

468.9

ARTICLE 13

468.10

CHILD CARE WORKFORCE

468.11 Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 19a, is amended to
468.12 read:

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

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

2.16

ARTICLE 1

2.17

CHILD CARE

H0238-3 ARTICLE 1, SECTIONS 1 TO 3 WERE REMOVED TO MATCH WITH
S2995-3 ARTICLE 12, SECTIONS 7 TO 9.

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

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

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

H0238-3 ARTICLE 1, SECTION 5 WAS REMOVED TO MATCH WITH S2995-3
ARTICLE 12, SECTION 10.

4.27 Sec. 6. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

4.28 Subdivision 1. **Eligible participants.** Families eligible for child care assistance under
4.29 the MFIP child care program are:

5.1 (1) MFIP participants who are employed or in job search and meet the requirements of
5.2 section 119B.10;

5.3 (2) persons who are members of transition year families under section 119B.011,
5.4 subdivision 20, and meet the requirements of section 119B.10;

5.5 (3) families who are participating in employment orientation or job search, or other
5.6 employment or training activities that are included in an approved employability development
5.7 plan under section 256J.95;

5.8 (4) MFIP families who are participating in work job search, job support, employment,
5.9 or training activities as required in their employment plan, or in appeals, hearings,
5.10 assessments, or orientations according to chapter 256J;

5.11 (5) MFIP families who are participating in social services activities under chapter 256J
5.12 as required in their employment plan approved according to chapter 256J;

468.19 Sec. 2. Minnesota Statutes 2022, section 119B.125, subdivision 1, is amended to read:

468.20 Subdivision 1. **Authorization.** ~~A county or~~ The commissioner must authorize the provider

468.21 chosen by an applicant or a participant before the county can authorize payment for care

468.22 provided by that provider. The commissioner must establish the requirements necessary for

468.23 authorization of providers. A provider must be reauthorized every two years. ~~A legal,~~

468.24 ~~nonlicensed family child care provider also must be reauthorized when another person over~~

468.25 ~~the age of 13 joins the household, a current household member turns 13, or there is reason~~

468.26 ~~to believe that a household member has a factor that prevents authorization. The provider~~

468.27 ~~is required to report all family changes that would require reauthorization. When a provider~~

468.28 ~~has been authorized for payment for providing care for families in more than one county,~~

468.29 ~~the county responsible for reauthorization of that provider is the county of the family with~~

468.30 ~~a current authorization for that provider and who has used the provider for the longest length~~

468.31 ~~of time.~~

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

469.2 Sec. 3. Minnesota Statutes 2022, section 119B.125, subdivision 1a, is amended to read:

469.3 Subd. 1a. **Background study required.** (a) This subdivision only applies to legal,

469.4 nonlicensed family child care providers.

469.5 (b) Prior to authorization, ~~and as part of each reauthorization required in subdivision 1,~~

469.6 ~~the county~~ the commissioner shall perform a background study on ~~every member of the~~

469.7 ~~provider's household who is age 13 and older. The county shall also perform a background~~

469.8 ~~study on an individual who has reached age ten but is not yet age 13 and is living in the~~

5.13 (6) families who are participating in services or activities that are included in an approved

5.14 family stabilization plan under section 256J.575;

5.15 (7) MFIP child-only families under section 256J.88, for up to 20 hours of child care per

5.16 week for children ages six and under, as recommended by the treating mental health

5.17 professional, when the child's primary caregiver has a diagnosis of a mental illness;

5.18 ~~(7)~~ (8) families who are participating in programs as required in tribal contracts under

5.19 section 119B.02, subdivision 2, or 256.01, subdivision 2;

5.20 ~~(8)~~ (9) families who are participating in the transition year extension under section

5.21 119B.011, subdivision 20a;

5.22 ~~(9)~~ (10) student parents as defined under section 119B.011, subdivision 19b; and

5.23 ~~(10)~~ (11) student parents who turn 21 years of age and who continue to meet the other

5.24 requirements under section 119B.011, subdivision 19b. A student parent continues to be

5.25 eligible until the student parent is approved for basic sliding fee child care assistance or

5.26 until the student parent's redetermination, whichever comes first. At the student parent's

5.27 redetermination, if the student parent was not approved for basic sliding fee child care

5.28 assistance, a student parent's eligibility ends following a 15-day adverse action notice.

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

5.30 Subdivision 1. **Authorization.** ~~A county or~~ The commissioner must authorize the provider

5.31 chosen by an applicant or a participant before the county can authorize payment for care

5.32 provided by that provider. The commissioner must establish the requirements necessary for

6.1 authorization of providers. A provider must be reauthorized every two years. ~~A legal,~~

6.2 ~~nonlicensed family child care provider also must be reauthorized when another person over~~

6.3 ~~the age of 13 joins the household, a current household member turns 13, or there is reason~~

6.4 ~~to believe that a household member has a factor that prevents authorization. The provider~~

6.5 ~~is required to report all family changes that would require reauthorization. When a provider~~

6.6 ~~has been authorized for payment for providing care for families in more than one county,~~

6.7 ~~the county responsible for reauthorization of that provider is the county of the family with~~

6.8 ~~a current authorization for that provider and who has used the provider for the longest length~~

6.9 ~~of time.~~

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

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

6.12 Subd. 1a. **Background study required.** (a) This subdivision only applies to legal,

6.13 nonlicensed family child care providers.

6.14 (b) Prior to authorization, ~~and as part of each reauthorization required in subdivision 1,~~

6.15 ~~the county~~ the commissioner shall perform a background study on ~~every member of the~~

6.16 ~~provider's household who is age 13 and older. The county shall also perform a background~~

6.17 ~~study on an individual who has reached age ten but is not yet age 13 and is living in the~~

469.9 household where the nonlicensed child care will be provided when the county has reasonable
 469.10 cause as defined under section 245C.02, subdivision 15 individuals identified under section
 469.11 245C.02, subdivision 6a.

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

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

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

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

469.21 Sec. 4. Minnesota Statutes 2022, section 119B.125, subdivision 1b, is amended to read:

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

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

470.1 ~~(e)~~ (b) Upon each reauthorization after the authorization period when the initial first aid
 470.2 and CPR training requirements are met, a legal nonlicensed family child care provider must
 470.3 provide verification of at least eight hours of additional training listed in the Minnesota
 470.4 Center for Professional Development Registry.

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

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

470.7 Sec. 5. Minnesota Statutes 2022, section 119B.125, subdivision 2, is amended to read:

470.8 Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization
 470.9 under this section shall collect the information required under section 245C.05, ~~subdivision~~
 470.10 ~~1,~~ and forward the information to the ~~county agency~~ commissioner. The background study
 470.11 must include a review of the information required under section 245C.08, ~~subdivisions 2,~~
 470.12 ~~subdivision 3, and 4, paragraph (b).~~

6.18 household where the nonlicensed child care will be provided when the county has reasonable
 6.19 cause as defined under section 245C.02, subdivision 15 individuals identified under section
 6.20 245C.02, subdivision 6a.

