ARTICLE 1

HUMAN SERVICES LICENSING AND OFFICE OF INSPECTOR GENERAL POLICY

Section 1. Minnesota Statutes 2022, section 62V.05, subdivision 4a, is amended to read:

Subd. 4a. Background study required. (a) The board must initiate background studies under section 245C.031 of:

(1) each navigator;
(2) each in-person assister; and
(3) each certified application counselor.

(b) The board may initiate the background studies required by paragraph (a) using the online NETStudy 2.0 system operated by the commissioner of human services.

(c) The board shall not permit any individual to provide any service or function listed in paragraph (a) until

(1) the board has received notification from the commissioner of human services indicating that the individual:
   (i) has evaluated any notification received from the commissioner of human services indicating the individual’s potential disqualifications and has determined that the individual is not disqualified under chapter 245C; or
   (ii) has received a set aside from the board of that disqualification according to sections 245C.22 and 245C.23.

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(b) The board may initiate the background studies required by paragraph (a) using the online NETStudy 2.0 system operated by the commissioner of human services.

(c) The board shall not permit any individual to provide any service or function listed in paragraph (a) until

(1) the board has evaluated any notification received from the commissioner of human services indicating that the individual:
   (i) has evaluated any notification received from the commissioner of human services indicating the individual’s potential disqualifications and has determined that the individual is not disqualified under chapter 245C; or
   (ii) has received a set aside from the board of that disqualification according to sections 245C.22 and 245C.23.
(d) The board or its delegate shall review a reconsideration request of an individual in
chapter 245C. The board shall notify the individual and the Department of Human Services
of the board’s decision.

Sec. 2. [119B.162] RECONSIDERATION OF CORRECTION ORDERS.

(a) If a provider believes that the contents of the commissioner’s correction order are in
error, the provider may ask the Department of Human Services to reconsider the parts of
the correction order that are alleged to be in error. The request for reconsideration must be
made in writing and must be postmarked and sent to the commissioner within 30 calendar
days from the date the correction order was mailed to the provider, and:

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

(2) explain why they are in error; and

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

(b) 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 60b.

Sec. 3. Minnesota Statutes 2022, section 122A.18, subdivision 8, is amended to read:

Subd. 8. Background studies. (a) The Professional Educator Licensing and Standards
Board and the Board of School Administrators must initiate criminal history background
studies of all first-time applicants for educator and administrator licenses under their
jurisdiction. Applicants must include with their license applications:

(1) an executed criminal history consent form, including fingerprints; and

(2) payment to conduct the background study. The Professional Educator Licensing and
Standards Board must deposit payments received under this subdivision in an account in
the special revenue fund. Amounts in the account are annually appropriated to the

Professional Educator Licensing and Standards Board to pay for the costs of background studies on applicants for licensure.

(b) The background study for all first-time teaching applicants for educator licenses must include a review of information from the Bureau of Criminal Apprehension, including criminal history data as defined in section 13.87, and must also include a review of the national criminal records repository. The superintendent of the Bureau of Criminal Apprehension is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check.

(c) The Professional Educator Licensing and Standards Board may initiate criminal history background studies through the commissioner of human services according to section 245C.031 to obtain background study data required under this chapter.

Sec. 4. Minnesota Statutes 2022, section 245A.02, subdivision 5a, is amended to read:

Subd. 5a. Controlling individual. (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 245A.04, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section 256B.04, subdivision 21, paragraph (g);

(4) each managerial official whose responsibilities include the direction of the management or policies of a program; and

(5) the individual designated as the primary provider of care for a special family child care program under section 245A.14, subdivision 4, paragraph (i), and

(6) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or manager of the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) the individual designated as the primary provider of care for a special family child care program under section 245A.14, subdivision 4, paragraph (i), and

(4) the president and treasurer of the board of directors of a nonprofit corporation.

(5) the individual designated as the primary provider of care for a special family child care program under section 245A.14, subdivision 4, paragraph (i), and

(6) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or manager of the program, or owns any of the beneficial interests not excluded in this subdivision;
(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

THE FOLLOWING SECTION IS FROM H0238-3 ARTICLE 4 AND ALSO APPEARS IN THE ARTICLE 8 SIDE-BY-SIDE.

H0238-3

Sec. 5. Minnesota Statutes 2022, section 245A.02, is amended by adding a subdivision to read:

Subd. 5b. **Cradleboard.** "Cradleboard" means a board or frame on which an infant is secured using blankets or other material such as fabric or leather sides and laces, and which often has a frame extending to protect the infant's head. The infant is always placed with its head facing outward and remains supervised in the cradleboard while sleeping or being carried.

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

Sec. 6. Minnesota Statutes 2022, section 245A.02, subdivision 10b, is amended to read:

**Owner.** "Owner" means an individual or organization that has a direct or indirect ownership interest of five percent or more in a program licensed under this chapter. For purposes of this subdivision, "direct ownership interest" means the possession of equity

THE FOLLOWING TWO SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE-BY-SIDE.

UES2995-2

Sec. 4. Minnesota Statutes 2022, section 245A.02, subdivision 10b, is amended to read:

**Owner.** "Owner" means an individual or organization that has a direct or indirect ownership interest of five percent or more in a program licensed under this chapter. For purposes of this subdivision, "direct ownership interest" means the possession of equity.
in capital, stock, or profits of an organization, and "indirect ownership interest" means a
direct ownership interest in an entity that has a direct or indirect ownership interest in a
licensed program. For purposes of this chapter, "owner of a nonprofit corporation" means
the president and treasurer of the board of directors, or, for an entity owned by an employee
stock ownership plan, means the president and treasurer of the entity. A government entity
or nonprofit corporation that is issued a license under this chapter shall be designated the
owner.

Sec. 7. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. Application for licensure. (a) An individual, organization, or government
entity that is subject to licensure under section 245A.03 must apply for a license. The
application must be made on the forms and in the manner prescribed by the commissioner.
The commissioner shall provide the applicant with instruction in completing the application
and provide information about the rules and requirements of other state agencies that affect
the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
Minnesota must have a program office located within 30 miles of the Minnesota border.

(b) An application for licensure must identify all controlling individuals as defined in
this chapter that is owned by another license holder must apply for a license under this
chapter and comply with the application procedures in this section and section 245A.03.

439.24

The commissioner shall act on the application within 90 working days after a complete
application and any required reports have been received from other state agencies or
departments, counties, municipalities, or other political subdivisions. The commissioner
shall not consider an application to be complete until the commissioner receives all of the
required information.

439.25

When the commissioner receives an application for initial licensure that is incomplete
because the applicant failed to submit required documents or that is substantially deficient.
the documents submitted do not meet licensing requirements, the commissioner
shall provide the applicant written notice that the application is incomplete or substantially
deficient. In the written notice to the applicant the commissioner shall identify documents
that are missing or deficient and give the applicant 45 days to resubmit a second application
that is substantially complete. An applicant's failure to submit a substantially complete
application after receiving notice from the commissioner is a basis for license denial under
section 245A.05.

439.26

(b) An application for licensure must identify all controlling individuals as defined in
section 245A.02, subdivision 5a, and must designate one individual to be the authorized
agent. The application must be signed by the authorized agent and must include the authorized
agent's first, middle, and last name; mailing address; and email address. By submitting an
application for licensure, the authorized agent consents to electronic communication with
the commissioner throughout the application process. The authorized agent must be
authorized to accept service on behalf of all of the controlling individuals. A government
entity that holds multiple licenses under this chapter may designate one authorized agent

in capital, stock, or profits of an organization, and "indirect ownership interest" means a
direct ownership interest in an entity that has a direct or indirect ownership interest in a
licensed program. For purposes of this chapter, "owner of a nonprofit corporation" means
the president and treasurer of the board of directors, or, for an entity owned by an employee
stock ownership plan, means the president and treasurer of the entity. A government entity
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application must be made on the forms and in the manner prescribed by the commissioner.
The commissioner shall provide the applicant with instruction in completing the application
and provide information about the rules and requirements of other state agencies that affect
the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
Minnesota must have a program office located within 30 miles of the Minnesota border.
An applicant who intends to buy or otherwise acquire a program or services licensed under
this chapter that is owned by another license holder must apply for a license under this
chapter and comply with the application procedures in this section and section 245A.03.

The commissioner shall act on the application within 90 working days after a complete
application and any required reports have been received from other state agencies or
departments, counties, municipalities, or other political subdivisions. The commissioner
shall not consider an application to be complete until the commissioner receives all of the
required information.

When the commissioner receives an application for initial licensure that is incomplete
because the applicant failed to submit required documents or that is substantially deficient
because the documents submitted do not meet licensing requirements, the commissioner
shall provide the applicant written notice that the application is incomplete or substantially
deficient. In the written notice to the applicant the commissioner shall identify documents
that are missing or deficient and give the applicant 45 days to resubmit a second application
that is substantially complete. An applicant's failure to submit a substantially complete
application after receiving notice from the commissioner is a basis for license denial under
section 245A.05.

(b) An application for licensure must identify all controlling individuals as defined in
section 245A.02, subdivision 5a, and must designate one individual to be the authorized
agent. The application must be signed by the authorized agent and must include the authorized
agent's first, middle, and last name; mailing address; and email address. By submitting an
application for licensure, the authorized agent consents to electronic communication with
the commissioner throughout the application process. The authorized agent must be
authorized to accept service on behalf of all of the controlling individuals. A government
entity that holds multiple licenses under this chapter may designate one authorized agent

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for all licenses issued under this chapter or may designate a different authorized agent for
each license. Service on the authorized agent is service on all of the controlling individuals.
It is not a defense to any action arising under this chapter that service was not made on each
controlling individual. The designation of a controlling individual as the authorized agent
under this paragraph does not affect the legal responsibility of any other controlling individual
under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders,
employees, subcontractors, and volunteers, when directly responsible for persons served
by the program, from abusing prescription medication or being in any manner under the
influence of a chemical that impairs the individual's ability to provide services or care. The
license holder must train employees, subcontractors, and volunteers about the program's
drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits
persons served by the program and their authorized representatives to bring a grievance to
the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the
authorized agent or the controlling individuals identified on the license application and for
whom a background study was initiated under chapter 245C. The commissioner may require
the applicant, except for child foster care, to demonstrate competence in the applicable
licensing requirements by successfully completing a written examination. The commissioner
may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number
or Minnesota tax identification number, and federal employer identification number if the
applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary
of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as
registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or
authorized agent;

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number
or Minnesota tax identification number, and federal employer identification number if the
applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary
of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as
registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or
authorized agent; and

(6) except for family foster care providers, an email address that will be made public
subject to the requirements under section 13.46, subdivision 4, paragraph (b), clause (1),
item (d).

(g) When an applicant is an organization, the applicant must provide:
(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent;

(b) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number;

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:
(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and
(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:
(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;
(ii) nonpayment of claims submitted by the license holder for public program reimbursement;
(iii) recovery of payments made for the service;
(iv) disenrollment in the public payment program; or
(v) other administrative, civil, or criminal penalties as provided by law.

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

Sec. 6. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:
4. Subd. 4. Inspections; waiver. (a) Before issuing a license under this chapter, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:
(1) an inspection of the physical plant;
(2) an inspection of records and documents;
(3) observation of the program in operation; and
(4) an inspection for the health, safety, and fire standards in licensing requirements for a child care license holder.
(b) The observation in paragraph (a), clause (3), is not required prior to issuing a license under subdivision 7. If the commissioner issues a license under this chapter, these requirements must be completed within one year after the issuance of the license.
(c) Before completing a licensing inspection in a family child care program or child care center, the licensing agency must offer the license holder an exit interview to discuss violations or potential violations of law or rule observed during the inspection and offer technical assistance on how to comply with applicable laws and rules. The commissioner

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

THE FOLLOWING SECTION IS FROM H0238-3 ARTICLE 4 AND ALSO APPEARS IN THE ARTICLE 8 SIDE BY SIDE.

Sec. 6. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:
4. Subd. 4. Inspections; waiver. (a) Before issuing a license under this chapter, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:
(1) an inspection of the physical plant;
(2) an inspection of records and documents;
(3) observation of the program in operation; and
(4) an inspection for the health, safety, and fire standards in licensing requirements for a child care license holder.
(b) The observation in paragraph (a), clause (3), is not required prior to issuing a license under subdivision 7. If the commissioner issues a license under this chapter, these requirements must be completed within one year after the issuance of the license.
(c) Before completing a licensing inspection in a family child care program or child care center, the licensing agency must offer the license holder an exit interview to discuss violations or potential violations of law or rule observed during the inspection and offer technical assistance on how to comply with applicable laws and rules. The commissioner
shall not issue a correction order or negative licensing action for violations of law or rule not discussed in an exit interview, unless a license holder chooses not to participate in an exit interview or not to complete the exit interview. If the license holder is unable to complete the exit interview, the licensing agency must offer an alternate time for the license holder to complete the exit interview.

