ARTICLE 13

CHILD CARE WORKFORCE

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

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

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

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

Sec. 5. Minnesota Statutes 2022, section 119B.10, subdivision 1, is amended to read:

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

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

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

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

(5) MFIP families who are participating in social services activities under chapter 256J as required in their employment plan approved according to chapter 256J;
(6) families who are participating in services or activities that are included in an approved family stabilization plan under section 256J.575;

(7) MFIP child-only families under section 256J.88, for up to 20 hours of child care per week for children ages six and under, as recommended by the treating mental health professional, when the child's primary caregiver has a diagnosis of a mental illness;

(8) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2;

(9) families who are participating in the transition year extension under section 119B.01, subdivision 2.

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

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

Prior to authorization, and as part of each reauthorization required in subdivision 1, the commissioner shall perform a background study on every member of the provider's household who is 13 or older. The provider's household shall also be the county responsible for reauthorization of that provider.

Prior to authorization, and as part of each reauthorization required in subdivision 1, the commissioner shall perform a background study on every member of the provider's household who is 13 or older. The provider's household shall also be the county responsible for reauthorization of that provider.

EFFECTIVE DATE. This section is effective April 28, 2025.
(c) Prior to a background study through NETStudy 2.0 expiring, another background study shall be completed on all individuals for whom the background study is expiring.

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

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

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

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

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

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

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective April 28, 2025.
A legal nonlicensed family child care provider is not authorized under this section if:

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

(4) there is reason to believe that a household member has a factor that prevents application purposes or was used in submitting child care assistance bills for payment.

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

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

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

(2) another person age 13 or older has joined the provider’s household since the last

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

(4) the person has refused to give written consent for disclosure of criminal history records.

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

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

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

(1) after receiving notice of the denial of the authorization, the person applies for and obtains a valid child care license issued under chapter 245A, issued by a tribe, or issued by another state.
Sec. 7. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

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

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

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

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

1. keep accurate and legible daily attendance records at the site where services are delivered for children receiving child care assistance; and
2. make those records available immediately to the county or the commissioner upon request. Any records not provided to a county or the commissioner at the date and time of the request are deemed inadmissible as evidence by the provider in any proceeding to contest an overpayment or disqualification of the provider.

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

(c) A county or the commissioner may deny or revoke a provider’s authorization to receive child care assistance payments under section 119B.15, subdivision 6, paragraph (d), pursue a fraud disqualification under section 256.08, take an action against the provider under chapter 255L, or establish an attendance record overpayment under paragraph (d) against a current or former provider. When the county or the commissioner knows or has reason to believe that the provider is unsafe or that the circumstances of the chosen child care arrangement are unsafe, based on statewide criteria developed by the commissioner, the county must include the conditions under which a provider or care arrangement will be determined to be unsafe in the county’s child care fund plan under section 119B.08, subdivision 3.

Sec. 9. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

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

1. keep accurate and legible daily attendance records at the site where services are delivered for children receiving child care assistance; and
2. make those records available immediately to the county or the commissioner upon request. Any records not provided to a county or the commissioner at the date and time of the request are deemed inadmissible as evidence by the provider in any proceeding to contest an overpayment or disqualification of the provider.

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

(c) A county or the commissioner may deny or revoke a provider’s authorization to receive child care assistance payments under section 119B.15, subdivision 6, paragraph (d), pursue a fraud disqualification under section 256.08, take an action against the provider under chapter 255L, or establish an attendance record overpayment under paragraph (d) against a current or former provider. When the county or the commissioner knows or has reason to believe that the provider is unsafe or that the circumstances of the chosen child care arrangement are unsafe, based on statewide criteria developed by the commissioner, the county must include the conditions under which a provider or care arrangement will be determined to be unsafe in the county’s child care fund plan under section 119B.08, subdivision 3.

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

Sec. 10. Minnesota Statutes 2022, section 119B.13, subdivision 8, is amended to read:

Subd. 8. **Unsafe care.** A provider or care arrangement will be determined to be unsafe in the county’s child care fund plan under section 119B.08, subdivision 3.

Sec. 11. Minnesota Statutes 2022, section 119B.13, subdivision 9, is amended to read:

Subd. 9. **Unsafe care.** A provider or care arrangement will be determined to be unsafe in the county’s child care fund plan under section 119B.08, subdivision 3.