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

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

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

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

6.30 Sec. 9. Minnesota Statutes 2022, section 119B.125, subdivision 1b, is amended to read:

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

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

7.10 ~~(e)~~ (b) Upon each reauthorization after the authorization period when the initial first aid
 7.11 and CPR training requirements are met, a legal nonlicensed family child care provider must
 7.12 provide verification of at least eight hours of additional training listed in the Minnesota
 7.13 Center for Professional Development Registry.

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

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

7.16 Sec. 10. Minnesota Statutes 2022, section 119B.125, subdivision 2, is amended to read:

7.17 Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization
 7.18 under this section shall collect the information required under section 245C.05, ~~subdivision~~
 7.19 ~~1,~~ and forward the information to the ~~county agency~~ commissioner. The background study
 7.20 must include a review of the information required under section 245C.08, ~~subdivisions 2,~~
 7.21 ~~subdivision 3, and 4, paragraph (b).~~

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

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

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

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

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

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

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

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

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

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

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

471.7 Sec. 6. Minnesota Statutes 2022, section 119B.125, subdivision 3, is amended to read:

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

471.12 (1) after receiving notice of the denial of the authorization, the person applies for and
471.13 obtains a valid child care license issued under chapter 245A, issued by a Tribe, or issued
471.14 by another state;

7.22 (b) A legal nonlicensed family child care provider is not authorized under this section
7.23 if the commissioner determines that any household member who is the subject of a
7.24 background study;

7.25 (1) ~~is determined to have a disqualifying characteristic under paragraphs (b) to (c) or~~
7.26 ~~under section 245C.14 or 245C.15. If a county has determined that a provider is able to be~~
7.27 ~~authorized in that county, and a family in another county later selects that provider, the~~
7.28 ~~provider is able to be authorized in the second county without undergoing a new background~~
7.29 ~~investigation unless one of the following conditions exists: disqualified from direct contact~~
7.30 ~~with, or from access to, persons served by the program and that disqualification has not~~
7.31 ~~been set aside or a variance has not been granted under chapter 245C;~~

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

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

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

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

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

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

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

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

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

8.16 Sec. 11. Minnesota Statutes 2022, section 119B.125, subdivision 3, is amended to read:

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

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

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

471.16 (3) the person is providing child care in the state of licensure or in the area under the

471.17 jurisdiction of the licensing Tribe.

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

471.19 Sec. 7. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

471.20 Subd. 4. **Unsafe care.** ~~A county~~ The commissioner may deny authorization as a child

471.21 care provider to any applicant or rescind authorization of any provider when ~~the a county~~

471.22 or commissioner knows or has reason to believe that the provider is unsafe or that the

471.23 circumstances of the chosen child care arrangement are unsafe. The county must include

471.24 the conditions under which a provider or care arrangement will be determined to be unsafe

471.25 in the county's child care fund plan under section 119B.08, subdivision 3 commissioner

471.26 shall introduce statewide criteria for unsafe care by April 28, 2025.

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

471.28 Sec. 8. Minnesota Statutes 2022, section 119B.125, subdivision 6, is amended to read:

471.29 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers

471.30 receiving child care assistance payments must:

472.1 (1) keep accurate and legible daily attendance records at the site where services are

472.2 delivered for children receiving child care assistance; and

472.3 (2) make those records available immediately to the county or the commissioner upon

472.4 request. Any records not provided to a county or the commissioner at the date and time of

472.5 the request are deemed inadmissible if offered as evidence by the provider in any proceeding

472.6 to contest an overpayment or disqualification of the provider.

472.7 (b) As a condition of payment, attendance records must be completed daily and include

472.8 the date, the first and last name of each child in attendance, and the times when each child

472.9 is dropped off and picked up. To the extent possible, the times that the child was dropped

472.10 off to and picked up from the child care provider must be entered by the person dropping

472.11 off or picking up the child. The daily attendance records must be retained at the site where

472.12 services are delivered for six years after the date of service.

472.13 (c) ~~A county or the commissioner may deny or revoke a provider's authorization to~~

472.14 ~~receive child care assistance payments under section 119B.13, subdivision 6, paragraph (d);~~

472.15 ~~pursue a fraud disqualification under section 256.98, take an action against the provider~~

472.16 ~~under chapter 245E, or establish an attendance record overpayment under paragraph (d)~~

472.17 ~~against a current or former provider. When the county or the commissioner knows or has~~

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

8.25 (3) the person is providing child care in the state of licensure or in the area under the

8.26 jurisdiction of the licensing tribe.

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

8.28 Sec. 12. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

8.29 Subd. 4. **Unsafe care.** ~~A county~~ (a) The commissioner may deny authorization as a child

8.30 care provider to any applicant or rescind authorization of any provider when ~~the a county~~

9.1 or commissioner knows or has reason to believe that the provider is unsafe or that the

9.2 circumstances of the chosen child care arrangement are unsafe, based on statewide criteria

9.3 developed by the commissioner. The county must include the conditions under which a

9.4 provider or care arrangement will be determined to be unsafe in the county's child care fund

9.5 plan under section 119B.08, subdivision 3

9.6 (b) The commissioner shall develop and introduce statewide criteria for unsafe care.

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

9.8 Sec. 13. Minnesota Statutes 2022, section 119B.125, subdivision 6, is amended to read:

9.9 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers

9.10 receiving child care assistance payments must:

9.11 (1) keep accurate and legible daily attendance records at the site where services are

9.12 delivered for children receiving child care assistance; and

9.13 (2) make those records available immediately to the county or the commissioner upon

9.14 request. Any records not provided to a county or the commissioner at the date and time of

9.15 the request are deemed inadmissible if offered as evidence by the provider in any proceeding

9.16 to contest an overpayment or disqualification of the provider.

9.17 (b) As a condition of payment, attendance records must be completed daily and include

9.18 the date, the first and last name of each child in attendance, and the times when each child

9.19 is dropped off and picked up. To the extent possible, the times that the child was dropped

9.20 off to and picked up from the child care provider must be entered by the person dropping

9.21 off or picking up the child. The daily attendance records must be retained at the site where

9.22 services are delivered for six years after the date of service.

9.23 (c) ~~A county or the commissioner may deny or revoke a provider's authorization to~~

9.24 ~~receive child care assistance payments under section 119B.13, subdivision 6, paragraph (d);~~

9.25 ~~pursue a fraud disqualification under section 256.98, take an action against the provider~~

9.26 ~~under chapter 245E, or establish an attendance record overpayment under paragraph (d)~~

9.27 ~~against a current or former provider. When the county or the commissioner knows or has~~

472.18 reason to believe that ~~the~~ a current or former provider has not complied with the
 472.19 record-keeping requirement in this subdivision-;

472.20 (1) the commissioner may:

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

472.23 (ii) pursue an administrative disqualification under sections 256.046, subdivision 3, and
 472.24 256.98; or

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

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

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

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

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

473.2 Sec. 9. Minnesota Statutes 2022, section 119B.125, subdivision 7, is amended to read:

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

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

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

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

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

9.28 reason to believe that ~~the~~ a current or former provider has not complied with the
 9.29 record-keeping requirement in this subdivision-;

9.30 (1) the commissioner may:

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

10.1 (ii) pursue an administrative disqualification under sections 256.046, subdivision 3, and
 10.2 256.98; or

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

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

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

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

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

10.13 Sec. 14. Minnesota Statutes 2022, section 119B.125, subdivision 7, is amended to read:

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

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

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

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

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

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

473.21 Sec. 10. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

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

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

474.3 (c) If a provider provided care for a time period without receiving an authorization of
474.4 care and a billing form for an eligible family, payment of child care assistance may only be
474.5 made retroactively for a maximum of three months from the date the provider is issued an
474.6 authorization of care and a billing form. For a family at application, if a provider provided
474.7 child care during a time period without receiving an authorization of care and a billing form,
474.8 a county may only make child care assistance payments to the provider retroactively from
474.9 the date that child care began, or from the date that the family's eligibility began under
474.10 section 119B.09, subdivision 7, or from the date that the family meets authorization
474.11 requirements, not to exceed six months from the date that the provider is issued an
474.12 authorization of care and a billing form, whichever is later.