(d) If a family child care license holder disputes a county licensor's interpretation of a licensing requirement during a licensing inspection or exit interview, the license holder may, within five business days after the exit interview or licensing inspection, request clarification from the commissioner, in writing, in a manner prescribed by the commissioner. The commissioner's decision. The county licensor must not issue a correction order related to the disputed licensing requirement until the commissioner has provided clarification to the license holder about the licensing requirement.

(e) The commissioner or the county shall inspect at least annually once each calendar year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance with applicable licensing standards.

(f) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports of all child care providers licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in licensed child care settings each year.

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

Sec. 9. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

Subd. 7. *Grant of license; license extension.* (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

1. (1) the name of the license holder;
2. (2) the address of the program;
3. (3) the effective date and expiration date of the license;

(b) The license holder's request must describe the county licensor's interpretation of the licensing requirement at issue, and explain why the license holder believes the county licensor's interpretation is inaccurate. The commissioner and the county must include the license holder in all correspondence regarding the disputed interpretation, and must provide an opportunity for the license holder to contribute relevant information that may impact the commissioner's decision. The county licensor must not issue a correction order related to the disputed licensing requirement until the commissioner has provided clarification to the license holder about the licensing requirement.

(c) The commissioner or the county shall inspect at least annually once each calendar year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance with applicable licensing standards.

(d) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports of all child care providers licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in licensed child care settings each year.

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

THE FOLLOWING TWO SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE BY SIDE.
10.26 (4) the type of license;
10.27 (5) the maximum number and ages of persons that may receive services from the program;
10.28 and
10.29 (6) any special conditions of licensure;
10.30 (b) The commissioner may issue a license for a period not to exceed two years if:
11.1 (1) the commissioner is unable to conduct the evaluation or observation required by
11.2 subdivision 4, paragraph (a), clause (f), because the program is not yet operational;
11.3 (2) certain records and documents are not available because persons are not yet receiving
11.4 services from the program; and
11.5 (3) the applicant complies with applicable laws and rules in all other respects.
11.6 (c) A decision by the commissioner to issue a license does not guarantee that any person
11.7 or persons will be placed or cared for in the licensed program.
11.8 (d) Except as provided in paragraphs (f) and (g), the commissioner shall not issue or
11.9 reissue a license if the applicant, license holder, or controlling individual has:
11.10 (1) been disqualified and the disqualification was not set aside and no variance has been
11.11 granted;
11.12 (2) been denied a license under this chapter, within the past two years;
11.13 (3) had a license issued under this chapter revoked within the past five years;
11.14 (4) an outstanding debt related to a license fee, licensing fine, or settlement agreement
11.15 for which payment is delinquent; or
11.16 (5) failed to submit the information required of an applicant under subdivision 1,
11.17 paragraph (f) or (g), or (h), after being requested by the commissioner.
11.18 When a license issued under this chapter is revoked under clause (1) or (3), the license
11.19 holder and controlling individual may not hold any license under chapter 245A for five
11.20 years following the revocation, and other licenses held by the applicant, license holder, or
11.21 controlling individual shall also be revoked.
11.22 (e) The commissioner shall not issue or reissue a license under this chapter if an individual
11.23 living in the household where the services will be provided as specified under section
11.24 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
11.25 and no variance has been granted.
11.26 (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
11.27 under this chapter has been suspended or revoked and the suspension or revocation is under
11.28 appeal, the program may continue to operate pending a final order from the commissioner.
11.29

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443.26 (4) the type of license;
443.27 (5) the maximum number and ages of persons that may receive services from the program;
443.28 and
443.29 (6) any special conditions of licensure; and
443.30 (7) the public email address of the program.
444.1 (b) The commissioner may issue a license for a period not to exceed two years if:
444.2 (1) the commissioner is unable to conduct the evaluation or observation required by
444.3 subdivision 4, paragraph (a), clause (f), because the program is not yet operational;
444.4 (2) certain records and documents are not available because persons are not yet receiving
444.5 services from the program; and
444.6 (3) the applicant complies with applicable laws and rules in all other respects.
444.7 (c) A decision by the commissioner to issue a license does not guarantee that any person
444.8 or persons will be placed or cared for in the licensed program.
444.9 (d) Except as provided in paragraphs (f) and (g), the commissioner shall not issue or
444.10 reissue a license if the applicant, license holder, or controlling individual has:
444.11 (1) been disqualified and the disqualification was not set aside and no variance has been
444.12 granted;
444.13 (2) been denied a license under this chapter, within the past two years;
444.14 (3) had a license issued under this chapter revoked within the past five years;
444.15 (4) an outstanding debt related to a license fee, licensing fine, or settlement agreement
444.16 for which payment is delinquent; or
444.17 (5) failed to submit the information required of an applicant under subdivision 1,
444.18 paragraph (f) or (g), or (h), after being requested by the commissioner.
444.19 When a license issued under this chapter is revoked under clause (1) or (3), the license
444.20 holder and controlling individual may not hold any license under chapter 245A for five
444.21 years following the revocation, and other licenses held by the applicant, license holder, or
444.22 controlling individual shall also be revoked.
444.23 (e) The commissioner shall not issue or reissue a license under this chapter if an individual
444.24 living in the household where the services will be provided as specified under section
444.25 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
444.26 and no variance has been granted.
444.27 (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
444.28 under this chapter has been suspended or revoked and the suspension or revocation is under
444.29 appeal, the program may continue to operate pending a final order from the commissioner.
If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(g) Notwithstanding paragraph (f), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(h) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

(i) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

(j) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

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

Sec. 10. Minnesota Statutes 2022, section 245A.041, is amended by adding a subdivision to read:

Subd. 6. First date of direct contact; documentation requirements. Except for family child care, family foster care for children, and family adult day services that the license holder provides in the license holder's residence, license holders must document the first date that a background study subject has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the license holder's program. Unless this chapter otherwise requires, if the license holder does not maintain the documentation required by this subdivision in the license holder's personal files, the license holder must provide the documentation to the commissioner upon the commissioner's request.

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

If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.
Sec. 11. Minnesota Statutes 2022, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 119B and 245C;

(10) is prohibited from holding a license according to section 245.095; or

(11) for a family foster setting, has or has an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study who has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the individual’s applicant’s ability to safely provide care to foster children.

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 119B and 245C;

(10) is prohibited from holding a license according to section 245.095; or

(11) for a family foster setting, has or has an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study who has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the individual’s applicant’s ability to safely provide care to foster children.
An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail or personal service. The notice must state the reasons the application was denied. The notice must include the applicant’s right to appeal the commissioner’s denial of an application.

Sec. 12. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

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

Subdivision 1. Sanctions; appeals; license. (a) In addition to making a license conditional under section 245A.06, the commissioner may suspend or revoke the license, impose a fine, or secure an injunction against the continuing operation of the program of a license holder who:

(1) does not comply with applicable law or rule;
(2) has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children; or
(3) has an individual living in the household where the licensed services are provided or is otherwise subject to a background study and the individual has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.

When applying sanctions authorized under this section, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(b) If a license holder appeals the suspension or revocation of a license and the license holder continues to operate the program pending a final order on the appeal, the commissioner shall issue the license holder a temporary provisional license. Unless otherwise specified by the commissioner, variances in effect on the date of the license sanction under appeal continue under the temporary provisional license. If a license holder fails to comply with applicable law or rule while operating under a temporary provisional license, the commissioner may impose additional sanctions under this section and section 245A.06, and may terminate any prior variance. If a temporary provisional license is set to expire, a new temporary provisional license shall be issued to the license holder upon payment of any fee required under section 245A.10. The temporary provisional license shall expire on the date

EFFECTIVE DATE. This section is effective the day following final enactment.
the final order is issued. If the license holder prevails on the appeal, a new nonprovisional license shall be issued for the remainder of the current license period.

(c) If a license holder is under investigation and the license issued under this chapter is due to expire before completion of the investigation, the program shall be issued a new license upon completion of the reapplication requirements and payment of any applicable license fee. Upon completion of the investigation, a licensing sanction may be imposed against the new license under this section, section 245A.06, or 245A.08.

(d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

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

Sec. 13. Minnesota Statutes 2022, section 245A.07, subdivision 2a, is amended to read:

Subd. 2a. Immediate suspension expedited hearing. (a) Within five working days of receipt of the license holder's timely appeal, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten working days before the hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary immediate suspension should remain in effect pending the commissioner's final order under section 245A.08, regarding a licensing sanction issued under subdivision 3 following the immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that reasonable cause exists to believe that the license holder's actions or failure to comply with applicable law or rule poses, or the actions of other individuals or conditions in the program poses an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program. When the commissioner has determined there is reasonable cause to order the temporary immediate suspension of a license based on a violation of safe sleep requirements, as defined in section 245A.1435, the commissioner is not required to demonstrate that an infant died or was injured as a result of the safe sleep violations. For suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that a violation of safe sleep requirements, as defined in section 245A.1435, has resulted in an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program. When the commissioner has determined there is reasonable cause to order the temporary immediate suspension of a license based on a violation of safe sleep requirements, as defined in section 245A.1435, the commissioner is not required to demonstrate that an infant died or was injured as a result of the safe sleep violations.

(d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

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

The following section is from UES2995-2 Article 9 and also appears in the House Article 9 side by side.

UES2995-2

Sec. 8. Minnesota Statutes 2022, section 245A.07, subdivision 2a, is amended to read:

Subd. 2a. Immediate suspension expedited hearing. (a) Within five working days of receipt of the license holder's timely appeal, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten working days before the hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary immediate suspension should remain in effect pending the commissioner's final order under section 245A.08, regarding a licensing sanction issued under subdivision 3 following the immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that reasonable cause exists to believe that the license holder's actions or failure to comply with applicable law or rule poses, or the actions of other individuals or conditions in the program poses an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program. When the commissioner has determined there is reasonable cause to order the temporary immediate suspension of a license based on a violation of safe sleep requirements, as defined in section 245A.1435, the commissioner is not required to demonstrate that an infant died or was injured as a result of the safe sleep violations. For suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that a violation of safe sleep requirements, as defined in section 245A.1435, has resulted in an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program. When the commissioner has determined there is reasonable cause to order the temporary immediate suspension of a license based on a violation of safe sleep requirements, as defined in section 245A.1435, the commissioner is not required to demonstrate that an infant died or was injured as a result of the safe sleep violations.
hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that, since the license was revoked, the license holder committed additional violations of law or rule which may adversely affect the health or safety of persons served by the program.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten working days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten working days from the close of the record. When an appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner shall issue a final order affirming the temporary immediate suspension within ten calendar days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days after an immediate suspension has been issued and the license holder has not submitted a timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final order affirming an immediate suspension, the commissioner shall make a determination requesting determine:

(1) whether a final licensing sanction shall be issued under subdivision 3, paragraph (a), clauses (1) to (6). The license holder shall continue to be prohibited from operation of the program during this 90-day period, or

(2) whether the outcome of related, ongoing investigations or judicial proceedings are necessary to determine if a final licensing sanction under subdivision 3, paragraph (a), clauses (1) to (6), will be issued, and persons served by the program remain at an imminent risk of harm during the investigation period or proceedings. If so, the commissioner shall issue a suspension order under subdivision 3, paragraph (a), clause (7).

(c) When the final order under paragraph (b) affirms an immediate suspension or the license holder does not submit a timely appeal of the immediate suspension, and a final licensing sanction is issued under subdivision 3 and the license holder appeals that sanction, the license holder continues to be prohibited from operation of the program pending a final commissioner's order under section 245A.08, subdivision 5, regarding the final licensing sanction.

(d) The license holder shall continue to be prohibited from operation of the program while a suspension order issued under paragraph (b), clause (2), remains in effect.

For suspensions under subdivision 2, paragraph (a), clause (3), the burden of proof on expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that a criminal complaint and warrant or summons was issued for the license holder that was not dismissed, and that the criminal charge is an offense that involves fraud or theft against a program administered by the commissioner.

hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that, since the license was revoked, the license holder committed additional violations of law or rule which may adversely affect the health or safety of persons served by the program.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten working days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten working days from the close of the record. When an appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner shall issue a final order affirming the temporary immediate suspension within ten calendar days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days after an immediate suspension has been issued and the license holder has not submitted a timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final order affirming an immediate suspension, the commissioner shall make a determination requesting determine:

(1) whether a final licensing sanction shall be issued under subdivision 3, paragraph (a), clauses (1) to (5). The license holder shall continue to be prohibited from operation of the program during this 90-day period, or

(2) whether the outcome of related, ongoing investigations or judicial proceedings are necessary to determine if a final licensing sanction under subdivision 3, paragraph (a), clauses (1) to (5), will be issued, and persons served by the program remain at an imminent risk of harm during the investigation period or proceedings. If so, the commissioner shall issue a suspension order under subdivision 3, paragraph (a), clause (6).