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

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

**EFFECTIVE DATE.** This section is effective April 28, 2025.
Failure to comply with attendance record requirements.

Sec. 7. Failure to comply with attendance record requirements. (a) In establishing
an attendance record overpayment under this subdivision, the
commissioner or county shall subtract the maximum daily rate from the total
amount paid to a provider for each day that a child's attendance record is missing, unavailable,
incomplete, inaccurate, or otherwise inadequate. (b) The commissioner or county
may periodically audit child care providers to determine
whether a provider has not complied with the attendance recordkeeping requirement in this subdivision.

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

EFFECTIVE DATE. This section is effective April 28, 2025.
Any bill submitted more than a year after the last date of service on the bill must not be paid. Provider payments. (a) A provider shall bill only for services documented to a certified, licensed, or legal nonlicensed provider, and a county or the state may establish policies that make payments on a more frequent basis. (b) If a provider has received an authorization of care and been issued a billing form for an eligible family, the bill must be submitted within 60 days of the last date of service on the bill. A bill submitted more than 60 days after the last date of service must be paid if the county determines that the provider has shown good cause why the bill was not submitted within 60 days. Good cause must be defined in the county's child care fund plan under section 119B.08, subdivision 3, and the definition of good cause must include county error. Any bill submitted more than a year after the last date of service on the bill must not be paid.

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

The commissioner may refuse to issue a child care authorization to a certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified,
(1) the provider admits to intentionally giving the county materially false information on the provider's billing forms;
(2) the commissioner finds by a preponderance of the evidence that the provider intentionally gave the county materially false information on the provider's billing forms, or provided false attendance records to a county or the commissioner;
(3) the provider is in violation of child care assistance program rules, until the agency determines those violations have been corrected;
(4) the provider is operating after:
(i) an order of suspension of the provider's license issued by the commissioner;
(ii) an order of revocation of the provider's license issued by the commissioner; or
(iii) an order of decertification issued to the provider;
(5) the provider submits false attendance reports or refuses to provide documentation of the child's attendance upon request;
(6) the provider gives false child care price information; or
(7) the provider fails to report decreases in a child's attendance as required under section 119B.125, subdivision 9.

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

(f) A county's payment policies must be included in the county's child care plan under section 16A.124.

(g) If the commissioner or responsible county agency suspends or refuses payment to a provider under paragraph (d), clause (1) or (2), or chapter 245E and the provider has:
(1) a disqualification for wrongfully obtaining assistance under section 256.98, subdivision 8, paragraph (c);
(2) an administrative disqualification under section 256.046, subdivision 3; or
(3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or 245E.06;
then the provider forfeits the payment to the commissioner or the responsible county agency, regardless of the amount assessed in an overpayment, charged in a criminal complaint, or ordered as criminal restitution.

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

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

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

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

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

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

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

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

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

Sec. 13. Minnesota Statutes 2022, section 119B.16, subdivision 2, is amended to read:

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

(b) The notice must:

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

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

**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.

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

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

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

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

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

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

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

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

Sec. 21. Minnesota Statutes 2022, section 119B.16, subdivision 2, is amended to read:

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

(b) The notice must:

(1) state the provision under which a county agency or the commissioner is denying, revoking, or suspending the provider's authorization or suspending payment to the provider;
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;
16.32 (3) state that the denial, revocation, or suspension of the provider's authorization is for
16.33 a temporary period and explain the circumstances under which the action expires; and
16.34 (4) inform the provider of the right to submit written evidence and argument for
16.35 consideration by the commissioner.

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

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

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

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

17.32 Sec. 24. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

17.33 Subd. 3. Duration. If a provider's payment is suspended under chapter 245E or a
17.34 provider's authorization is denied or revoked under section 119B.13, subdivision 6, paragraph
17.35 (d), clause (1) or (2), the provider's denial, revocation, temporary suspension, or payment
17.36 suspension remains in effect until:
17.37 (1) the commissioner or a law enforcement authority determines that there is insufficient
17.38 evidence warranting the action and a county agency or the commissioner does not pursue
17.39 an additional administrative remedy under chapter 245E or section 256.98; or
17.40 (2) all criminal, civil, and administrative proceedings related to the provider's alleged
17.41 misconduct conclude and any appeal rights are exhausted.