474.13 (d) ~~A county or~~ The commissioner may refuse to issue a child care authorization to a
474.14 certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization
474.15 to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified,

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

H0238-3 ARTICLE 1, SECTION 15 WAS REMOVED TO MATCH WITH S2995-3
ARTICLE 12, SECTION 11.

12.25 Sec. 16. Minnesota Statutes 2022, section 119B.13, subdivision 4, is amended to read:

12.26 Subd. 4. **Rates charged to publicly subsidized families.** Child care providers receiving
12.27 reimbursement under this chapter may not charge a rate to clients receiving assistance under
12.28 this chapter that is higher than the private, full-paying client rate. This subdivision shall not
12.29 prohibit a child care provider receiving reimbursement under this chapter from providing
12.30 discounts, scholarships, or other financial assistance to any clients.

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

13.1 Sec. 17. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

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

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

13.15 (c) If a provider provided care for a time period without receiving an authorization of
13.16 care and a billing form for an eligible family, payment of child care assistance may only be
13.17 made retroactively for a maximum of three months from the date the provider is issued an
13.18 authorization of care and a billing form. For a family at application, if a provider provided
13.19 child care during a time period without receiving an authorization of care and a billing form,
13.20 a county may only make child care assistance payments to the provider retroactively from
13.21 the date that child care began, or from the date that the family's eligibility began under
13.22 section 119B.09, subdivision 7, or from the date that the family meets authorization
13.23 requirements, not to exceed six months from the date that the provider is issued an
13.24 authorization of care and a billing form, whichever is later.

13.25 (d) ~~A county or~~ The commissioner may refuse to issue a child care authorization to a
13.26 certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization
13.27 to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified,

474.16 licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified,
474.17 licensed, or legal nonlicensed provider if:

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

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

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

474.25 (4) the provider is operating after:

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

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

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

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

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

475.1 (7) the provider fails to report decreases in a child's attendance as required under section
475.2 119B.125, subdivision 9.

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

475.6 (f) A county's payment policies must be included in the county's child care plan under
475.7 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
475.8 compliance with this subdivision, the payments must be made in compliance with section
475.9 16A.124.

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

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

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

475.15 (3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or
475.16 245E.06;

13.28 licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified,
13.29 licensed, or legal nonlicensed provider if:

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

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

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

14.3 (4) the provider is operating after:

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

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

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

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

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

14.10 (7) the provider fails to report decreases in a child's attendance as required under section
14.11 119B.125, subdivision 9.

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

14.15 (f) A county's payment policies must be included in the county's child care plan under
14.16 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
14.17 compliance with this subdivision, the payments must be made in compliance with section
14.18 16A.124.

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

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

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

14.24 (3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or
14.25 245E.06;

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

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

475.21 Sec. 11. Minnesota Statutes 2022, section 119B.16, subdivision 1c, is amended to read:

475.22 Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision
 475.23 1a, paragraph (b), a county agency or the commissioner must mail written notice to the
 475.24 provider against whom the action is being taken. Unless otherwise specified under this
 475.25 chapter, chapter 245E, or Minnesota Rules, chapter 3400, a county agency or the
 475.26 commissioner must mail the written notice at least 15 calendar days before the adverse
 475.27 action's effective date.

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

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

476.1 Sec. 12. Minnesota Statutes 2022, section 119B.16, subdivision 3, is amended to read:

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

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

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

476.10 Sec. 13. Minnesota Statutes 2022, section 119B.161, subdivision 2, is amended to read:

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

476.14 (b) The notice must:

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

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

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

H0238-3 ARTICLE 1, SECTION 18 WAS REMOVED TO MATCH WITH S2995-3
 ARTICLE 8, SECTION 1.

16.1 Sec. 19. Minnesota Statutes 2022, section 119B.16, subdivision 1c, is amended to read:

16.2 Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision
 16.3 1a, paragraph (b), a county agency or the commissioner must mail written notice to the
 16.4 provider against whom the action is being taken. Unless otherwise specified under this
 16.5 chapter, chapter 245E, or Minnesota Rules, chapter 3400, a county agency or the
 16.6 commissioner must mail the written notice at least 15 calendar days before the adverse
 16.7 action's effective date.

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

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

16.13 Sec. 20. Minnesota Statutes 2022, section 119B.16, subdivision 3, is amended to read:

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

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

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

16.22 Sec. 21. Minnesota Statutes 2022, section 119B.161, subdivision 2, is amended to read:

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

16.26 (b) The notice must:

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

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

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

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

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

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

477.1 Sec. 14. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

17.12 Sec. 22. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

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

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

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

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

17.23 Sec. 23. **[119B.162] RECONSIDERATION OF CORRECTION ORDERS.**

17.24 **(a) If a provider believes that the contents of the commissioner's correction order issued**
17.25 **under chapter 245E are in error, the provider may ask the commissioner to reconsider the**
17.26 **parts of the correction order that are alleged to be in error. The request for reconsideration**
17.27 **must be made in writing and must be postmarked and sent to the commissioner or submitted**
17.28 **in the provider licensing and reporting hub within 30 calendar days from the date the**
17.29 **correction order was mailed or issued through the hub to the provider, and:**

17.30 **(1) specify the parts of the correction order that are alleged to be in error;**

17.31 **(2) explain why they are in error; and**

477.12 Sec. 15. Minnesota Statutes 2022, section 119B.19, subdivision 7, is amended to read:

477.13 Subd. 7. **Child care resource and referral programs.** Within each region, a child care

477.14 resource and referral program must:

477.15 (1) maintain one database of all existing child care resources and services and one

477.16 database of family referrals;

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

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

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

477.20 (5) coordinate professional development opportunities for child care and school-age

477.21 care providers;

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

477.23 (7) cooperate with the Minnesota Child Care Resource and Referral Network and its

477.24 member programs to develop effective child care services and child care resources; ~~and~~

477.25 (8) assist in fostering coordination, collaboration, and planning among child care programs

477.26 and community programs such as school readiness, Head Start, early childhood family

477.27 education, local interagency early intervention committees, early childhood screening,

477.28 special education services, and other early childhood care and education services and

477.29 programs that provide flexible, family-focused services to families with young children to

477.30 the extent possible;₂

478.1 (9) administer the child care one-stop regional assistance network to assist child care

478.2 providers and individuals interested in becoming child care providers with establishing and

478.3 sustaining a licensed family child care or group family child care program or a child care

478.4 center; and

478.5 (10) provide supports that enable economically challenged individuals to obtain the jobs

478.6 skills training, career counseling, and job placement assistance necessary to begin a career

478.7 path in child care.