(c) When the final order under paragraph (b) affirms an immediate suspension or the license holder does not submit a timely appeal of the immediate suspension, and a final licensing sanction is issued under subdivision 3 and the license holder appeals that sanction, the license holder continues to be prohibited from operation of the program pending a final commissioner's order under section 245A.08, subdivision 5, regarding the final licensing sanction.

(d) The license holder shall continue to be prohibited from operation of the program while a suspension order issued under paragraph (b), clause (2), remains in effect.

For suspensions under subdivision 2, paragraph (a), clause (3), the burden of proof on expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that a criminal complaint and warrant or summons was issued for the license holder that was not dismissed, and that the criminal charge is an offense that involves fraud or theft against a program administered by the commissioner.
Sec. 9. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

Subd. 3. License suspension, revocation, or fine. (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095;

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d);

(6) for a family foster setting, a license holder, or an individual living in the household where the licensed services are provided or who is otherwise subject to a background study has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder’s ability to safely provide care to foster children; or

(3) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail or personal service. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the notice.
order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and (g), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order.

(2) The license holder shall pay the fines assessed on or before the payment date specified.

If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail or personal service that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit $1,000 for each determination of maltreatment of a child under chapter 260E; or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit $5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed $1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit $200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit $5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed $1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit $200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit $5,000;
of adequate staff-to-child or adult ratios, and failure to comply with background study
requirements under chapter 245C; and

19.20  (v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule
other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

19.22  For purposes of this section, "occurrence" means each violation identified in the
commissioner's fine order. Fines assessed against a license holder that holds a license to
provide home and community-based services, as identified in section 245D.03, subdivision
1, and a community residential setting or day services facility license under chapter 245D
where the services are provided, may be assessed against both licenses for the same
occurrence, but the combined amount of the fines shall not exceed the amount specified in
this clause for that occurrence.

19.29  (5) When a fine has been assessed, the license holder may not avoid payment by closing,
selling, or otherwise transferring the licensed program to a third party. In such an event, the
license holder will be personally and jointly liable for payment. In the case of a corporation, each
controlling individual is personally and jointly liable for payment.

20.1  (d) Except for background study violations involving the failure to comply with an order
to immediately remove an individual or an order to provide continuous, direct supervision,
the commissioner shall not issue a fine under paragraph (c) relating to a background study
violation to a license holder who self-corrects a background study violation before the
commissioner discovers the violation. A license holder who has previously exercised the
provisions of this paragraph to avoid a fine for a background study violation may not avoid
a fine for a subsequent background study violation unless at least 365 days have passed
since the license holder self-corrected the earlier background study violation.

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

17.11  Sec. 14. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

17.12  Subd. 3. License suspension, revocation, or fine. (a) The commissioner may suspend
19.13  or revoke a license, or impose a fine if:
19.14  (1) a license holder fails to comply fully with applicable laws or rules including but not
19.15  limited to the requirements of this chapter and chapter 245C;

17.16  (2) a license holder, a controlling individual, or an individual living in the household
17.17  where the licensed services are provided or is otherwise subject to a background study has
17.18  been disqualified and the disqualification was not set aside and no variance has been granted;
17.19  (3) a license holder knowingly withholds relevant information from or gives false or
19.20  misleading information to the commissioner in connection with an application for a license,
in connection with the background study status of an individual, during an investigation,
or regarding compliance with applicable laws or rules;

17.20  (v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule
other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

19.30  of adequate staff-to-child or adult ratios, and failure to comply with background study
requirements under chapter 245C; and

19.32  (v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule
other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

450.1  For purposes of this section, "occurrence" means each violation identified in the
commissioner's fine order. Fines assessed against a license holder that holds a license to
provide home and community-based services, as identified in section 245D.03, subdivision
1, and a community residential setting or day services facility license under chapter 245D
where the services are provided, may be assessed against both licenses for the same
occurrence, but the combined amount of the fines shall not exceed the amount specified in
this clause for that occurrence.

450.8  (5) When a fine has been assessed, the license holder may not avoid payment by closing,
selling, or otherwise transferring the licensed program to a third party. In such an event, the
license holder will be personally and jointly liable for payment. In the case of a corporation, each
controlling individual is personally and jointly liable for payment.

450.12  (d) Except for background study violations involving the failure to comply with an order
to immediately remove an individual or an order to provide continuous, direct supervision,
the commissioner shall not issue a fine under paragraph (c) relating to a background study
violation to a license holder who self-corrects a background study violation before the
commissioner discovers the violation. A license holder who has previously exercised the
provisions of this paragraph to avoid a fine for a background study violation may not avoid
a fine for a subsequent background study violation unless at least 365 days have passed
since the license holder self-corrected the earlier background study violation.

17.11  Sec. 14. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

17.12  Subd. 3. License suspension, revocation, or fine. (a) The commissioner may suspend
19.13  or revoke a license, or impose a fine if:
19.14  (1) a license holder fails to comply fully with applicable laws or rules including but not
19.15  limited to the requirements of this chapter and chapter 245C;

17.16  (2) a license holder, a controlling individual, or an individual living in the household
17.17  where the licensed services are provided or is otherwise subject to a background study has
17.18  been disqualified and the disqualification was not set aside and no variance has been granted;
17.19  (3) a license holder knowingly withholds relevant information from or gives false or
19.20  misleading information to the commissioner in connection with an application for a license,
in connection with the background study status of an individual, during an investigation,
or regarding compliance with applicable laws or rules;

17.20  (v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule
other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

450.1  of adequate staff-to-child or adult ratios, and failure to comply with background study
requirements under chapter 245C; and

450.3  (v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule
other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

450.1  For purposes of this section, "occurrence" means each violation identified in the
commissioner's fine order. Fines assessed against a license holder that holds a license to
provide home and community-based services, as identified in section 245D.03, subdivision
1, and a community residential setting or day services facility license under chapter 245D
where the services are provided, may be assessed against both licenses for the same
occurrence, but the combined amount of the fines shall not exceed the amount specified in
this clause for that occurrence.

450.8  (5) When a fine has been assessed, the license holder may not avoid payment by closing,
selling, or otherwise transferring the licensed program to a third party. In such an event, the
license holder will be personally and jointly liable for payment. In the case of a corporation, each
controlling individual is personally and jointly liable for payment.

450.12  (d) Except for background study violations involving the failure to comply with an order
to immediately remove an individual or an order to provide continuous, direct supervision,
the commissioner shall not issue a fine under paragraph (c) relating to a background study
violation to a license holder who self-corrects a background study violation before the
commissioner discovers the violation. A license holder who has previously exercised the
provisions of this paragraph to avoid a fine for a background study violation may not avoid
a fine for a subsequent background study violation unless at least 365 days have passed
since the license holder self-corrected the earlier background study violation.

H0238-3

101.16  Sec. 10. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

101.17  Sec. 10. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

101.18  Subd. 3. License suspension, revocation, or fine. (a) The commissioner may suspend
19.13  or revoke a license, or impose a fine if:
19.14  (1) a license holder fails to comply fully with applicable laws or rules including but not
19.15  limited to the requirements of this chapter and chapter 245C;

17.20  (v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule
other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

19.30  of adequate staff-to-child or adult ratios, and failure to comply with background study
requirements under chapter 245C; and

19.32  (v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule
other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

450.1  For purposes of this section, "occurrence" means each violation identified in the
commissioner's fine order. Fines assessed against a license holder that holds a license to
provide home and community-based services, as identified in section 245D.03, subdivision
1, and a community residential setting or day services facility license under chapter 245D
where the services are provided, may be assessed against both licenses for the same
occurrence, but the combined amount of the fines shall not exceed the amount specified in
this clause for that occurrence.

450.8  (5) When a fine has been assessed, the license holder may not avoid payment by closing,
selling, or otherwise transferring the licensed program to a third party. In such an event, the
license holder will be personally and jointly liable for payment. In the case of a corporation, each
controlling individual is personally and jointly liable for payment.

450.12  (d) Except for background study violations involving the failure to comply with an order
to immediately remove an individual or an order to provide continuous, direct supervision,
the commissioner shall not issue a fine under paragraph (c) relating to a background study
violation to a license holder who self-corrects a background study violation before the
commissioner discovers the violation. A license holder who has previously exercised the
provisions of this paragraph to avoid a fine for a background study violation may not avoid
a fine for a subsequent background study violation unless at least 365 days have passed
since the license holder self-corrected the earlier background study violation.

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(4) a license holder is excluded from any program administered by the commissioner under section 245.095.

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d).

(6) for a family foster setting, a license holder or an individual living in the household where the licensed services are provided or who is otherwise subject to a background study has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.

(7) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail or personal service. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) if the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order.

(c)(1) if the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order.

The license holder shall pay the fines assessed on or before the payment date specified.

If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license holder

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license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail or personal service that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit $1,000 for each determination of maltreatment of a child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit $5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed $1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit $200 for each occurrence of a violation of a law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and

(v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide home and community-based services, as identified in section 245D.03, subdivision 1, and a community residential setting or day services facility license under chapter 245D where the services are provided, may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.
(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

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

Sec. 15. Minnesota Statutes 2022, section 245A.10, subdivision 3, is amended to read:

Subd. 3. Application fee for initial license or certification. (a) For fees required under subdivision 1, an applicant for an initial license or certification issued by the commissioner shall submit a $500 application fee with each new application required under this subdivision. An applicant for an initial day services facility license under chapter 245D shall submit a $250 application fee with each new application. The application fee shall not be prorated, is nonrefundable, and is in lieu of the annual license or certification fee that expires on December 31. The commissioner shall not process an application until the application fee is paid.

(b) Except as provided in clauses (1) (subdivisions 2 to (3)) and (2), an applicant shall apply for a license to provide services at a specific location.

(1) For a license to provide home and community-based services to persons with disabilities or age 65 and older under chapter 245D, an applicant shall submit an application to provide services statewide. Notwithstanding paragraph (a), applications received by the commissioner between July 1, 2013, and December 31, 2013, for licensure of services provided under chapter 245D must include an application fee that is equal to the annual license renewal fee under subdivision 4, paragraph (b), or $500, whichever is less. Applications received by the commissioner after January 1, 2014, must include the application fee required under paragraph (a). Applicants who meet the modified application criteria identified in section 245A.042, subdivision 2, are exempt from paying an application fee.

(2) For a license to provide independent living assistance for youth under section 245A.22, an applicant shall submit a single application to provide services statewide.

(4a) For a license for a private agency to provide foster care or adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application to provide services statewide.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

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

The following two sections are from UES2995-2 Article 9 and also appear in the House Article 9 Side by Side. UES2995-2

Sec. 10. Minnesota Statutes 2022, section 245A.10, subdivision 3, is amended to read:

Subd. 3. Application fee for initial license or certification. (a) For fees required under subdivision 1, an applicant for an initial license or certification issued by the commissioner shall submit a $500 application fee with each new application required under this subdivision. An applicant for an initial day services facility license under chapter 245D shall submit a $250 application fee with each new application. The application fee shall not be prorated, is nonrefundable, and is in lieu of the annual license or certification fee that expires on December 31. The commissioner shall not process an application until the application fee is paid.

(b) Except as provided in clauses (1) (subdivisions 2 to (3)) and (2), an applicant shall apply for a license to provide services at a specific location.

(1) For a license to provide home and community-based services to persons with disabilities or age 65 and older under chapter 245D, an applicant shall submit an application to provide services statewide. Notwithstanding paragraph (a), applications received by the commissioner between July 1, 2013, and December 31, 2013, for licensure of services provided under chapter 245D must include an application fee that is equal to the annual license renewal fee under subdivision 4, paragraph (b), or $500, whichever is less. Applications received by the commissioner after January 1, 2014, must include the application fee required under paragraph (a). Applicants who meet the modified application criteria identified in section 245A.042, subdivision 2, are exempt from paying an application fee.

(2) For a license to provide independent living assistance for youth under section 245A.22, an applicant shall submit a single application to provide services statewide.

(4a) For a license for a private agency to provide foster care or adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application to provide services statewide.
(c) The initial application fee charged under this subdivision does not include the temporary license surcharge under section 16E.22.