17.42 EFFECTIVE DATE. This section is effective April 28, 2025.
include documentation to support the allegation of error. 

(b) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration.

(c) A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The commissioner's decision is appealable by petition for writ of certiorari under chapter 606.

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

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

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

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

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

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

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

(6) administer and award child care services grants;

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

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

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

(10) provide supports that enable economically challenged individuals to obtain the jobs skills training, career counseling, and job placement assistance necessary to begin a career path in child care.
Sec. 16. [119B.252] EARLY CHILDHOOD REGISTERED APPRENTICESHIP GRANT PROGRAM.

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

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

(b) "Apprentice" means an employee participating in an early childhood registered apprenticeship program;

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

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

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

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

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

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

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

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

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

(2) stipends for mentors; or

(3) stipends for early childhood registered apprenticeship programs;

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

(1) enrolls in an early childhood registered apprenticeship program;
(2) is a current participant in good standing in the TEACH scholarship program under section 119B.251;

(3) participates in monthly meetings with a mentor;

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) early childhood centers licensed under Minnesota Rules, chapter 9504;

(5) family child care homes licensed under Minnesota Rules, chapter 9505;

(6) family group family child care homes licensed under Minnesota Rules, chapter 9506.

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

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

other programs as determined by the commissioner.

To be eligible, programs must not be:

the subject of a finding of fraud for which the program or individual is currently

serving a penalty or exclusion;

the subject of suspended, denied, or terminated payments to a provider under section

256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02, subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;

prohibited from receiving public funds under section 245.095, regardless of whether the action is under appeal;

under license revocation, suspension, temporary immediate suspension, or
decertification, regardless of whether the action is under appeal.

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

complete an application developed by the commissioner for each payment period

for which the eligible program applies for funding;

attest and agree in writing that the program was open and operating and served a
minimum number of children, as determined by the commissioner, during the funding period, with the exceptions of:

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

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

submit data on child enrollment and attendance to the commissioner in the form and manner prescribed by the commissioner;

Money received under this section must be expended by a provider no later than six months after the date the payment was received.

Recipients must comply with all requirements listed in the application under this section. Methods for demonstrating that requirements have been met shall be determined by the commissioner.
Recipients must keep accurate and legible records of the following at the site where services are delivered:

(1) Use of money;

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

(3) Staff employment, compensation, and benefits records. Employment, compensation, and benefits records must include time sheets or other records of daily hours worked;

documentation of compensation and benefits; documentation of written changes to employees' rate or rates of pay and basis thereof as a result of retention payments, as required under section 181.032, paragraphs (d) to (f), and any other records required to be maintained under section 177.30.

The requirement to document compensation and benefits only applies to family child care providers if retention payment money is used for employee compensation and benefits,

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

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

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

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

(c) One full-time equivalent is defined as an individual caring for children 32 hours per week. An individual can count as more or less than one full-time equivalent staff, but as no more than two full-time equivalent staff.
The amount awarded per full-time equivalent individual caring for children for each payment type must be established by the commissioner.

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

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

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

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

1. paying personnel costs, such as payroll, salaries, or similar compensation; employee benefits; premium pay; or financial incentives for recruitment and retention for an employee, a sole proprietor, or an independent contractor;
2. paying rent, including rent under a lease agreement, or making payments on any mortgage obligation, utilities, facility maintenance or improvements, property taxes, or insurance;
3. purchasing or updating equipment, supplies, goods, or services;
4. providing mental health supports for children; or
5. purchasing training or other professional development.

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

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

1. paying personnel costs, such as payroll, salaries, or similar compensation; employee benefits; premium pay; or financial incentives for recruitment and retention for an employee, a sole proprietor, or an independent contractor;
2. paying rent, including rent under a lease agreement, or making payments on any mortgage obligation, utilities, facility maintenance or improvements, property taxes, or insurance;
3. purchasing or updating equipment, supplies, goods, or services;
4. providing mental health supports for children; or
5. purchasing training or other professional development.
(1) purchasing or updating equipment, supplies, goods, or services; or
(2) purchasing training or other professional development;
(c) The commissioner shall determine the form and manner of the application for a payment under this subdivision.