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

18.2 (b) Upon implementation of the provider licensing and reporting hub, the provider must

18.3 use the hub to request reconsideration.

18.4 (c) A request for reconsideration does not stay any provisions or requirements of the

18.5 correction order. The commissioner's disposition of a request for reconsideration is final

18.6 and not subject to appeal under chapter 14. The commissioner's decision is appealable by

18.7 petition for writ of certiorari under chapter 606.

18.8 Sec. 24. Minnesota Statutes 2022, section 119B.19, subdivision 7, is amended to read:

18.9 Subd. 7. **Child care resource and referral programs.** Within each region, a child care

18.10 resource and referral program must:

18.11 (1) maintain one database of all existing child care resources and services and one

18.12 database of family referrals;

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

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

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

18.16 (5) coordinate professional development opportunities for child care and school-age

18.17 care providers;

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

18.19 (7) cooperate with the Minnesota Child Care Resource and Referral Network and its

18.20 member programs to develop effective child care services and child care resources; ~~and~~

18.21 (8) assist in fostering coordination, collaboration, and planning among child care programs

18.22 and community programs such as school readiness, Head Start, early childhood family

18.23 education, local interagency early intervention committees, early childhood screening,

18.24 special education services, and other early childhood care and education services and

18.25 programs that provide flexible, family-focused services to families with young children to

18.26 the extent possible; and

18.27 (9) administer the child care one-stop regional assistance network to assist child care

18.28 providers and individuals interested in becoming child care providers with establishing and

18.29 sustaining a licensed family child care or group family child care program or a child care

18.30 center.

478.8 Sec. 16. **[119B.252] EARLY CHILDHOOD REGISTERED APPRENTICESHIP**
478.9 **GRANT PROGRAM.**

478.10 Subdivision 1. **Establishment.** The commissioner of human services shall, in coordination
478.11 with the commissioner of labor and industry, establish an apprenticeship grant program to
478.12 provide employment-based training and mentoring opportunities for early childhood workers.

478.13 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
478.14 meanings given.

478.15 (b) "Apprentice" means an employee participating in an early childhood registered
478.16 apprenticeship program.

478.17 (c) "Early childhood registered apprenticeship program" means an organization registered
478.18 with the Department of Labor and Industry under chapter 178, registered with the Office
478.19 of Apprenticeship within the United States Department of Labor, or registered with a
478.20 recognized state apprenticeship agency under Code of Federal Regulations, title 29, parts
478.21 29 and 30, and who is:

478.22 (1) a licensed child care center under Minnesota Rules, chapter 9503;

478.23 (2) a licensed family and group family child care provider under Minnesota Rules,
478.24 chapter 9502;

478.25 (3) a public prekindergarten program under section 124D.13, 124D.135, 124D.15 to
478.26 124D.16, 125A.01 to 125A.05, or 125A.26 to 125A.48, or Laws 2017, First Special Session
478.27 chapter 5, article 8, section 9;

478.28 (4) a Head Start program under sections 119A.50 to 119A.54; or

478.29 (5) a certified, license-exempt child care center under chapter 245H.

478.30 (d) "Mentor" means an early childhood registered apprenticeship program journeyworker
478.31 under section 178.011, subdivision 9, and who has a career lattice step of nine or higher.

479.1 Subd. 3. **Program components.** The organization holding the TEACH license with the
479.2 Department of Human Services shall distribute the grant and must use the grant for:

479.3 (1) tuition scholarships for apprentices for courses leading to a higher education degree
479.4 in early childhood;

479.5 (2) stipends for mentors; or

479.6 (3) stipends for early childhood registered apprenticeship programs.

479.7 Subd. 4. **Grants to apprentices.** An apprentice may receive a higher education
479.8 scholarship of up to \$10,000 for up to 24 months under this section, provided the apprentice:

479.9 (1) enrolls in an early childhood registered apprenticeship program;

479.10 (2) is a current participant in good standing in the TEACH scholarship program under
479.11 section 119B.251;

479.12 (3) participates in monthly meetings with a mentor;

479.13 (4) works toward meeting early childhood competencies identified in Minnesota's
479.14 Knowledge and Competency Framework for early childhood professionals, as observed by
479.15 a mentor; and

479.16 (5) works toward the attainment of a higher education degree in early childhood.

479.17 Subd. 5. Allowable uses. Grant recipients may use grant money for personal expenses.

479.18 Subd. 6. Stipends for mentors. A mentor shall receive up to \$4,000 for each apprentice
479.19 mentored under this section, provided the mentor complies with the requirements in the
479.20 apprenticeship program standard and completes eight weeks of mentor training and additional
479.21 training on observation. The training must be free of charge to mentors.

479.22 Subd. 7. Stipends for early childhood registered apprenticeship programs. (a) An
479.23 early childhood registered apprenticeship program shall receive up to \$5,000 for the first
479.24 apprentice and up to \$2,500 for each additional apprentice employed under this section.
479.25 provided the early childhood registered apprenticeship program complies with the
479.26 requirements in the apprenticeship program standard and the following requirements:

479.27 (1) sponsor each apprentice's TEACH scholarship under section 119B.251; and

479.28 (2) provide each apprentice at least three hours a week of paid release time for
479.29 coursework.

479.30 (b) An early childhood program may not host more than three apprentices at one site in
479.31 a 12-month period.

480.1 Sec. 17. [119B.27] CHILD CARE RETENTION PROGRAM.

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

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

480.9 (1) family and group family child care homes licensed under Minnesota Rules, chapter
480.10 9502;

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

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

19.1 Sec. 25. [119B.27] GREAT START COMPENSATION SUPPORT PAYMENTS.

19.2 Subdivision 1. Establishment. The commissioner of human services shall establish and
19.3 administer the great start compensation support payment program to provide eligible child
19.4 care and early learning programs with payments to improve access to early care and learning
19.5 in Minnesota and to strengthen the ability of child care early learning programs to recruit
19.6 and retain qualified early educators to work in early care and learning programs.