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

Sec. 16. Minnesota Statutes 2022, section 245A.10, subdivision 4, is amended to read:

Subd. 4. License or certification fee for certain programs. (a) Child care centers shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$200</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$300</td>
</tr>
<tr>
<td>50 to 74 persons</td>
<td>$400</td>
</tr>
<tr>
<td>75 to 99 persons</td>
<td>$500</td>
</tr>
<tr>
<td>100 to 124 persons</td>
<td>$600</td>
</tr>
<tr>
<td>125 to 149 persons</td>
<td>$700</td>
</tr>
<tr>
<td>150 to 174 persons</td>
<td>$800</td>
</tr>
<tr>
<td>175 to 199 persons</td>
<td>$900</td>
</tr>
<tr>
<td>200 to 224 persons</td>
<td>$1,000</td>
</tr>
<tr>
<td>225 or more persons</td>
<td>$1,100</td>
</tr>
</tbody>
</table>

(b)(1) A program licensed to provide one or more of the home and community-based services and supports identified under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual nonrefundable license fee based on revenues derived from the provision of services that would require licensure under chapter 245D during the calendar year immediately preceding the year in which the license fee is paid, according to the following schedule:

<table>
<thead>
<tr>
<th>License Holder Annual Revenue</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than or equal to $10,000</td>
<td>$200</td>
</tr>
<tr>
<td>greater than $10,000 but less than or equal to $25,000</td>
<td>$300</td>
</tr>
<tr>
<td>greater than $25,000 but less than or equal to $100,000</td>
<td>$400</td>
</tr>
<tr>
<td>greater than $100,000 but less than or equal to $250,000</td>
<td>$600</td>
</tr>
<tr>
<td>greater than $250,000 but less than or equal to $500,000</td>
<td>$800</td>
</tr>
<tr>
<td>greater than $500,000 but less than or equal to $1,000,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>greater than $1,000,000 but less than or equal to $2,000,000</td>
<td>$1,200</td>
</tr>
<tr>
<td>greater than $2,000,000 but less than or equal to $5,000,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>greater than $5,000,000 but less than or equal to $10,000,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>greater than $10,000,000 but less than or equal to $25,000,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>greater than $25,000,000 but less than or equal to $50,000,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>greater than $50,000,000 but less than or equal to $100,000,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>greater than $100,000,000 but less than or equal to $250,000,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>greater than $250,000,000 but less than or equal to $500,000,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>greater than $500,000,000 but less than or equal to $1,000,000,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>$1,000,000,000 and over</td>
<td>$12,000</td>
</tr>
<tr>
<td>Senate Language S2819-2</td>
<td>May 05, 2023 01:59 PM</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>21.32 greater than $25,000 but less than or equal to $50,000</td>
<td>$400</td>
</tr>
<tr>
<td>21.33 greater than $50,000 but less than or equal to $100,000</td>
<td>$500</td>
</tr>
<tr>
<td>21.34 greater than $100,000 but less than or equal to $150,000</td>
<td>$600</td>
</tr>
<tr>
<td>21.35 greater than $150,000 but less than or equal to $200,000</td>
<td>$800</td>
</tr>
<tr>
<td>22.1 greater than $200,000 but less than or equal to $250,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>22.2 greater than $250,000 but less than or equal to $300,000</td>
<td>$1,200</td>
</tr>
<tr>
<td>22.3 greater than $300,000 but less than or equal to $350,000</td>
<td>$1,400</td>
</tr>
<tr>
<td>22.4 greater than $350,000 but less than or equal to $400,000</td>
<td>$1,600</td>
</tr>
<tr>
<td>22.5 greater than $400,000 but less than or equal to $450,000</td>
<td>$1,800</td>
</tr>
<tr>
<td>22.6 greater than $450,000 but less than or equal to $500,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>22.7 greater than $500,000 but less than or equal to $600,000</td>
<td>$2,250</td>
</tr>
<tr>
<td>22.8 greater than $600,000 but less than or equal to $700,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>22.9 greater than $700,000 but less than or equal to $800,000</td>
<td>$2,750</td>
</tr>
<tr>
<td>22.10 greater than $800,000 but less than or equal to $900,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>22.11 greater than $900,000 but less than or equal to $1,000,000</td>
<td>$3,250</td>
</tr>
<tr>
<td>Amount Range</td>
<td>Senate Language S2819-2</td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>greater than $1,000,000 but less than or equal to $1,250,000</td>
<td>$3,500</td>
</tr>
<tr>
<td>greater than $1,250,000 but less than or equal to $1,500,000</td>
<td>$3,750</td>
</tr>
<tr>
<td>greater than $1,500,000 but less than or equal to $1,750,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>greater than $1,750,000 but less than or equal to $2,000,000</td>
<td>$4,250</td>
</tr>
<tr>
<td>greater than $2,000,000 but less than or equal to $2,250,000</td>
<td>$4,500</td>
</tr>
<tr>
<td>greater than $2,250,000 but less than or equal to $2,500,000</td>
<td>$4,750</td>
</tr>
<tr>
<td>greater than $2,500,000 but less than or equal to $3,000,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>greater than $3,000,000 but less than or equal to $3,500,000</td>
<td>$5,500</td>
</tr>
<tr>
<td>greater than $3,500,000 but less than or equal to $4,000,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>greater than $4,000,000 but less than or equal to $4,500,000</td>
<td>$6,500</td>
</tr>
<tr>
<td>greater than $4,500,000 but less than or equal to $5,000,000</td>
<td>$7,000</td>
</tr>
<tr>
<td>greater than $5,000,000 but less than or equal to $5,500,000</td>
<td>$7,500</td>
</tr>
<tr>
<td>greater than $5,500,000 but less than or equal to $6,000,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>greater than $6,000,000 but less than or equal to $6,500,000</td>
<td>$8,500</td>
</tr>
<tr>
<td>greater than $6,500,000 but less than or equal to $7,000,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>greater than $7,000,000 but less than or equal to $7,500,000</td>
<td>$14,000</td>
</tr>
<tr>
<td>greater than $7,500,000 but less than or equal to $10,000,000</td>
<td>$18,000</td>
</tr>
</tbody>
</table>
(2) If requested, the license holder shall provide the commissioner information to verify the license holder's annual revenues or other information as needed, including copies of documents submitted to the Department of Revenue.

(3) At each annual renewal, a license holder may elect to pay the highest renewal fee, and not provide annual revenue information to the commissioner.

(4) A license holder that knowingly provides the commissioner incorrect revenue amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount of double the fee the provider should have paid.

(5) Notwithstanding clause (1), a license holder providing services under one or more licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual license fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid by the license holder for all licenses held under chapter 245B for calendar year 2013. For calendar year 2017 and thereafter, the license holder shall pay an annual license fee according to clause (1).

(c) A substance use disorder treatment program licensed under chapter 245G, to provide substance use disorder treatment shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$600</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$800</td>
</tr>
<tr>
<td>50 to 74 persons</td>
<td>$1,000</td>
</tr>
<tr>
<td>75 to 99 persons</td>
<td>$1,200</td>
</tr>
<tr>
<td>100 or more persons</td>
<td>$1,400</td>
</tr>
</tbody>
</table>

(d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$760</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$960</td>
</tr>
<tr>
<td>50 or more persons</td>
<td>$1,160</td>
</tr>
</tbody>
</table>

(4) A license holder that knowingly provides the commissioner incorrect revenue amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount of double the fee the provider should have paid.

(5) Notwithstanding clause (1), a license holder providing services under one or more licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual license fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid by the license holder for all licenses held under chapter 245B for calendar year 2013. For calendar year 2017 and thereafter, the license holder shall pay an annual license fee according to clause (1).

(c) A substance use disorder treatment program licensed under chapter 245G, to provide substance use disorder treatment shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$600</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$800</td>
</tr>
<tr>
<td>50 to 74 persons</td>
<td>$1,000</td>
</tr>
<tr>
<td>75 to 99 persons</td>
<td>$1,200</td>
</tr>
<tr>
<td>100 or more persons</td>
<td>$1,400</td>
</tr>
</tbody>
</table>

(d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$760</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$960</td>
</tr>
<tr>
<td>50 or more persons</td>
<td>$1,160</td>
</tr>
</tbody>
</table>
A detoxification program that also operates a withdrawal management program at the same location shall only pay one fee based upon the licensed capacity of the program with the higher overall capacity.

(e) Except for child foster care, a residential facility licensed under Minnesota Rules, chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$1,000</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$1,100</td>
</tr>
<tr>
<td>50 to 74 persons</td>
<td>$1,200</td>
</tr>
<tr>
<td>75 to 99 persons</td>
<td>$1,300</td>
</tr>
<tr>
<td>100 or more persons</td>
<td>$1,400</td>
</tr>
</tbody>
</table>

(f) A residential facility licensed under section 245L.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$2,525</td>
</tr>
<tr>
<td>25 or more persons</td>
<td>$2,725</td>
</tr>
</tbody>
</table>

(g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$450</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$650</td>
</tr>
<tr>
<td>50 to 74 persons</td>
<td>$850</td>
</tr>
<tr>
<td>75 to 99 persons</td>
<td>$1,050</td>
</tr>
<tr>
<td>100 or more persons</td>
<td>$1,250</td>
</tr>
</tbody>
</table>

(h) A residential facility licensed under Minnesota Rules, chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$1,000</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$1,100</td>
</tr>
<tr>
<td>50 to 74 persons</td>
<td>$1,200</td>
</tr>
<tr>
<td>75 to 99 persons</td>
<td>$1,300</td>
</tr>
<tr>
<td>100 or more persons</td>
<td>$1,400</td>
</tr>
</tbody>
</table>

(i) A residential facility licensed under section 245L.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$2,525</td>
</tr>
<tr>
<td>25 or more persons</td>
<td>$2,725</td>
</tr>
</tbody>
</table>

(j) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$450</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$650</td>
</tr>
<tr>
<td>50 to 74 persons</td>
<td>$850</td>
</tr>
<tr>
<td>75 to 99 persons</td>
<td>$1,050</td>
</tr>
<tr>
<td>100 or more persons</td>
<td>$1,250</td>
</tr>
</tbody>
</table>

(k) A residential facility licensed under Minnesota Rules, chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$1,000</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$1,100</td>
</tr>
<tr>
<td>50 to 74 persons</td>
<td>$1,200</td>
</tr>
<tr>
<td>75 to 99 persons</td>
<td>$1,300</td>
</tr>
<tr>
<td>100 or more persons</td>
<td>$1,400</td>
</tr>
</tbody>
</table>
(h) A program licensed to provide independent living assistance for youth under section 245A.22 shall pay an annual nonrefundable license fee of $1,500.

(i) A private agency licensed to provide foster care and adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable license fee of $875.

(j) A program licensed as an adult day care center licensed under Minnesota Rules, parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the following schedule:

<table>
<thead>
<tr>
<th>Licensed Capacity</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 24 persons</td>
<td>$500</td>
</tr>
<tr>
<td>25 to 49 persons</td>
<td>$700</td>
</tr>
<tr>
<td>50 to 74 persons</td>
<td>$900</td>
</tr>
<tr>
<td>75 to 99 persons</td>
<td>$1,100</td>
</tr>
<tr>
<td>100 or more persons</td>
<td>$1,300</td>
</tr>
</tbody>
</table>

(k) A program licensed to provide treatment services to persons with sexual psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of $20,000.

(l) A mental health clinic certified under section 245I.20 shall pay an annual nonrefundable certification fee of $1,550. If the mental health clinic provides services at a primary location with satellite facilities, the satellite facilities shall be certified with the primary location without an additional charge.

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

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Sec. 17. Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision to read:

**(a)** Child foster care license holders must maintain the ability to care for a foster child and ensure a safe home environment for children placed in their care. License holders must immediately notify the licensing agency of:

**Subd. 12. License holder qualifications for child foster care.**

**Subd. 13.**

**Subd. 14.**

**Subd. 15.**

**Subd. 16.**

**Subd. 17.**

**Subd. 18.**

**Subd. 19.**

**Subd. 20.**

**Subd. 21.**

**Subd. 22.**

**Subd. 23.**

**Subd. 24.**

**Subd. 25.**

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

THE FOLLOWING FOUR SECTIONS ARE FROM H0238-3 ARTICLE 4 AND ALSO APPEAR IN THE ARTICLE 8 SIDE BY SIDE.

H0238-3
(1) any changes to the license holder or household member's physical or behavioral health that may affect the license holder's ability to care for a foster child or pose a risk to a foster child's health; or

(2) changes related to the care of a child or vulnerable adult for whom the license holder is a parent or legally responsible, including living out of the home for treatment for physical or behavioral health, modified parenting time arrangements, legal custody, or placement in foster care;

(b) The licensing agency may request a license holder or household member to undergo an evaluation by a specialist in areas such as physical or behavioral health to evaluate the license holder’s ability to provide a safe environment for a foster child. The licensing agency must request a release of information from the license holder or household member prior to assigning the specialist to evaluate, and the licensing agency must tell the license holder or household member why it is requesting a specialist to evaluate.