Subd. 7. Carryforward authority. Money appropriated under this section are available until expended.
Subd. 8. Report. By January 1 each year, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over child care the number of payments provided to recipients and outcomes of the retention payment program since the last report. This subdivision expires January 31, 2033.

Sec. 18. [119B.28] SHARED SERVICES GRANTS.
(a) The commissioner of human services shall establish a grant program to distribute money for the planning, establishment, expansion, improvement, or operation of shared services alliances to allow family child care providers to achieve economies of scale. The commissioner must develop a process to fund organizations to operate shared services alliances that includes application forms, timelines, and standards for renewal. For purposes of this section, "shared services alliances" means networks of licensed family child care providers that share services to reduce costs and achieve efficiencies.
(b) Programs eligible to be a part of the shared services alliances supported through this grant program include:
(1) family child care or group family child care homes licensed under Minnesota Rules, chapter 9502;
(2) Tribally licensed family child care or group family child care; and
(3) individuals in the process of starting a family child care or group family child care home.
(c) Eligible applicants include public entities and private for-profit and nonprofit organizations.
(d) Grantees shall use the grant money to deliver one or more of the following services:
(1) pooling the management of payroll and benefits, banking, janitorial services, food services, and other operations;
(2) shared administrative staff for tasks such as record keeping and reporting for programs such as the child care assistance program, Head Start, the child and adult care food program, and early learning scholarships;
(3) coordination of bulk purchasing;
(4) Grantees shall use the grant money to deliver one or more of the following services:
(1) pooling the management of payroll and benefits, banking, janitorial services, food services, and other operations;
(2) shared administrative staff for tasks such as record keeping and reporting for programs such as the child care assistance program, Head Start, the child and adult care food program, and early learning scholarships;
(3) coordination of bulk purchasing;
(4) management of a substitute pool;  
(5) support for implementing shared curriculum and assessments;  
(6) mentoring child care provider participants to improve business practices;  
(7) provision of and training in child care management software to simplify processes  
such as enrollment, billing, and tracking expenditures;  
(8) support for a group of providers sharing one or more physical spaces within a larger  
building; or  
(9) other services as determined by the commissioner.

(e) The commissioner must consult with the commissioner of management and budget  
on program outcomes, evaluation metrics, and progress indicators for the grant program  
under this section. The commissioner must only implement program outcomes, evaluation  
metrics, and progress indicators that are determined through and agreed upon during the  
consultation with the commissioner of management and budget. The commissioner shall  
not implement the grant program under this section until the consultation with the  
commissioner of management and budget is completed. The commissioner must incorporate  
agreed upon program outcomes, evaluation metrics, and progress indicators into grant  
aplications, requests for proposals, and any reports to the legislature.  

EFFECTIVE DATE. This section is effective July 1, 2023.
Grantees shall use the grant money, either directly or through grants to providers, for one or more of the following purposes:

1. The purchase of computers or mobile devices for use in business management;
2. Access to the Internet through the provision of necessary hardware such as routers or modems or by covering the costs of monthly fees for Internet access;
3. Covering the costs of subscription to child care management software;
4. Covering the costs of training in the use of technology for business management purposes; and
5. Other services as determined by the commissioner.

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

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

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

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

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

(d) The provider's appeal request must contain the following:
(1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the dollar amount involved for each disputed item;

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

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

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

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

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

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

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

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

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

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

(b) If, upon investigation, a preponderance of evidence shows a provider committed an intentional program violation, intentionally gave the county or tribe materially false information on the provider's billing forms, provided false attendance records to a county, tribe, or the commissioner, or committed financial misconduct as described in section 245E.01, subdivision 8, the county or tribal agency may recommend that the commissioner suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to pursuing other available remedies. The county or tribe must send notice in accordance with the requirements of section 119B.161, subdivision 2, if a provider's payment is suspended under this section, the payment suspension shall remain in effect until the commissioner, county, tribe, or a law enforcement authority determines that there is insufficient evidence 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 dollar amount involved for each disputed item;

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

30.30 (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 business with whom contact may be made regarding the appeal.