19.7 Subd. 2. Eligible programs. (a) The following programs are eligible to receive payments
19.8 under this section:

19.9 (1) family and group family child care homes licensed under Minnesota Rules, chapter
19.10 9502;

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

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

480.13 (4) Tribally licensed child care programs; and
480.14 (5) other programs as determined by the commissioner.
480.15 (b) To be eligible, programs must not be:
480.16 (1) the subject of a finding of fraud for which the program or individual is currently
480.17 serving a penalty or exclusion;
480.18 (2) the subject of suspended, denied, or terminated payments to a provider under section
480.19 256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02,
480.20 subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;
480.21 (3) prohibited from receiving public funds under section 245.095, regardless of whether
480.22 the action is under appeal; or
480.23 (4) under license revocation, suspension, temporary immediate suspension, or
480.24 decertification, regardless of whether the action is under appeal.
480.25 Subd. 3. **Requirements.** (a) As a condition of payment, all providers receiving retention
480.26 payments under this section must:
480.27 (1) complete an application developed by the commissioner for each payment period
480.28 for which the eligible program applies for funding;
480.29 (2) attest and agree in writing that the program was open and operating and served a
480.30 minimum number of children, as determined by the commissioner, during the funding
480.31 period, with the exceptions of:
481.1 (i) service disruptions that are necessary to protect the safety and health of children and
481.2 child care programs based on public health guidance issued by the Centers for Disease
481.3 Control and Prevention, the commissioner of health, the commissioner of human services,
481.4 or a local public health agency; and
481.5 (ii) planned temporary closures for provider vacation and holidays during each payment
481.6 period. The maximum allowed duration of vacations and holidays must be established by
481.7 the commissioner; and
481.8 (3) submit data on child enrollment and attendance to the commissioner in the form and
481.9 manner prescribed by the commissioner.
481.10 (b) Money received under this section must be expended by a provider no later than six
481.11 months after the date the payment was received.
481.12 (c) Recipients must comply with all requirements listed in the application under this
481.13 section. Methods for demonstrating that requirements have been met shall be determined
481.14 by the commissioner.

19.13 (4) Tribally licensed child care programs; and
19.14 (5) other programs as determined by the commissioner.
19.15 (b) To be eligible, programs must not be:
19.16 (1) the subject of a finding of fraud for which the program or individual is currently
19.17 serving a penalty or exclusion;
19.18 (2) the subject of suspended, denied, or terminated payments to a provider under section
19.19 256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02,
19.20 subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;
19.21 (3) prohibited from receiving public money under section 245.095, regardless of whether
19.22 the action is under appeal; or
19.23 (4) under license revocation, suspension, temporary immediate suspension, or
19.24 decertification, regardless of whether the action is under appeal.
19.25 Subd. 3. **Requirements.** (a) As a condition of payment, all providers receiving retention
19.26 payments under this section must:
19.27 (1) complete an application developed by the commissioner for each payment period
19.28 for which the eligible program applies for funding;
20.1 (3) attest and agree in writing that the program was open and operating and served a
20.2 minimum number of children, as determined by the commissioner, during the funding
20.3 period, with the exceptions of:
20.4 (i) service disruptions that are necessary to protect the safety and health of children and
20.5 child care programs based on public health guidance issued by the Centers for Disease
20.6 Control and Prevention, the commissioner of health, the commissioner of human services,
20.7 or a local public health agency; and
20.8 (ii) planned temporary closures for provider vacation and holidays during each payment
20.9 period. The maximum allowed duration of vacations and holidays must be established by
20.10 the commissioner.
19.29 (2) submit data on child enrollment and attendance to the commissioner in the form and
19.30 manner specified by the commissioner; and
20.11 (b) Money received under this section must be expended by a provider no later than six
20.12 months after the date the payment was received.
20.13 (c) Recipients must comply with all requirements listed in the application under this
20.14 section. Methods for demonstrating that requirements have been met shall be determined
20.15 by the commissioner.

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

481.17 (1) use of money;

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

481.23 (3) staff employment, compensation, and benefits records. Employment, compensation,
 481.24 and benefits records must include time sheets or other records of daily hours worked;
 481.25 documentation of compensation and benefits; documentation of written changes to employees'
 481.26 rate or rates of pay and basis thereof as a result of retention payments, as required under
 481.27 section 181.032, paragraphs (d) to (f); and any other records required to be maintained under
 481.28 section 177.30.

481.29 (e) The requirement to document compensation and benefits only applies to family child
 481.30 care providers if retention payment money is used for employee compensation and benefits.

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

482.3 (g) Recipients that fail to meet the requirements under this section are subject to
 482.4 discontinuation of future installment payments, recovery of overpayments, and actions under
 482.5 chapter 245E. Except when based on a finding of fraud, actions to establish an overpayment
 482.6 must be made within six years of receipt of the payments. Once an overpayment is
 482.7 established, collection may continue until money has been repaid in full. The appeal process
 482.8 under section 119B.16 applies to actions taken for failure to meet the requirements of this
 482.9 section.

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

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

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

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

20.18 (1) use of money;

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

20.24 (3) staff employment, compensation, and benefits records. Employment, compensation,
 20.25 and benefits records must include time sheets or other records of daily hours worked;
 20.26 documentation of compensation and benefits; documentation of written changes to employees'
 20.27 rate or rates of pay and basis thereof as a result of support payments, as required under
 20.28 section 181.032; and any other records required to be maintained under section 177.30.

20.29 (e) The requirement to document compensation and benefits only applies to family child
 20.30 care providers if support payment money is used for employee compensation and benefits.

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

21.3 (g) Recipients that fail to meet the requirements under this section are subject to
 21.4 discontinuation of future installment payments, recovery of overpayments, and actions under
 21.5 chapter 245E. Except when based on a finding of fraud, actions to establish an overpayment
 21.6 must be made within six years of receipt of the payments. Once an overpayment is
 21.7 established, collection may continue until money has been repaid in full. The appeal process
 21.8 under section 119B.16 applies to actions taken for failure to meet the requirements of this
 21.9 section.

21.10 Subd. 4. **Providing payments.** (a) The commissioner shall provide support payments
 21.11 under this section to all eligible programs on a noncompetitive basis.

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

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

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

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

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

482.30 Subd. 5. **Eligible uses of money.** (a) Recipients that are child care centers licensed under
482.31 Minnesota Rules, chapter 9503; certified license-exempt child care centers under chapter
482.32 245H; or Tribally licensed child care centers must use money provided under this section
482.33 to pay for increases in compensation, benefits, premium pay, or additional federal taxes
483.1 assessed on the compensation of employees as a result of paying increased compensation
483.2 or premium pay to all paid employees or independent contractors regularly caring for
483.3 children. The increases in this paragraph must occur no less frequently than once per year.

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

483.7 (1) paying personnel costs, such as payroll, salaries, or similar compensation; employee
483.8 benefits; premium pay; or financial incentives for recruitment and retention for an employee,
483.9 a sole proprietor, or an independent contractor;

483.10 (2) paying rent, including rent under a lease agreement, or making payments on any
483.11 mortgage obligation, utilities, facility maintenance or improvements, property taxes, or
483.12 insurance;

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

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

483.15 (5) purchasing training or other professional development.

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

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

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

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

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

21.30 Subd. 5. **Eligible uses of money.** (a) Recipients that are child care centers licensed under
21.31 Minnesota Rules, chapter 9503; certified license-exempt child care centers under chapter
21.32 245H; or Tribally licensed child care centers must use money provided under this section
21.33 to pay for increases in compensation, benefits, premium pay, or additional federal taxes
22.1 assessed on the compensation of employees as a result of paying increased compensation
22.2 or premium pay to all paid employees or independent contractors regularly caring for
22.3 children. The increases in this paragraph must occur no less frequently than once per year.