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

Sec. 12. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

(1) any changes to the license holder or household member's physical or behavioral health that may affect the license holder's ability to care for a foster child or pose a risk to a foster child's health; or

(2) changes related to the care of a child or vulnerable adult for whom the license holder is a parent or legally responsible, including living out of the home for treatment for physical or behavioral health, modified parenting time arrangements, legal custody, or placement in foster care;

(b) The licensing agency may request a license holder or household member to undergo an evaluation by a specialist in areas such as physical or behavioral health to evaluate the license holder’s ability to provide a safe environment for a foster child. Prior to assigning a specialist to evaluate, the licensing agency must tell the license holder or household member why it is requesting a specialist to evaluate and request a release of information from the license holder or household member.

EFFECTIVE DATE. This section is effective January 1, 2024.
2020, Section 202; or

(T) the program meets a one to seven staff-to-child ratio during the variance period;

(T)(iii) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

(T)(iv) the facility has square footage required per child under Minnesota Rules, part 9502.0425;

(T) the program is in compliance with local zoning regulations;

(T)(vi) the program is in compliance with the applicable fire code as follows:

(T)(vi)(A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2015, Section 202; and

(T)(vi)(B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancy, as provided in the Minnesota State Fire Code 2015, Section 202; or

(T)(vii) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

(T)(vi) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:

(T) the program is in compliance with local zoning regulations;

(T) the program is in compliance with the applicable fire code as follows:

(T)(A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020, Section 202; or

(T)(B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020, Section 202; or

(T)(ii) the program meets a one to seven staff-to-child ratio during the variance period;

(T)(iii) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

(T)(iv) the facility has square footage required per child under Minnesota Rules, part 9502.0425;

(T) the program is in compliance with local zoning regulations;

(T)(vi) the program is in compliance with the applicable fire code as follows:

(T)(vi)(A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in the Minnesota State Fire Code 2020, Section 202; and

(T)(vi)(B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202; or

(T)(vii) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

(T)(vi) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:

(T) the program is in compliance with local zoning regulations;

(T) the program is in compliance with the applicable fire code as follows:

(T)(A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020, Section 202; or

(T)(B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020, Section 202; or

(T)(ii) the program meets a one to seven staff-to-child ratio during the variance period;

(T)(iii) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

(T)(iv) the facility has square footage required per child under Minnesota Rules, part 9502.0425;

(T) the program is in compliance with local zoning regulations;

(T)(vi) the program is in compliance with the applicable fire code as follows:

(T)(vi)(A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020, Section 202; and

(T)(vi)(B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202; or

(T)(vii) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

(T)(vi) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:

(T) the program is in compliance with local zoning regulations;

(T) the program is in compliance with the applicable fire code as follows:

(T)(A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020, Section 202; or

(T)(B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020, Section 202; or

(T)(ii) the program meets a one to seven staff-to-child ratio during the variance period;

(T)(iii) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

(T)(iv) the facility has square footage required per child under Minnesota Rules, part 9502.0425;
(iii) any age and capacity limitations required by the fire code inspection and square footage determinations are printed on the license; and

(iv) the license holder prominently displays the license issued by the commissioner which contains the statement "This special family child care provider is not licensed as a child care center."

(b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner may issue up to four licenses to an organization licensed under paragraph (a), clause (2), (3), (5), or (6). Each license must have its own primary provider of care as required under paragraph (d). Each license must operate as a distinct and separate program in compliance with all applicable laws and regulations.

(c) For licenses issued under paragraph (b), clauses (2), (3), or (5), the commissioner may approve up to four licenses at the same location or under one contiguous roof if each license holder is able to demonstrate compliance with all applicable rules and laws. Each licensed program must operate as a distinct program and within the capacity, age, and ratio distributions of each license.

(d) For a license issued under paragraph (b), clauses (2), (3), or (5), the license holder must designate a person to be the primary provider of care at the licensed location on a form and in a manner prescribed by the commissioner. The primary provider of care shall notify the commissioner in writing before there is a change of the person designated to be the primary provider of care. The primary provider of care:

(1) must be the person who will be the provider of care at the program and present during the hours of operation;

(2) must operate the program in compliance with applicable laws and regulations under chapter 245A and Minnesota Rules, chapter 9502;

(3) is considered a child care background study subject as defined in section 245C.02, subdivision 6a, and must comply with background study requirements in chapter 245C;

(4) must complete the training that is required of license holders in section 245A.50;

and

(5) is authorized to communicate with the county licensing agency and the department on matters related to licensing.

(e) For any license issued under this subdivision, the license holder must ensure that any other caregiver, substitute, or helper who assists in the care of children meets the training requirements in section 245A.50 and background study requirements under chapter 245C.
Sec. 13. Minnesota Statutes 2022, section 245A.1435, is amended to read:

245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH IN LICENSED PROGRAMS.

(a) When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's physician, advanced practice registered nurse, or physician assistant directing an alternative sleeping position for the infant. The physician, advanced practice registered nurse, or physician assistant directive must be on a form approved developed by the commissioner and must remain on file at the licensed location. An infant who independently rolls onto its stomach after being placed to sleep on its back may be allowed to remain sleeping on its stomach if the infant is at least six months of age or the license holder has a signed statement from the parent indicating that the infant regularly rolls over at home.

(b) The license holder must place the infant in a crib directly on a firm mattress with a fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of the sheet with reasonable effort. The license holder must not place anything in the crib with the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title 21, part 1511. The pacifier must be free from any sort of attachment. The requirements of this section apply to license holders serving infants younger than one year of age. Licensed child care providers must meet the crib requirements under section 245A.146. A correction order shall not be issued under this paragraph unless there is evidence that a violation occurred when an infant was present in the license holder's care.

(c) If an infant falls asleep before being placed in a crib, the license holder must move the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib. When an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

(d) When a license holder places an infant under one year of age down to sleep, the infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

(e) A license holder may place an infant under one year of age down to sleep wearing a helmet if the license holder has signed documentation by a physician, advanced practice registered nurse, physician assistant, licensed occupational therapist, or licensed physical therapist on a form developed by the commissioner.

(f) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this paragraph, a license holder may place the infant who has not yet begun to roll over on its stomach if the infant is at least six months of age or the license holder has a signed statement from the parent indicating that the infant regularly rolls over at home.

(g) When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's physician, advanced practice registered nurse, or physician assistant directing an alternative sleeping position for the infant. The physician, advanced practice registered nurse, or physician assistant directive must be on a form approved developed by the commissioner and must remain on file at the licensed location. An infant who independently rolls onto its stomach after being placed to sleep on its back may be allowed to remain sleeping on its stomach if the infant is at least six months of age or the license holder has a signed statement from the parent indicating that the infant regularly rolls over at home.

(h) The license holder must place the infant in a crib directly on a firm mattress with a fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of the sheet with reasonable effort. The license holder must not place anything in the crib with the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title 21, part 1511. The pacifier must be free from any sort of attachment. The requirements of this section apply to license holders serving infants younger than one year of age. Licensed child care providers must meet the crib requirements under section 245A.146. A correction order shall not be issued under this paragraph unless there is evidence that a violation occurred when an infant was present in the license holder's care.

(i) If an infant falls asleep before being placed in a crib, the license holder must move the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib. When an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

(j) When a license holder places an infant under one year of age down to sleep, the infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

(k) A license holder may place an infant under one year of age down to sleep wearing a helmet if the license holder has signed documentation by a physician, advanced practice registered nurse, physician assistant, licensed occupational therapist, or licensed physical therapist on a form developed by the commissioner.

(l) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this paragraph, a license holder may place the infant who has not yet begun to roll over on its stomach if the infant is at least six months of age or the license holder has a signed statement from the parent indicating that the infant regularly rolls over at home.
own down to sleep in a one-piece sleeper equipped with an attached system that fastens securely only across the upper torso, with no constriction of the hips or legs, to create a swaddle. A swaddle is defined as a one-piece sleepwear that wraps over the infant’s arms, fastens securely only across the infant’s upper torso, and does not constrict the infant’s hips or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets the requirements of paragraph (d) and is not so tight that it restricts the infant’s ability to breathe or so loose that the fabric could cover the infant’s nose and mouth. Prior to any use of swaddling for sleep by a provider licensed under this chapter, the license holder must obtain informed written consent for the use of swaddling from the parent or guardian of the infant on a form provided developed by the commissioner and prepared in partnership with the Minnesota Sudden Infant Death Center. Subd. 3. License holder documentation of cribs.

(a) Annually, from the date printed by the license holder on site and made available to parents or guardians of children in care.

(b) The license holder shall maintain written documentation to be reviewed on site for each crib showing that the review required in paragraph (a) has been completed, and which of the following conditions applies:

(1) the crib was not identified as unsafe on the United States Consumer Product Safety Commission website;

(2) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, but the license holder has taken the action directed by the United States Consumer Product Safety Commission to make the crib safe; or

(3) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, and the license holder has removed the crib so that it is no longer used by or accessible to children in care.

(c) Documentation of the review completed under this subdivision shall be maintained by the license holder on site and made available to parents or guardians of children in care and the commissioner. Subd. 4. Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that complies with this section may use a mesh-sided or fabric-sided play yard, pack and play.

EFFECTIVE DATE. This section is effective January 1, 2024.
or playpen or crib that has not been identified as unsafe on the United States Consumer
Product Safety Commission website for the care or sleeping of infants.
(e) On at least a monthly basis, the family child care license holder shall perform safety
inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used
by or that is accessible to any child in care, and must document the following:
(1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of
crib;
(2) the weave of the mesh on the crib is no larger than one-fourth of an inch;
(3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;
(4) no tears or holes to top rail of crib;
(5) the mattress floor board is not soft and does not exceed one inch thick;
(6) the mattress floor board has no rips or tears in covering;
(7) the mattress floor board in use is a waterproof original mattress or replacement
mattress provided by the manufacturer of the crib;
(8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;
(9) there are no knobs or wing nuts on outside crib legs;
(10) there are no missing, loose, or exposed staples; and
(11) the latches on top and side rails used to collapse crib are secure, they lock properly,
and are not loose.
(f) If a cradleboard is used in a licensed setting, the license holder must check the
cradleboard not less than monthly to ensure the cradleboard is structurally sound and there
are no loose or protruding parts. The license holder shall maintain written documentation
of this review.
EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 21. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

(a) County agencies and private
agencies that have been designated or licensed by the commissioner to perform licensing
functions and activities under section 245A.04 and background studies for family child care
under chapter 245C, to recommend denial of applicants under section 245A.05; to issue

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

Sections from both UES2995-2 Article 9 and H0238-3 Article 4
match with S2819-2 Article 1, section 21. They also appear in
the House Article 9 and Article 8 side by sides, respectively.
correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

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

(2) adult foster care maximum capacity;

(3) adult foster care minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals except that, before the implementation of METStudy 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;

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

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care; and

(9) variances to section 245A.1435 for the use of a cradleboard for a cultural accommodation.

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

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency’s policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.
Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 3, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

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

A license issued under this section may be issued for up to two years.

A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

- (1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;
- (2) any death, serious injury, or determination of substantiated maltreatment; and
- (3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

EFFECTIVE DATE. Paragraph (a), clause (9), is effective January 1, 2024, and all other changes are effective the day following final enactment.
Sec. 15. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

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

1. Dual licensure of family child care and child foster care, dual licensure of child and adult foster care, and adult foster care and family child care;
2. Adult foster care maximum capacity;
3. Adult foster care minimum age requirement;
4. Child foster care maximum age requirement;
5. Variances regarding disqualified individuals except that, before the implementation of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;
6. The required presence of a caregiver in the adult foster care residence during normal sleeping hours;
7. Variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and
8. Variances to section 245A.55 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care; and
9. Variances to section 245A.1435 for the use of a cradleboard for a cultural accommodation.

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

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

Sec. 21. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

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

1. Dual licensure of family child care and child foster care, dual licensure of child and adult foster care, and adult foster care and family child care;
2. Adult foster care maximum capacity;
3. Adult foster care minimum age requirement;
4. Child foster care maximum age requirement;
5. Variances regarding disqualified individuals except that, before the implementation of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;
6. The required presence of a caregiver in the adult foster care residence during normal sleeping hours;
7. Variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and
8. Variances to section 245A.55 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care; and
9. Variances to section 245A.1435 for the use of a cradleboard for a cultural accommodation.