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

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

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

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

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

Sec. 31. Minnesota Statutes 2022, section 256.983, subdivision 5, is amended to read:

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

(b) If, upon investigation, a preponderance of evidence shows a provider committed an intentional program violation, intentionally gave the county or tribe materially false information on the provider's billing forms, provided false attendance records to a county, tribe, or the commissioner, or committed financial misconduct as described in section 245E.01, subdivision 8, the county or tribal agency may recommend that the commissioner suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to pursuing other available remedies. The county or tribe must send notice in accordance with the requirements of section 119B.161, subdivision 2, if a provider's payment is suspended under this section, the payment suspension shall remain in effect until the commissioner, county, tribe, or a law enforcement authority determines that there is insufficient evidence warranting the action and a county, tribe, or the commissioner does not pursue an additional
Sec. 22. DIRECTION TO COMMISSIONER; CHILD CARE AND EARLY EDUCATION PROFESSIONAL WAGE SCALE.

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

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

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

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

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

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

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

(iv) voluntary prekindergarten and school readiness plus programs;

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

(c) A provider has the right to administrative review under section 119B.161 if:

(1) payment is suspended under chapter 245E, or (2) the provider's authorization was denied or revoked under section 119B.13, subdivision 6, paragraph (d), clause (2).

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

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

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

(1) implements the wage scale recommendations made by the Great Start for All Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article 32.11

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

THE FOLLOWING SECTION WAS REMOVED FROM H0238-3 ARTICLE 7.
(v) school readiness programs; (vi) early childhood family education programs; (vii) programs for children who are eligible for Part B or Part C of the Individuals with Disabilities Education Act (Public Law 108-446); and (viii) Head Start programs.

(b) By January 30, 2025, the commissioner shall report to the legislative committees with jurisdiction over early childhood programs on the development of the wage scale, make recommendations for implementing a process for recognizing comparable competencies, and make recommendations about how the wage scale could be used to inform payment rates for child care assistance under Minnesota Statutes, chapter 119B, and great start scholarships under Minnesota Statutes, section 119C.01.

Sec. 23. DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE STABILIZATION GRANTS.

(a) The commissioner of human services must continue providing child care stabilization grants under Laws 2021, First Special Session chapter 3, article 14, section 21, from July 1, 2023, through no later than December 31, 2023. (b) The commissioner shall award transition child care stabilization grant amounts to all eligible programs. The transition month grant amounts must be based on the number of full-time equivalent staff who regularly care for children in the program, including employees, sole proprietors, or independent contractors. One full-time equivalent staff is defined as an individual caring for children 32 hours per week. An individual can count as more, or less, than one full-time equivalent staff, but as no more than two full-time equivalent staff.

Sec. 24. RECOGNIZING COMPARABLE COMPETENCIES TO ACHIEVE COMPARABLE COMPENSATION TASK FORCE.

Subdivision 1. Membership. (a) The Recognizing Comparable Competencies to Achieve Comparable Compensation Task Force shall consist of the following 16 members, appointed by the governor:

1. two individuals who are directors of a licensed child care center, one from greater Minnesota and one from the seven-county metropolitan area;
2. two individuals who are license holders of family child care programs, one from greater Minnesota and one from the seven-county metropolitan area;
3. four individuals who are early childhood educators, one who works in a licensed child care center, one who works in a public-school-based early childhood program, one who works in a Head Start program or a community education program, and one who works in a licensed family child care setting;
4. four individuals who are early childhood teachers, one who works in a Head Start program or a community education program, and one who works in a licensed family child care setting;
(4) one representative of a federally recognized Tribe who has expertise in the early care and education system;

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

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

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

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

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

Subd. 2. Duties.

(a) The task force must develop a compensation framework for the early childhood workforce that incorporates competencies and experiences, as well as educational attainment;

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

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

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

Subd. 3. Administration.

(a) The commissioner of management and budget shall provide staff and administrative services for the task force;

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

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

Subd. 4. Required reports.

By December 1, 2024, the task force must submit preliminary findings to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over early childhood programs. By January 15, 2025, the task force must submit the compensation framework and proposed mechanisms for incorporating the framework into the state's early childhood programs and services to
the governor and the chairs and ranking minority members of the legislative committees
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.