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

22.7 (1) paying personnel costs, such as payroll, salaries, or similar compensation; employee
22.8 benefits; premium pay; or financial incentives for recruitment and retention for an employee,
22.9 a sole proprietor, or an independent contractor;

22.10 (2) paying rent, including rent under a lease agreement, or making payments on any
22.11 mortgage obligation, utilities, facility maintenance or improvements, property taxes, or
22.12 insurance;

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

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

22.15 (5) purchasing training or other professional development.

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

483.23 (2) purchasing training or other professional development.

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

483.26 Subd. 7. **Carryforward authority.** Money appropriated under this section are available
483.27 until expended.

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

484.1 Sec. 18. **[119B.28] SHARED SERVICES GRANTS.**

484.2 (a) The commissioner of human services shall establish a grant program to distribute
484.3 money for the planning, establishment, expansion, improvement, or operation of shared
484.4 services alliances to allow family child care providers to achieve economies of scale. The
484.5 commissioner must develop a process to fund organizations to operate shared services
484.6 alliances that includes application forms, timelines, and standards for renewal. For purposes
484.7 of this section, "shared services alliances" means networks of licensed family child care
484.8 providers that share services to reduce costs and achieve efficiencies.

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

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

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

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

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

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

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

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

484.24 (3) coordination of bulk purchasing;

22.20 Subd. 7. **Carryforward authority.** Funds appropriated under this section are available
22.21 until expended.

22.16 Subd. 6. **Report.** By January 1 each year, the commissioner must report to the chairs
22.17 and ranking minority members of the legislative committees with jurisdiction over child
22.18 care and early learning the number of payments provided to recipients and outcomes of the
22.19 support payment program since the last report. This subdivision expires January 31, 2033.

22.22 Sec. 26. **[119B.28] SHARED SERVICES GRANTS.**

22.23 (a) The commissioner of human services shall establish a grant program to distribute
22.24 money for the planning, establishment, expansion, improvement, or operation of shared
22.25 services alliances to allow family child care providers to achieve economies of scale. The
22.26 commissioner must develop a process to fund organizations to operate shared services
22.27 alliances that includes application forms, timelines, and standards for renewal. For purposes
22.28 of this section, "shared services alliances" means networks of licensed family child care
22.29 providers that share services to reduce costs and achieve efficiencies.

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

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

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

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

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

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

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

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

23.14 (3) coordination of bulk purchasing;

484.25 (4) management of a substitute pool;
484.26 (5) support for implementing shared curriculum and assessments;
484.27 (6) mentoring child care provider participants to improve business practices;
484.28 (7) provision of and training in child care management software to simplify processes
484.29 such as enrollment, billing, and tracking expenditures;
484.30 (8) support for a group of providers sharing one or more physical spaces within a larger
484.31 building; or
485.1 (9) other services as determined by the commissioner.
485.2 (e) The commissioner must consult with the commissioner of management and budget
485.3 on program outcomes, evaluation metrics, and progress indicators for the grant program
485.4 under this section. The commissioner must only implement program outcomes, evaluation
485.5 metrics, and progress indicators that are determined through and agreed upon during the
485.6 consultation with the commissioner of management and budget. The commissioner shall
485.7 not implement the grant program under this section until the consultation with the
485.8 commissioner of management and budget is completed. The commissioner must incorporate
485.9 agreed upon program outcomes, evaluation metrics, and progress indicators into grant
485.10 applications, requests for proposals, and any reports to the legislature.
485.11 **EFFECTIVE DATE.** This section is effective July 1, 2023.
485.12 Sec. 19. **[119B.29] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY**
485.13 **GRANTS.**
485.14 (a) The commissioner of human services shall distribute money provided by this section
485.15 through grants to one or more organizations to offer grants or other supports to child care
485.16 providers for technology intended to improve the providers' business practices. The
485.17 commissioner must develop a process to fund organizations to provide technology supports
485.18 that includes application forms, timelines, reporting requirements, and standards for renewal.
485.19 (b) Programs eligible to be supported through this grant program include:
485.20 (1) child care centers licensed under Minnesota Rules, chapter 9503;
485.21 (2) family or group family child care homes licensed under Minnesota Rules, chapter
485.22 9502; and
485.23 (3) Tribally licensed centers, family child care, and group family child care.
485.24 (c) Eligible applicants include public entities and private for-profit and nonprofit
485.25 organizations with the ability to develop technology products for child care business
485.26 management or offer training, technical assistance, coaching, or other supports for child
485.27 care providers to use technology products for child care business management.

23.15 (4) management of a substitute pool;
23.16 (5) support for implementing shared curriculum and assessments;
23.17 (6) mentoring child care provider participants to improve business practices;
23.18 (7) provision of and training in child care management software to simplify processes
23.19 such as enrollment, billing, and tracking expenditures;
23.20 (8) support for a group of providers sharing one or more physical spaces within a larger
23.21 building; or
23.22 (9) other services as determined by the commissioner.
23.23 (e) The commissioner must develop a process by which grantees will report to the
23.24 Department of Human Services on activities funded by the grant.
23.25 Sec. 27. **[119B.29] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY**
23.26 **GRANTS.**
23.27 (a) The commissioner of human services shall distribute money provided by this section
23.28 through grants to one or more organizations to offer grants or other supports to child care
23.29 providers for technology intended to improve the providers' business practices. The
24.1 commissioner must develop a process to fund organizations to provide technology supports
24.2 that includes application forms, timelines, reporting requirements, and standards for renewal.
24.3 (b) Programs eligible to be supported through this grant program include:
24.4 (1) child care centers licensed under Minnesota Rules, chapter 9503;
24.5 (2) family or group family child care homes licensed under Minnesota Rules, chapter
24.6 9502; and
24.7 (3) Tribally licensed centers, family child care, and group family child care.
24.8 (c) Eligible applicants include public entities and private for-profit and nonprofit
24.9 organizations with the ability to develop technology products for child care business
24.10 management or offer training, technical assistance, coaching, or other supports for child
24.11 care providers to use technology products for child care business management.

485.28 (d) Grantees shall use the grant money, either directly or through grants to providers,
485.29 for one or more of the following purposes:

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

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

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

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

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

486.5 Sec. 20. Minnesota Statutes 2022, section 256.046, subdivision 3, is amended to read:

486.6 Subd. 3. **Administrative disqualification of child care providers caring for children**
486.7 **receiving child care assistance.** (a) The department ~~or local agency~~ shall pursue an
486.8 administrative disqualification, if the child care provider is accused of committing an
486.9 intentional program violation, in lieu of a criminal action when it has not been pursued.
486.10 Intentional program violations include intentionally making false or misleading statements;
486.11 intentionally misrepresenting, concealing, or withholding facts; and repeatedly and
486.12 intentionally violating program regulations under chapters 119B and 245E. Intent may be
486.13 proven by demonstrating a pattern of conduct that violates program rules under chapters
486.14 119B and 245E.

486.15 (b) To initiate an administrative disqualification, ~~a local agency or~~ the commissioner
486.16 must mail written notice by certified mail to the provider against whom the action is being
486.17 taken. Unless otherwise specified under chapter 119B or 245E or Minnesota Rules, chapter
486.18 3400, ~~a local agency or~~ the commissioner must mail the written notice at least 15 calendar
486.19 days before the adverse action's effective date. The notice shall state (1) the factual basis
486.20 for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount
486.21 of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal
486.22 the agency's proposed action.