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

(b) A county agency that has been designated by the commissioner to issue family child care variances must:
(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and
(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(a) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (2), to the commissioner at least monthly in a format prescribed by the commissioner.

(b) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(c) During implementation of chapter 245D, the commissioner shall consider:
(1) the role of counties in quality assurance;
(2) the duties of county licensing staff; and
(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

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

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

A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:
(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;
(2) any death, serious injury, or determination of substantiated maltreatment; and
(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

A license issued under this section may be issued for up to two years.

During implementation of chapter 245D, the commissioner shall consider:
(1) the role of counties in quality assurance;
(2) the duties of county licensing staff; and
(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

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

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

A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:
(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;
(2) any death, serious injury, or determination of substantiated maltreatment; and
(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.
EFFECTIVE DATE. Paragraph (a), clause (9), is effective January 1, 2024; and all other changes are effective the day following final enactment.

Sec. 22. Minnesota Statutes 2022, section 245A.16, subdivision 9, is amended to read:

Subd. 9. Licensed family foster settings. (a) Before recommending to grant a license, deny a license under section 245A.05, or revoke a license under section 245A.07 for nondisqualifying background study information received under section 245C.05, subdivision 4, paragraph (a), clause (3), for a licensed family foster setting, a county agency or private agency that has been designated or licensed by the commissioner must review the following for the license holder, applicant, and an individual living in the household where the licensed services are provided or who is otherwise subject to a background study:

(1) the type of offenses;
(2) the number of offenses;
(3) the nature of the offenses;
(4) the age of the individual at the time of the offenses;
(5) the length of time that has elapsed since the last offense;
(6) the relationship of the offenses and the capacity to care for a child;
(7) evidence of rehabilitation;
(8) information or knowledge from community members regarding the individual's capacity to provide foster care;
(9) any available information regarding child maltreatment reports or child in need of protection or services petitions, or related cases, in which the individual has been involved or implicated, and documentation that the individual has remedied issues or conditions identified in child protection or court records that are relevant to safely caring for a child;
(10) a statement from the study subject;
(11) a statement from the license holder; and
(12) other aggravating and mitigating factors.
(b) For purposes of this section, "evidence of rehabilitation" includes but is not limited to the following:

(1) maintaining a safe and stable residence;
(2) continuous, regular, or stable employment;
(3) maintaining a safe and stable residence;
(4) continuous, regular, or stable employment;
(5) continuous, regular, or stable employment;
(6) continuous, regular, or stable employment;
(7) continuous, regular, or stable employment;
(8) continuous, regular, or stable employment;
(9) continuous, regular, or stable employment;
(10) continuous, regular, or stable employment;
(11) continuous, regular, or stable employment;
(12) continuous, regular, or stable employment;
(3) successful participation in an education or job training program;

(4) positive involvement with the community or extended family;

(5) compliance with the terms and conditions of probation or parole following the individual's most recent conviction;

(6) if the individual has had a substance use disorder, successful completion of a substance use disorder assessment, substance use disorder treatment, and recommended continuing care, if applicable, demonstrated abstinence from controlled substances, as defined in section 152.01, subdivision 4, or the establishment of a sober network;

(7) if the individual has had a mental illness or documented mental health issues, demonstrated completion of a mental health evaluation, participation in therapy or other recommended mental health treatment, or appropriate medication management, if applicable;

(8) if the individual's offense or conduct involved domestic violence, demonstrated completion of a domestic violence or anger management program, and the absence of any orders for protection or harassment restraining orders against the individual since the previous offense or conduct;

(9) written letters of support from individuals of good repute, including but not limited to employers, members of the clergy, probation or parole officers, volunteer supervisors, or social services workers;

(10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior changes; and

(11) absence of convictions or arrests since the previous offense or conduct, including any convictions that were expunged or pardoned.

(c) An applicant for a family foster setting license must sign all releases of information requested by the county or private licensing agency.

(d) When licensing a relative for a family foster setting, the commissioner shall also consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether an application will be denied.

(e) When recommending that the commissioner deny or revoke a license, the county or private licensing agency must send a summary of the review completed according to paragraph (a), on a form developed by the commissioner, to the commissioner and include any recommendation for licensing action.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 17. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision

to read:

Subd. 10. Electronic checklist use by family child care licensors, County staff who
perform family child care licensing functions must use the commissioner's electronic licensing
checklist in the manner prescribed by the commissioner.

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

Sec. 18. Minnesota Statutes 2022, section 245A.18, subdivision 2, is amended to read:

Subd. 2. Child passenger restraint systems; training requirement. (a) Programs
licensed by the Department of Human Services under this chapter and Minnesota Rules,
chapter 2960, that serve a child or children under eight years of age must document training
that fulfills the requirements in this subdivision. Sections 245A.16, subdivision 4, and
245A.61, subdivision 4, describe training requirements for family foster care and foster
residence settings;

(b) Before a license holder, staff person, or caregiver transports a child or children under
age eight in a motor vehicle, the person transporting the child must satisfactorily complete
training on the proper use and installation of child restraint systems in motor vehicles.

(c) Training required under this section must be completed at orientation or initial training
and repeated at least once every five years. At a minimum, the training must address the
proper use of child restraint systems based on the child's size, weight, and age, and the
proper installation of a car seat or booster seat in the motor vehicle used by the license
holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and
approved by the Department of Public Safety Office of Traffic Safety within the Department
of Public Safety. License holders may obtain a list of certified and approved trainers through
the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section
245A.035, the commissioner may grant a variance to the training required by this subdivision
for a relative who completes a child seat safety check-up. The child seat safety check-up
trainer must be approved by the Department of Public Safety Office of Traffic Safety, and
must provide one-on-one instruction on placing a child of a specific age in the exact child
passenger restraint in the motor vehicle in which the child will be transported. Once granted
a variance, and if all other licensing requirements are met, the relative applicant may receive
a license and may transport a relative foster child younger than eight years of age. A child
seat safety check-up must be completed each time a child requires a different size car seat
according to car seat and vehicle manufacturer guidelines. A relative license holder must
complete training that meets the other requirements of this subdivision prior to placement.

Sec. 18. Minnesota Statutes 2022, section 245A.18, subdivision 2, is amended to read:

Subd. 2. Child passenger restraint systems; training requirement. (a) Programs
licensed by the Department of Human Services under this chapter and Minnesota Rules,
chapter 2960, that serve a child or children under eight years of age must document training
that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under
age eight in a motor vehicle, the person transporting the child must satisfactorily complete
training on the proper use and installation of child restraint systems in motor vehicles.

(c) Training required under this section must be completed at orientation or initial training
and repeated at least once every five years. At a minimum, the training must address the
proper use of child restraint systems based on the child's size, weight, and age, and the
proper installation of a car seat or booster seat in the motor vehicle used by the license
holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and
approved by the Department of Public Safety Office of Traffic Safety within the Department
of Public Safety. License holders may obtain a list of certified and approved trainers through
the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section
245A.035, the commissioner may grant a variance to the training required by this subdivision
for a relative who completes a child seat safety check-up. The child seat safety check-up
trainer must be approved by the Department of Public Safety Office of Traffic Safety, and
must provide one-on-one instruction on placing a child of a specific age in the exact child
passenger restraint in the motor vehicle in which the child will be transported. Once granted
a variance, and if all other licensing requirements are met, the relative applicant may receive
a license and may transport a relative foster child younger than eight years of age. A child
seat safety check-up must be completed each time a child requires a different size car seat
according to car seat and vehicle manufacturer guidelines. A relative license holder must
complete training that meets the other requirements of this subdivision prior to placement.
of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

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

Sec. 25. [245A.211] PRONE RESTRAINT PROHIBITION.

Subd. 1. Applicability. This section applies to all programs licensed or certified under this chapter, chapters 245D, 245F, 245G, 245H, and sections 245I.20 and 245I.23.

The requirements in this section are in addition to any applicable requirements for the use of holds or restraints for each license or certification type.

Subd. 2. Definitions. (a) "Mechanical restraint" means a restraint device that limits the voluntary movement of a person or the person's limbs.

(b) "Prone restraint" means a restraint that places a person in a face-down position with the person's chest in contact with the floor or other surface.

(c) "Restraint" means a physical hold, physical restraint, manual restraint, restraint equipment, or mechanical restraint that holds a person immobile or limits the voluntary movement of a person or the person's limbs.

Subd. 3. Prone restraint prohibition. (a) A license or certification holder must not use a prone restraint on any person receiving services in a program, except in the instances allowed by paragraphs (b) to (d).

(b) If a person rolls into a prone position during the use of a restraint, the person must be restored to a nonprone position as quickly as possible.

(c) If the applicable licensing requirements allow a program to use mechanical restraints, a person may be briefly held in a prone restraint for the purpose of applying mechanical restraints if the person is restored to a nonprone position as quickly as possible.

(d) If the applicable licensing requirements allow a program to use seclusion, a person may be briefly held in a prone restraint to allow staff to safely exit a seclusion room.

Subd. 4. Contraindicated physical restraints. A license or certification holder must not implement a restraint on a person receiving services in a program in a way that is contraindicated for any of the person's known medical or psychological conditions. Prior to using restraints on a person, the license or certification holder must assess and document

THE FOLLOWING SECTION IS FROM UES2995-2 ARTICLE 9 AND ALSO APPEARS IN THE HOUSE ARTICLE 9 SIDE BY SIDE.

UES2995-2

Sec. 13. [245A.211] PRONE RESTRAINT PROHIBITION.

Subd. 1. Applicability. This section applies to all programs licensed or certified under this chapter, chapters 245D, 245F, 245G, 245H, and sections 245I.20 and 245I.23.

The requirements in this section are in addition to any applicable requirements for the use of holds or restraints for each license or certification type.

Subd. 2. Definitions. (a) "Mechanical restraint" means a restraint device that limits the voluntary movement of a person or the person's limbs.

(b) "Prone restraint" means a restraint that places a person in a face-down position with the person's chest in contact with the floor or other surface.

(c) "Restraint" means a physical hold, physical restraint, manual restraint, restraint equipment, or mechanical restraint that holds a person immobile or limits the voluntary movement of a person or the person's limbs.

Subd. 3. Prone restraint prohibition. (a) A license or certification holder must not use a prone restraint on any person receiving services in a program, except in the instances allowed by paragraphs (b) to (d).

(b) If a person rolls into a prone position during the use of a restraint, the person must be restored to a nonprone position as quickly as possible.

(c) If the applicable licensing requirements allow a program to use mechanical restraints, a person may be briefly held in a prone restraint for the purpose of applying mechanical restraints if the person is restored to a nonprone position as quickly as possible.

(d) If the applicable licensing requirements allow a program to use seclusion, a person may be briefly held in a prone restraint to allow staff to safely exit a seclusion room.

Subd. 4. Contraindicated physical restraints. A license or certification holder must not implement a restraint on a person receiving services in a program in a way that is contraindicated for any of the person's known medical or psychological conditions. Prior to using restraints on a person, the license or certification holder must assess and document
a determination of any medical or psychological conditions that restraints are contraindicated
for and the type of restraints that will not be used on the person based on this determination.

Sec. 26. Minnesota Statutes 2022, section 245A.52, subdivision 1, is amended to read:
Subdivision 1. Means of escape. (a)(1) At least one emergency escape route separate
from the main exit from the space must be available in each room used for sleeping by
anyone receiving licensed care, and (2) a basement used for child care. One means of escape
must be a stairway or door leading to the floor of exit discharge. The other must be a door
or window leading directly outside. A window used as an emergency escape route must be
openable without special knowledge.

(b) In homes with construction that began before May 2, 2016 March 31, 2020, the
interior of the window leading directly outside must have a net clear opening area of not
less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions
of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result
of normal operation of the opening. The opening must be no higher than 48 inches from the
floor. The height to the window may be measured from a platform if a platform is located
below the window.

(c) In homes with construction that began on or after May 2, 2016 March 31, 2020, the
interior of the window leading directly outside must have minimum clear opening dimensions
of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result
of normal operation of the opening. The opening must be no higher than 44 inches from the
floor.

Additional requirements are dependent on the distance of the openings from the ground
outside the window: (1) windows or other openings with a sill height not more than 44
inches above or below the finished ground level adjacent to the opening (grade-floor
emergency escape and rescue openings) must have a minimum opening of five square feet;
and (2) non-grade-floor emergency escape and rescue openings must have a minimum
opening of 5.7 square feet.

