, 13B, 214, 256, 256J, 257, 259, 518A, 518C, 551, 552, 571, and 588 and section 609.375;
(25) community action programs under Minnesota Statutes, sections 256E.30 to 256E.32;
(26) Family Assets for Independence in Minnesota under Minnesota Statutes, section 256E.35.

Subd. 3. Department of Education. The powers and duties of the Department of Education with respect to the following responsibilities and related elements are transferred to the Department of Children, Youth, and Families according to Minnesota Statutes, section 15.039:
(1) Head Start Program and Early Head Start under Minnesota Statutes, sections 119A.50 to 119A.545;
(2) the early childhood screening program under Minnesota Statutes, sections 121A.16 to 121A.19;
(3) child support under Minnesota Statutes, chapter 13, 13B, 214, 256, 256J, 257, 259, 518A, 518C, 551, 552, 571, and 588 and section 609.375;
(4) the Interstate Compact for Juveniles under Minnesota Statutes, sections 260.515, and the Interstate Compact on the Placement of Children under Minnesota Statutes, sections 260.851 to 260.93;
(5) community action programs under Minnesota Statutes, sections 256E.30 to 256E.32; and
(6) Family Assets for Independence in Minnesota under Minnesota Statutes, section 256E.35.

Subd. 4. Department of Education. The powers and duties of the Department of Education with respect to the following responsibilities and related elements are transferred to the Department of Children, Youth, and Families according to Minnesota Statutes, section 15.039:
(1) Head Start Program and Early Head Start under Minnesota Statutes, sections 119A.50 to 119A.545;
(2) the early childhood screening program under Minnesota Statutes, sections 121A.16 to 121A.19;
(3) early learning scholarships under Minnesota Statutes, section 124D.165;
(4) the interagency early childhood intervention system under Minnesota Statutes, sections 135A.259 to 125A.48;
(5) voluntary prekindergarten programs and school readiness plus programs under Minnesota Statutes, section 124D.151;
(6) early childhood family education programs under Minnesota Statutes, sections 124D.13 to 124D.135;
(7) school readiness under Minnesota Statutes, sections 124D.15 to 124D.16; and
(8) after-school community learning programs under Minnesota Statutes, section 124D.2211.

Subd. 4. Department of Public Safety, The powers and duties of the Department of Public Safety with respect to the following responsibilities and related elements are transferred to the Department of Children, Youth, and Families according to Minnesota Statutes, section 15.039:

(1) the juvenile justice program under Minnesota Statutes, section 299A.72; and
(2) grants-in-aid to youth intervention programs under Minnesota Statutes, section 299A.73;

EFFECTIVE DATE, This section is effective July 1, 2024.

Sec. 30. TRANSITION REPORT TO THE LEGISLATURE.

By March 1, 2024, the commissioner of management and budget must report to the legislature on the status of work related to establishing and setting up the Department of Children, Youth, and Families. The report must address, at a minimum:

(1) the completed, ongoing, and anticipated work related to the transfer of programs, responsibilities, and personnel to the department;
(2) the development of interagency agreements for services that will be shared across agencies;
(3) a description of efforts to secure needed federal approvals for the transfer of programs and responsibilities;
(4) engagement with leaders and staff of state agencies, Tribal governments, local service providers, including but not limited to county agencies, Tribal organizations, and school districts; families; and relevant stakeholders about the creation of the department and the transfer of programs, responsibilities, and personnel to the department; and

TRANSITION REPORT TO THE LEGISLATURE. By March 1, 2024, the commissioner of management and budget must report to the legislature on the status of work related to establishing and setting up the Department of Children, Youth, and Families. The report must address, at a minimum:

(1) the completed, ongoing, and anticipated work related to the transfer of programs, responsibilities, and personnel to the department;
(2) the development of interagency agreements for services that will be shared by agencies, including any agreements related to access or sharing of not public data; and
(3) efforts to secure needed federal approvals for the transfer of programs and responsibilities;

(4) regular engagement with leaders and staff of state agencies, county and Tribal governments, and school districts about the creation of the department and the transfer of programs' responsibilities; not public data as defined in section 13.02, subdivision 8a; and personnel to the department;
plans and timelines related to the items referenced in clauses (1) to (4).

(5) input from individuals impacted by the programs that are to be transferred to the department and input from local services providers and other stakeholders about how to improve services through the creation of the department; and

(6) plans and timelines related to the items referenced in clauses (1) to (5).

The report must include recommendations for how to coordinate and partner with county and Tribal governments, including through the use of a governing authority, such as an intergovernmental advisory committee. The recommendations must be developed in coordination with county and Tribal governments.

The report must include input from stakeholders and recommendations for improving service coordination and delivery for families with children who have disabilities, including recommendations for coordinating services between state agencies in the areas of child protection, early education, children's mental health, disability services, and other areas relevant to families with children who have disabilities.

Sec. 20. MODERNIZING INFORMATION TECHNOLOGY FOR PROGRAMS IMPACTING CHILDREN AND FAMILIES.

(a) To the extent there is funding available in the children and families information technology account in the special revenue fund, the commissioner of information technology services shall develop and implement a plan to transform and modernize the information technology systems that support the programs impacting children and families, including youth programs and child care and early learning programs, currently administered by the Departments of Education and Human Services and other departments with programs impacting children and families as identified by the Children's Cabinet. The commissioner may contract for the services contained in this section.

(b) The plan must support the goal of creating new or modernizing existing information technology systems for child- and family-focused programs that collect, analyze, share, and report data on program participation and service coordination and school readiness, early screening, and other childhood indicators. The plan must include strategies to:

1. minimize the time and effort needed for families to apply for, enroll in, and maintain enrollment in programs;
2. minimize the time and effort needed for providers to administer programs;
3. improve coordination among programs for families;
4. assess the impact of childhood programs on children's outcomes, including school readiness and educational outcomes; and
5. monitor and collect nonbiometric attendance data at child care centers licensed under Minnesota Rules, chapter 9503, through a combination of state-provided technology and integration with private child care management systems.
(c) In developing and implementing the plan required under this section, the contractor must consult with the commissioners of education and human services and other departments with programs impacting children and families as identified by the Children's Cabinet and other stakeholders.

(d) By February 1 of each year, the commissioner must provide a report to the legislative committees with jurisdiction over impacted programs on the status of the use of money, plan development, and strategy implementation.

H0238-3 ARTICLE 7, SECTION 21 WAS TAKEN OUT TO MATCH WITH S2995-3 ARTICLE 13, SECTION 22.

Sec. 23. REVISOR INSTRUCTION.

The revisor of statutes must identify, in consultation with the commissioners of management and budget; human services; education; health; and public safety and with nonpartisan legislative offices, any changes to Minnesota Statutes and Minnesota Rules necessary to facilitate the transfer of responsibilities under this act, the authority to fulfill the responsibilities under this act, and the related operational functions needed to implement the necessary legal changes and responsibilities under this act. By February 1, 2024, the revisor of statutes must submit to the chairs and ranking minority members of relevant legislative committees and divisions draft legislation with the statutory changes necessary to implement this act.

EFFECTIVE DATE: This section is effective July 1, 2023.

Sec. 32. REPEALER.

Minnesota Statutes 2022, section 119B.03, subdivision 4, is repealed.

EFFECTIVE DATE: This section is effective July 1, 2023.

EFFECTIVE DATE: Paragraph (b) is effective April 28, 2025.

THE FOLLOWING REPEALER SECTION WAS TAKEN OUT OF H0238-3 ARTICLE 1.

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

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

EFFECTIVE DATE: This section is effective July 1, 2023.