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

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

24.12 (d) Grantees shall use the grant money, either directly or through grants to providers,
24.13 for one or more of the following purposes:

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

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

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

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

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

H0238-3 ARTICLE 1, SECTIONS 28 TO 31 WERE REMOVED TO MATCH WITH S2995-3 ARTICLE 7.

H0238-3 ARTICLE 1, SECTION 32 WAS REMOVED TO MATCH WITH S2995-3 ARTICLE 8, SECTION 25.

30.5 Sec. 33. Minnesota Statutes 2022, section 256.046, subdivision 3, is amended to read:

30.6 Subd. 3. **Administrative disqualification of child care providers caring for children**
30.7 **receiving child care assistance.** (a) The department ~~or local agency~~ shall pursue an
30.8 administrative disqualification, if the child care provider is accused of committing an
30.9 intentional program violation, in lieu of a criminal action when it has not been pursued.
30.10 Intentional program violations include intentionally making false or misleading statements;
30.11 intentionally misrepresenting, concealing, or withholding facts; and repeatedly and
30.12 intentionally violating program regulations under chapters 119B and 245E. Intent may be
30.13 proven by demonstrating a pattern of conduct that violates program rules under chapters
30.14 119B and 245E.

30.15 (b) To initiate an administrative disqualification, ~~a local agency or~~ the commissioner
30.16 must mail written notice by certified mail to the provider against whom the action is being
30.17 taken. Unless otherwise specified under chapter 119B or 245E or Minnesota Rules, chapter
30.18 3400, ~~a local agency or~~ the commissioner must mail the written notice at least 15 calendar
30.19 days before the adverse action's effective date. The notice shall state (1) the factual basis
30.20 for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount
30.21 of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal
30.22 the agency's proposed action.

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

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

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

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

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

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

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

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

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

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

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

487.16 Sec. 21. Minnesota Statutes 2022, section 256.983, subdivision 5, is amended to read:

487.17 Subd. 5. **Child care providers; financial misconduct.** (a) A county or **Tribal** agency
 487.18 may conduct investigations of financial misconduct by child care providers as described in
 487.19 chapter 245E. Prior to opening an investigation, a county or **Tribal** agency must contact the
 487.20 commissioner to determine whether an investigation under this chapter may compromise
 487.21 an ongoing investigation.

487.22 (b) If, upon investigation, a preponderance of evidence shows a provider committed an
 487.23 intentional program violation, intentionally gave the county or **Tribe** materially false
 487.24 information on the provider's billing forms, provided false attendance records to a county,
 487.25 **Tribe**, or the commissioner, or committed financial misconduct as described in section
 487.26 245E.01, subdivision 8, the county or **Tribal** agency may recommend that the commissioner
 487.27 suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's
 487.28 authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to
 487.29 pursuing other available remedies. ~~The county or tribe must send notice in accordance with~~
 487.30 ~~the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended~~
 487.31 ~~under this section, the payment suspension shall remain in effect until: (1) the commissioner,~~
 487.32 ~~county, tribe, or a law enforcement authority determines that there is insufficient evidence~~
 487.33 ~~warranting the action and a county, tribe, or the commissioner does not pursue an additional~~

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

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

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

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

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

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

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

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

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

31.16 Sec. 34. Minnesota Statutes 2022, section 256.983, subdivision 5, is amended to read:

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

31.22 (b) If, upon investigation, a preponderance of evidence shows a provider committed an
 31.23 intentional program violation, intentionally gave the county or **tribe** materially false
 31.24 information on the provider's billing forms, provided false attendance records to a county,
 31.25 **tribe**, or the commissioner, or committed financial misconduct as described in section
 31.26 245E.01, subdivision 8, the county or **tribal** agency may recommend that the commissioner
 31.27 suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's
 31.28 authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to
 31.29 pursuing other available remedies. ~~The county or tribe must send notice in accordance with~~
 31.30 ~~the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended~~
 31.31 ~~under this section, the payment suspension shall remain in effect until: (1) the commissioner,~~
 31.32 ~~county, tribe, or a law enforcement authority determines that there is insufficient evidence~~
 31.33 ~~warranting the action and a county, tribe, or the commissioner does not pursue an additional~~

488.1 ~~administrative remedy under chapter 119B or 245E, or section 256.046 or 256.98; or (2)~~
488.2 ~~all criminal, civil, and administrative proceedings related to the provider's alleged misconduct~~
488.3 ~~conclude and any appeal rights are exhausted.~~

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

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

488.11 EFFECTIVE DATE. This section is effective April 28, 2025.

488.12 Sec. 22. **DIRECTION TO COMMISSIONER; CHILD CARE AND EARLY**
488.13 **EDUCATION PROFESSIONAL WAGE SCALE.**

488.14 (a) The commissioner of human services shall develop, in consultation with the
488.15 commissioner of employment and economic development, the commissioner of education,
488.16 the Children's Cabinet, and relevant stakeholders, a child care and early education
488.17 professional wage scale that:

488.18 (1) provides recommended wages that are equivalent to elementary school educators
488.19 with similar credentials and experience;

488.20 (2) provides recommended levels of compensation and benefits, such as professional
488.21 development stipends, health care benefits, and retirement benefits, that vary based on child
488.22 care and early education professional roles and qualifications, and other criteria established
488.23 by the commissioner; and

488.24 (3) is applicable to the following types of child care and early education programs:

488.25 (i) licensed family and group family child care under Minnesota Rules, chapter 9502;

488.26 (ii) licensed child care centers under Minnesota Rules, chapter 9503;

488.27 (iii) certified, license-exempt child care centers under Minnesota Statutes, chapter 245H;

488.28 (iv) voluntary prekindergarten and school readiness plus programs;

32.1 ~~administrative remedy under chapter 119B or 245E, or section 256.046 or 256.98; or (2)~~
32.2 ~~all criminal, civil, and administrative proceedings related to the provider's alleged misconduct~~
32.3 ~~conclude and any appeal rights are exhausted.~~

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

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

32.11 EFFECTIVE DATE. This section is effective April 28, 2025.

THE FOLLOWING SECTION WAS REMOVED FROM H0238-3 ARTICLE 7.