Sec. 27. Minnesota Statutes 2022, section 245A.52, subdivision 2, is amended to read:
Subd. 2. Door to attached garage. Notwithstanding Minnesota Rules, part 9502.0455,
subpart 5, day care residences with an attached garage are not required to have a self-closing
door to the residence. The door to the residence may be: If there is an opening between an
attached garage and a day care residence, there must be a door that is:
(1) a solid wood bonded-core door at least 1-3/8 inches thick;
(2) a steel insulated door if the door is at least 1-3/8 inches thick; or

(3) a door with a fire protection rating of 20 minutes.

The separation wall on the garage side between the residence and garage must consist of

1/2 inch thick gypsum wallboard or its equivalent.

Sec. 27. Minnesota Statutes 2022, section 245A.52, subdivision 3, is amended to read:

Subd. 3. Heating and venting systems. (a) Notwithstanding Minnesota Rules, part

9502.0425, subpart 7, item C, items that can be ignited and support combustion, including

but not limited to plastic, fabric, and wood products must not be located within:

(1) 18 inches of a gas or fuel-oil heater or furnace; or

(2) 36 inches of a solid-fuel-burning appliance.

(b) If a license holder produces manufacturer instructions listing a smaller distance, then

the manufacturer instructions control the distance combustible items must be from gas,

fuel-oil, or solid-fuel burning heaters or furnaces.

Sec. 28. Minnesota Statutes 2022, section 245A.52, subdivision 5, is amended to read:

Subd. 5. Carbon monoxide and smoke alarms. (a) All homes must have an approved

and operational carbon monoxide alarm installed within ten feet of each room used for

sleeping children in care.

(b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly

installed and maintained on all levels including basements, but not including crawl spaces

and uninhabitable attics, and in hallways outside rooms used for sleeping children in care.

(c) In homes with construction that began on or after May 2, 2016 March 31, 2020

smoke alarms must be installed and maintained in each room used for sleeping children in

care.

Sec. 30. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision
to read:

Subd. 7. Stairways. All stairways must meet the following conditions:

(1) Stairways of four or more steps must have handrails on at least one side.

(2) Any open area between the handrail and stair tread must be enclosed with a protective

guardrail as specified in the State Building Code. At open risers, openings located more

than 30 inches (762 mm), as measured vertically, to the floor or grade below shall not permit

the passage of a sphere four inches (102 mm) in diameter.
40.24 (3) Gates or barriers must be used when children between the ages of six and 18 months are in care.

40.26 Stairways must be well lit, in good repair, and free of clutter and obstructions.

40.29 Sec. 31. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision to read:

40.27 Subd. 8. Fire code variances. When a variance is requested of the standards contained in subdivision 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from the state fire marshal of the variance requested and the alternative measures identified to ensure the safety of children in care.

40.30 Sec. 32. Family Child Foster Care Training Requirements. Subdivision 1. Applicability. This section applies to programs licensed to provide foster care for children in the license holder’s residence. For the purposes of this section, “foster parent” means a license holder under this chapter. For the purposes of this section, “caregiver” means a person who provides services to a child according to the child’s case plan in a setting licensed under Minnesota Rules, parts 2960.3000 to 2960.3340.

40.32 Subd. 2. Orientation. (a) Each foster parent applicant must complete a minimum of six hours of orientation before the commissioner will license the applicant. An applicant’s orientation training hours do not count toward yearly training hours. The commissioner may grant a variance to the applicant regarding the number of orientation hours that this subdivision requires.

40.33 (b) The foster parent’s orientation must include training about the following:

40.34 (1) emergency procedures, including evacuation routes, emergency telephone numbers, severe storm and tornado procedures, and the location of alarms and equipment;

40.36 (2) all relevant laws and rules, including this chapter; chapters 260, 260C, 260D, and 260F; Minnesota Rules, chapter 9560; and related legal issues and reporting requirements;

40.38 (3) cultural diversity, gender sensitivity, culturally specific services, cultural competence, and information about discrimination and racial bias to ensure that caregivers are culturally competent to care for foster children according to section 260C.212, subdivision 11;

40.40 (4) the foster parent’s roles and responsibilities in developing and implementing the child’s case plan and involvement in court and administrative reviews of the child’s placement;

40.42 (5) the licensing agency’s requirements;

40.44 (6) one hour relating to reasonable and prudent parenting standards for the child’s participation in age-appropriate or developmentally appropriate extracurricular, social, or cultural activities according to section 260C.212, subdivision 14;
(7) two hours relating to children's mental health issues according to subdivision 3;
(8) if subdivision 4 requires, the proper use and installation of child passenger restraint systems in motor vehicles;
(9) if subdivision 5 requires, at least one hour about reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children; and
(10) if subdivision 6 requires, operating medical equipment.

Subd. 3. Mental health training. Each foster parent prior to licensure and each caregiver prior to caring for a foster child must complete two hours of training that addresses the causes, symptoms, and key warning signs of children's mental health disorders; cultural considerations; and effective approaches to manage a child's behaviors. Each year, each foster parent and caregiver must complete at least one hour of training about children's mental health issues and treatment. A short-term substitute caregiver is exempt from this subdivision. The commissioner of human services shall approve of a mental health training curriculum that satisfies the requirements of this subdivision.

Subd. 4. Child passenger restraint systems.
(a) Each foster parent and caregiver must satisfactorily complete training about the proper use and installation of child passenger restraint systems in motor vehicles before transporting a child younger than eight years of age in a motor vehicle.
(b) An individual who is certified and approved by the Office of Traffic Safety within the Department of Public Safety must provide training about the proper use and installation of child passenger restraint systems in motor vehicles to each foster parent and caregiver who transports a child. At a minimum, the training must address the proper use of child passenger restraint systems based on a child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle that will be transporting the child. A foster parent or caregiver who transports a child must repeat the training in this subdivision at least once every five years.
(c) Notwithstanding paragraph (a), for an emergency relative placement under section 245A.035, the commissioner may grant a variance to the training required by this subdivision to a child's relative who completes a child seat safety checkup. The Office of Traffic Safety within the Department of Public Safety must approve of the child seat safety checkup trainer and must provide one-on-one instruction to the child's relative applicant about placing a child of a specific age in the exact child passenger restraint in the motor vehicle that will be used to transport the child. Once the commissioner grants a variance to the child's relative, the child's relative may transport a relative foster child younger than eight years of age, and once the child's relative meets all other licensing requirements, the commissioner may license the child's relative applicant. The child's relative must complete a child seat safety checkup each time that the child requires a different sized car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets

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the other requirements of this subdivision prior to placement of another foster child younger
than eight years of age in the relative license holder's home or prior to the renewal of the
relative license holder's child foster care license.

Subd. 5. **Training about the risk of sudden unexpected infant death and abusive**
head trauma. (a) Each foster parent and caregiver who cares for an infant or a child five
years of age or younger must satisfactorily complete at least one hour of training about
reducing the risk of sudden unexpected infant death pursuant to section 245A.1435 and
abusive head trauma from shaking infants and young children. Each foster parent and
caregiver must complete this training prior to caring for an infant or a child five years of
age or younger. The county or private licensing agency monitoring the foster care provider
under section 245A.16 must approve of the training about reducing the risk of sudden
unexpected infant death and abusive head trauma from shaking infants and young children.

(b) At a minimum, the training must address the risk factors related to sudden unexpected
infant death and abusive head trauma, means of reducing the risk of sudden unexpected
infant death and abusive head trauma, and license holder communication with parents
regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

(c) For emergency relative placements under section 245A.035, this training must be
completed before a license is issued. Each foster parent and caregiver must complete the
training in this subdivision at least once every five years.

Subd. 6. **Training on use of medical equipment.** (a) If caring for a child who relies on
medical equipment to sustain the child's life or monitor the child's medical condition, each
foster parent and caregiver must satisfactorily complete training to operate the child's
equipment with a health care professional or an individual who provides training on the
child's equipment.

(b) A foster parent or caregiver is exempt from this subdivision if:

1. the foster parent or caregiver is currently caring for an individual who is using the
   same equipment in the foster home; or

2. the foster parent or caregiver has written documentation that the foster parent or
caregiver has cared for an individual who relied on the same equipment within the past six
   months.

Subd. 7. **Fetal alcohol spectrum disorders training.** Each foster parent and caregiver
must complete at least one hour of training yearly on fetal alcohol spectrum disorders. A
provider who is also licensed to provide home and community-based services under chapter
245D and the provider's staff are exempt from this subdivision. A short-term substitute
caregiver is exempt from this subdivision. The commissioner of human services shall approve
a fetal alcohol spectrum disorders training curriculum that satisfies the requirements of this
subdivision.
Subd. 8. Yearly training requirement. (a) Each foster parent must complete a minimum of 12 hours of training per year. If a foster parent fails to complete the required yearly training and does not show good cause why the foster parent did not complete the training, the foster parent is prohibited from accepting a new foster child placement until the foster parent completes the training. The commissioner may grant a variance to the required number of yearly training hours.

(b) Each year, each foster parent and caregiver must complete one hour of training about children's mental health issues according to subdivision 3, and one hour of training about fetal alcohol spectrum disorders, if required by subdivision 7.

(c) Each year, each foster parent and caregiver must complete training about the reporting requirements and definitions in chapter 256F, as section 245A.66 requires. Foster parents and caregivers caring for youth 18 and older in extended foster care must complete training about the reporting requirements and definitions in section 626.557, as section 245A.65, subdivision 3 requires.

(d) At least once every five years, each foster parent and caregiver must complete one hour of training about reducing the risk of sudden unexpected infant death and abusive head trauma, if required by subdivision 5.

(e) At least once every five years, each foster parent and caregiver must complete training regarding child passenger restraint systems, if required by subdivision 4.

(f) The commissioner may provide each foster parent with a nonexclusive list of eligible training topics and resources that fulfill the remaining hours of required yearly training.

Subd. 9. Documentation of training. (a) The licensing agency must document the trainings that this section requires on a form that the commissioner has developed.

(b) For training required under subdivision 6, the agency must retain a training and skills form on file and update the form each year for each foster care provider who completes training about caring for a child who relies on medical equipment to sustain the child's life or monitor the child's medical condition. The agency placing the child must obtain a copy of the training and skills form from the foster parent or from the agency supervising the foster parent. The agency must retain the form and any updated information on file for the placement's duration. The form must be available to the parent or guardian and the child's social worker for the social worker to make an informed placement decision. The agency must use the training and skills form that the commissioner has developed.

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

Sec. 33. [245A.61] FOSTER RESIDENCE SETTING STAFF TRAINING REQUIREMENTS.

Subdivision 1. Applicability. This section applies to foster residence settings, which is defined as foster care that a license holder licensed under this chapter provides in a home.
in which the license holder does not reside. Foster residence setting does not include any program licensed or certified under Minnesota Rules, parts 2960.0010 to 2960.0710.

Subd. 2. Orientation. The license holder must ensure that each staff person attends and successfully completes at least six hours of orientation training before the staff person has unsupervised contact with a foster child. Orientation training hours are not counted toward the hours of yearly training. Orientation must include training about the following:
(1) emergency procedures including evacuation routes, emergency telephone numbers, severe storm and tornado procedures, and the location of facility alarms and equipment;
(2) all relevant laws, rules, and legal issues, including reporting requirements for maltreatment, abuse, and neglect specified in chapter 260E and section 626.557 and other reporting requirements based on the children's ages;
(3) cultural diversity, gender sensitivity, culturally specific services, and information about discrimination and racial bias to ensure that staff persons are culturally sensitive and culturally competent to care for foster children according to section 260C.212, subdivision 11;
(4) general and special needs, including disability needs, of children and families served;
(5) operational policies and procedures of the license holder;
(6) data practices requirements and issues;
(7) two hours of training about children's mental health disorders according to subdivision 3;
(8) if required by subdivision 4, the proper use and installation of child passenger restraint systems in motor vehicles;
(9) if required by subdivision 5, at least one hour of training about reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children; and
(10) if required by subdivision 6, caring for a child who relies on medical equipment to sustain the child's life or monitor the child's medical condition.

Subd. 3. Mental health training. Prior to caring for a child, a staff person must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches to manage a child's behaviors. A foster residence staff person must complete at least one hour of the yearly training requirement regarding children's mental health issues and treatment. The commissioner of human services shall approve a mental health training curriculum that satisfies the requirements of this subdivision.

Subd. 4. Child passenger restraint systems. Prior to transporting a child younger than eight years of age in a motor vehicle, a license holder or staff person must satisfactorily
complete training about the proper use and installation of child restraint systems in motor
vehicles. An individual who is certified and approved by the Office of Traffic Safety within
the Department of Public Safety must provide training to a license holder or staff person
about the proper use and installation of child restraint systems in motor vehicles.