212.13 Sec. 21. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD**
212.14 **CARE AND EARLY EDUCATION PROFESSIONAL WAGE SCALE.**

212.15 (a) The commissioner of human services shall develop, in consultation with the
212.16 commissioners of employment and economic development and education, the Children's
212.17 Cabinet, and relevant stakeholders, a process for recognizing comparable competencies for
212.18 use in a wage scale and a child care and early education professional wage scale that:

212.19 (1) implements the wage scale recommendations made by the Great Start for All
212.20 Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article
212.21 14, section 18;

212.22 (2) provides recommended wages that are equivalent to elementary school educators
212.23 with similar credentials and experience;

212.24 (3) provides recommended levels of compensation and benefits, such as professional
212.25 development stipends, health care benefits, and retirement benefits, that vary based on child
212.26 care and early education professional roles and qualifications and other criteria established
212.27 by the commissioner;

212.28 (4) incorporates, to the extent feasible, qualifications inclusive of competencies attained
212.29 through experience, training, and educational attainment; and

212.30 (5) is applicable to the following types of child care and early education programs:

212.31 (i) licensed family and group family child care under Minnesota Rules, chapter 9502;

212.32 (ii) licensed child care centers under Minnesota Rules, chapter 9503;

213.1 (iii) certified, license-exempt child care centers under Minnesota Statutes, chapter 245H;

213.2 (iv) voluntary prekindergarten and school readiness plus programs;

488.29 (v) school readiness programs;
488.30 (vi) early childhood family education programs;
489.1 (vii) programs for children who are eligible for Part B or Part C of the Individuals with
489.2 Disabilities Education Act (Public Law 108-446); and
489.3 (viii) Head Start programs.
489.4 (b) By January 30, 2025, the commissioner must submit a report to the legislative
489.5 committees with jurisdiction over early childhood programs on the development of the wage
489.6 scale, make recommendations for implementing a process for recognizing comparable
489.7 competencies, and make recommendations for how the wage scale could be used to inform
489.8 payment rates for child care assistance under Minnesota Statutes, chapter 119B, and great
489.9 start scholarships under Minnesota Statutes, section 119C.01.
489.10 Sec. 23. DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE
489.11 STABILIZATION GRANTS.
489.12 (a) The commissioner of human services must continue providing child care stabilization
489.13 grants under Laws 2021, First Special Session chapter 7, article 14, section 21, from July
489.14 1, 2023, through no later than December 31, 2023.
489.15 (b) The commissioner shall award transition child care stabilization grant amounts to
489.16 all eligible programs. The transition month grant amounts must be based on the number of
489.17 full-time equivalent staff who regularly care for children in the program, including employees,
489.18 sole proprietors, or independent contractors. One full-time equivalent staff is defined as an
489.19 individual caring for children 32 hours per week. An individual can count as more, or less,
489.20 than one full-time equivalent staff, but as no more than two full-time equivalent staff.
489.21 Sec. 24. RECOGNIZING COMPARABLE COMPETENCIES TO ACHIEVE
489.22 COMPARABLE COMPENSATION TASK FORCE.
489.23 Subdivision 1. Membership. (a) The Recognizing Comparable Competencies to Achieve
489.24 Comparable Compensation Task Force shall consist of the following 16 members, appointed
489.25 by the governor:
489.26 (1) two individuals who are directors of a licensed child care center, one from greater
489.27 Minnesota and one from the seven-county metropolitan area;
489.28 (2) two individuals who are license holders of family child care programs, one from
489.29 greater Minnesota and one from the seven-county metropolitan area;
489.30 (3) four individuals who are early childhood educators, one who works in a licensed
489.31 child care center, one who works in a public-school-based early childhood program, one
490.1 who works in a Head Start program or a community education program, and one who works
490.2 in a licensed family child care setting;

213.3 (v) school readiness programs;
213.4 (vi) early childhood family education programs;
213.5 (vii) programs for children who are eligible for Part B or Part C of the Individuals with
213.6 Disabilities Education Act, Public Law 108-446; and
213.7 (viii) Head Start programs.
213.8 (b) By January 30, 2025, the commissioner shall report to the legislative committees
213.9 with jurisdiction over early childhood programs on the development of the wage scale, make
213.10 recommendations for implementing a process for recognizing comparable competencies,
213.11 and make recommendations about how the wage scale could be used to inform payment
213.12 rates for child care assistance under Minnesota Statutes, chapter 119B, and great start
213.13 scholarships under Minnesota Statutes, section 119C.01.
32.12 Sec. 35. DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE
32.13 STABILIZATION GRANTS.
32.14 (a) The commissioner of human services must continue providing child care stabilization
32.15 grants under Laws 2021, First Special Session chapter 7, article 14, section 21, from July
32.16 1, 2023, through no later than December 31, 2023.
32.17 (b) The commissioner shall award transition child care stabilization grant amounts to
32.18 all eligible programs. The transition month grant amounts must be based on the number of
32.19 full-time equivalent staff who regularly care for children in the program, including employees,
32.20 sole proprietors, or independent contractors. One full-time equivalent staff is defined as an
32.21 individual caring for children 32 hours per week. An individual can count as more, or less,
32.22 than one full-time equivalent staff, but as no more than two full-time equivalent staff.

490.3 (4) one representative of a federally recognized Tribe who has expertise in the early care
490.4 and education system;

490.5 (5) one representative from the Children's Cabinet;

490.6 (6) two parents of children under five years of age, one parent whose child attends a
490.7 private early care and education program and one parent whose child attends a public
490.8 program. One parent under this clause must be from greater Minnesota, and the other parent
490.9 must be from the seven-county metropolitan area; and

490.10 (7) four individuals who have expertise in early childhood workforce issues.

490.11 (b) The governor must select a chair or cochaIRS for the task force from among the
490.12 members. The first task force meeting must be convened by the chair or cochaIRS and held
490.13 no later than September 1, 2023. Thereafter, the chair or cochaIRS shall convene the task
490.14 force at least monthly and may convene other meetings as necessary. The chair or cochaIRS
490.15 shall convene meetings in a manner to allow for access from diverse geographic locations
490.16 in Minnesota.

490.17 (c) Compensation of task force members, filling of task force vacancies, and removal
490.18 of task force members are governed by Minnesota Statutes, section 15.059.

490.19 Subd. 2. **Duties.** (a) The task force must develop a compensation framework for the
490.20 early childhood workforce that incorporates competencies and experiences, as well as
490.21 educational attainment.

490.22 (b) In developing the compensation framework required under this subdivision, the task
490.23 force must:

490.24 (1) identify competencies and experiences to incorporate into the framework, including
490.25 but not limited to multilingualism and previous work experience in a direct care setting;
490.26 and

490.27 (2) propose mechanisms for including the compensation framework in the state's early
490.28 childhood programs and services.

490.29 Subd. 3. **Administration.** (a) The commissioner of management and budget shall provide
490.30 staff and administrative services for the task force.

490.31 (b) The task force expires upon submission of the final report required under subdivision
490.32 5, or January 30, 2025, whichever is earlier.

491.1 (c) The task force is subject to Minnesota Statutes, chapter 13D.

491.2 Subd. 4. **Required reports.** By December 1, 2024, the task force must submit its
491.3 preliminary findings to the governor and the chairs and ranking minority members of the
491.4 legislative committees with jurisdiction over early childhood programs. By January 15,
491.5 2025, the task force must submit the compensation framework and proposed mechanisms
491.6 for incorporating the framework into the state's early childhood programs and services to

491.7 the governor and the chairs and ranking minority members of the legislative committees
491.8 with jurisdiction over early childhood programs.

H0238-3 ARTICLE 1, SECTIONS 36, 37, AND 38 WERE REMOVED TO
MATCH WITH S2995-3 ARTICLE 12, SECTIONS 25, 23, AND 32,
RESPECTIVELY.