At a minimum, the training must address the proper use of child passenger restraint
systems based on a child's size, weight, and age and the proper installation of a car seat or
booster seat in the motor vehicle transporting the child. Each license holder or staff person
transporting a child younger than eight years of age in a motor vehicle must complete the
training in this subdivision at least once every five years.

Subd. 5. Training about the risk of sudden unexpected infant death and abusive
head trauma. (a) A license holder who cares for an infant or a child five years of age or
younger must document that each staff person has satisfactorily completed at least one hour
of training about reducing the risk of sudden unexpected infant death pursuant to section
245A.1435 and abusive head trauma from shaking infants and young children. Each staff
person must complete the training in this subdivision prior to caring for an infant or a child
five years of age or younger. The county or private licensing agency responsible for
monitoring the child foster care provider under section 245A.16 must approve of the training
about reducing the risk of sudden unexpected infant death and abusive head trauma from
shaking infants and young children.

(b) At a minimum, the training must address the risk factors related to sudden unexpected
infant death and abusive head trauma, means of reducing the risk of sudden unexpected
infant death and abusive head trauma, and license holder communication with parents
regarding reducing the risk of sudden unexpected infant death and abusive head trauma
from shaking infants and young children.

(c) Each staff person caring for an infant or a child five years of age or younger must
complete the training in this subdivision at least once every five years.

Subd. 6. Training on use of medical equipment. (a) If caring for a child who relies on
medical equipment to sustain the child's life or monitor a child's medical condition, the
license holder or staff person must complete training to operate the child's equipment. A
health care professional or an individual who provides training on the equipment must train
the license holder or staff person about how to operate the child's equipment.

(b) A license holder is exempt from this subdivision if:

(1) the license holder is currently caring for an individual who is using the same
equipment in the foster home and each staff person has received training to use the
equipment; or

(2) the license holder has written documentation that, within the past six months, the
license holder has cared for an individual who relied on the same equipment and each current
staff person has received training to use the same equipment.
Fetal alcohol spectrum disorders training. (a) For each staff person, at least one hour of their yearly training requirement in subdivision 9 must be about fetal alcohol spectrum disorders. The commissioner of human services shall approve of a fetal alcohol spectrum disorders training curriculum that satisfies the requirements of this subdivision. (b) A provider who is also licensed to provide home and community-based services under chapter 245D and the provider's staff are exempt from this subdivision.

Prudent parenting standards training. The license holder must have at least one on-site staff person who is trained regarding the reasonable and prudent parenting standards in section 260C.212, subdivision 14, and authorized to apply the reasonable and prudent parenting standards to decisions involving the approval of a foster child's participation in age-appropriate and developmentally appropriate extracurricular, social, or cultural activities. The trained on-site staff person is not required to be available 24 hours per day.

Yearly training plan and hours. (a) A license holder must develop a yearly training plan for staff and volunteers. The license holder must modify training for staff and volunteers each year to meet each person's current needs and provide sufficient training to accomplish each staff person's duties. To determine the type and amount of training for each person, the license holder must consider the foster care program's target population, the program's services, and expected outcomes from the services, as well as the employee's job description, tasks, and the position's performance indicators. (b) A full-time staff person who has direct contact with children must complete at least 18 hours of in-service training per year, including nine hours of skill development training. (c) A part-time direct care staff person must complete sufficient training to competently care for children. The amount of training must be at least one hour of training for each 60 hours that the part-time direct care staff person has worked, up to 18 hours of training per part-time employee per year. (d) Other foster residence staff and volunteers must complete in-service training requirements each year that are consistent with the foster residence staff and volunteers' duties. (e) Section 245A.66 requires a license holder to ensure that all staff and volunteers have training yearly about the reporting requirements and definitions in chapter 260E.

Documentation of training. (a) For each staff person and volunteer, the license holder must document the date, the number of training hours, and the name of the entity that provided the training. (b) For training required under subdivision 6, the agency supervising the foster care provider must retain a training and skills form on file and update the form each year for each staff person who completes training about caring for a child who relies on medical equipment to sustain the child's life or monitor a child's medical condition. The agency
placing the child must obtain a copy of the training and skills form from the foster care provider or the agency supervising the foster care provider. The placing agency must retain the form and any updated information on file for the placement’s duration. The form must be available to the child's parent or the child's primary caregiver and the child's social worker to make an informed placement decision. The agency must use the training and skills form that the commissioner has developed.

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

Sec. 30. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision to read:

Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training required by the applicable licensing rules and statutes, children's residential facility and private child-placing agency license holders must provide a training annually on the maltreatment of minors reporting requirements and definitions in chapter 260E to each mandatory reporter, as described in section 260E.06, subdivision 1.

(b) In addition to the orientation training required by the applicable licensing rules and statutes, all family child foster care license holders and caregivers and foster residence setting staff and volunteers that are mandatory reporters as described in section 260E.06, subdivision 1, must complete training each year on the maltreatment of minors reporting requirements and definitions in chapter 260E.

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

Sec. 34. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision to read:

Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training required by the applicable licensing rules and statutes, all family child foster care license holders and caregivers and foster residence setting staff and volunteers that are mandatory reporters as described in section 260E.06, subdivision 1, must complete training each year on the maltreatment of minors reporting requirements and definitions in chapter 260E.

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

THE FOLLOWING 17 SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE BY SIDE, EXCEPT FOR SECTIONS 18, 25, AND 28, WHICH APPEAR IN THE ARTICLE 7 SIDE BY SIDE.

UES2995-2

Sec. 14. Minnesota Statutes 2022, section 245C.02, subdivision 6a, is amended to read:

Subd. 6a. **Child care background study subject.** (a) "Child care background study subject" means an individual who is affiliated with a licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B, and who is:

(1) employed by a child care provider for compensation;

(2) assisting in the care of a child for a child care provider;

(3) a person applying for licensure, certification, or enrollment;

(4) a controlling individual as defined in section 245A.02, subdivision 5a;

Sec. 35. Minnesota Statutes 2022, section 245C.02, subdivision 6a, is amended to read:

Subd. 6a. **Child care background study subject.** (a) "Child care background study subject" means an individual who is affiliated with a licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B, and who is:

(1) employed by a child care provider for compensation;

(2) assisting in the care of a child for a child care provider;

(3) a person applying for licensure, certification, or enrollment;

(4) a controlling individual as defined in section 245A.02, subdivision 5a;
an individual 13 years of age or older who lives in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(7) an individual who, without providing direct contact services at a licensed program, certified program, or program authorized under chapter 119B, may have unsupervised access to a child receiving services from a program when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15; or

(8) a volunteer, contractor providing services for hire in the program, prospective employee, or other individual who has unsupervised physical access to a child served by a program and who is not under supervision by an individual listed in clause (1) or (5), regardless of whether the individual provides program services.

(b) Notwithstanding paragraph (a), an individual who is providing services that are not part of the child care program is not required to have a background study if:

(1) the child receiving services is signed out of the child care program for the duration that the services are provided;

(2) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B has obtained advanced written permission from the parent authorizing the child to receive the services, which is maintained in the child's record;

(3) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B maintains documentation on site that identifies the individual service provider and the services being provided; and

(4) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B ensures that the service provider does not have unsupervised access to a child not receiving the provider's services.

(6) an individual ten to 12 years of age who lives in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(7) an individual who, without providing direct contact services at a licensed program, certified program, or program authorized under chapter 119B, may have unsupervised access to a child receiving services from a program when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15; or

(8) a volunteer, contractor providing services for hire in the program, prospective employee, or other individual who has unsupervised physical access to a child served by a program and who is not under supervision by an individual listed in clause (1) or (5), regardless of whether the individual provides program services.

(b) Notwithstanding paragraph (a), an individual who is providing services that are not part of the child care program is not required to have a background study if:

(1) the child receiving services is signed out of the child care program for the duration that the services are provided;

(2) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B has obtained advanced written permission from the parent authorizing the child to receive the services, which is maintained in the child's record;

(3) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B maintains documentation on site that identifies the individual service provider and the services being provided; and

(4) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B ensures that the service provider does not have unsupervised access to a child not receiving the provider's services.

(6) an individual ten to 12 years of age who lives in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(7) an individual who, without providing direct contact services at a licensed program, certified program, or program authorized under chapter 119B, may have unsupervised access to a child receiving services from a program when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15; or

(8) a volunteer, contractor providing services for hire in the program, prospective employee, or other individual who has unsupervised physical access to a child served by a program and who is not under supervision by an individual listed in clause (1) or (5), regardless of whether the individual provides program services.

(b) Notwithstanding paragraph (a), an individual who is providing services that are not part of the child care program is not required to have a background study if:

(1) the child receiving services is signed out of the child care program for the duration that the services are provided;

(2) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B has obtained advanced written permission from the parent authorizing the child to receive the services, which is maintained in the child's record;

(3) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B maintains documentation on site that identifies the individual service provider and the services being provided; and

(4) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B ensures that the service provider does not have unsupervised access to a child not receiving the provider's services.

The definition of employee under subdivision 11f and the definition of volunteer under subdivision 22 do not apply for child care background study subjects.
Sec. 16. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 11f. Employee. "Employee" means an individual who provides services or seeks to provide services for or through the entity with which they are required to be affiliated in NETStudy 2.0 and who is subject to oversight by the entity, which includes but is not limited to continuous, direct supervision by the entity and being subject to immediate removal from providing direct contact services when required. This subdivision does not apply to child care background study subjects under subdivision 6a.

Sec. 37. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 22. Volunteer. "Volunteer" means an individual who provides or seeks to provide services for or through an entity without direct compensation for services provided, is not required to be affiliated in NETStudy 2.0 and is subject to oversight by the entity, including but not limited to continuous, direct supervision and immediate removal from providing direct contact services when required. This subdivision does not apply to child care background study subjects under subdivision 6a.

Sec. 38. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 1. Licensed programs. (a) The commissioner shall conduct a background study on:

1. the person or persons applying for a license;
2. an individual age 13 and over living in the household where the licensed program will be provided who is not receiving licensed services from the program;
3. current or prospective employees or contractors of the applicant or license holder who will have direct contact with persons served by the facility, agency, or program;
4. volunteers or student volunteers who will have direct contact with persons served by the program to provide program services if the contact is not under the continuous, direct supervision by an individual listed in clause (1) or (3);
5. an individual age ten to 12 living in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
6. an individual who, without providing direct contact services at a licensed program, may have unsupervised access to children or vulnerable adults receiving services from a program, when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
7. all controlling individuals as defined in section 245A.02, subdivision 5a;
8. an individual who, without providing direct contact services at a licensed program, will be provided who is not receiving licensed services from the program; and
9. an individual age ten to 12 living in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
10. all controlling individuals as defined in section 245A.02, subdivision 5a;

Subd. 2. (a) The commissioner shall conduct a background study on:

1. the person or persons applying for a license;
2. an individual age 13 and over living in the household where the licensed program will be provided who is not receiving licensed services from the program;
3. current or prospective employees or contractors of the applicant or license holder who will have direct contact with persons served by the facility, agency, or program;
4. volunteers or student volunteers who will have direct contact with persons served by the program to provide program services if the contact is not under the continuous, direct supervision by an individual listed in clause (1) or (3);
5. an individual age ten to 12 living in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
6. an individual who, without providing direct contact services at a licensed program, may have unsupervised access to children or vulnerable adults receiving services from a program, when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
7. all controlling individuals as defined in section 245A.02, subdivision 5a;
8. an individual who, without providing direct contact services at a licensed program, will be provided who is not receiving licensed services from the program; and
9. an individual age ten to 12 living in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
10. all controlling individuals as defined in section 245A.02, subdivision 5a;
(8) notwithstanding the other requirements in this subdivision, child care background study subjects as defined in section 245C.02, subdivision 6a; and

(9) notwithstanding clause (3), for children's residential facilities and foster residence settings, any adult working in the facility, whether or not the individual will have direct contact with persons served by the facility.

(b) For child foster care when the license holder resides in the home where foster care services are provided, a short-term substitute caregiver providing direct contact services for a child for less than 72 hours of continuous care is not required to receive a background study under this chapter.

(c) This subdivision applies to the following programs that must be licensed under chapter 245A:

(1) adult foster care;

(2) child foster care;

(3) children's residential facilities;

(4) family child care;

(5) licensed child care centers;

(6) licensed home and community-based services under chapter 245D;

(7) residential mental health programs for adults;

(8) substance use disorder treatment programs under chapter 245G;

(9) withdrawal management programs under chapter 245F;

(10) adult day care centers;

(11) family adult day services;

(12) independent living assistance for youth;

(13) detoxification programs;

(14) community residential settings; and

(15) intensive residential treatment services and residential crisis stabilization under chapter 245F.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 19. Minnesota Statutes 2022, section 245C.03, subdivision 1a, is amended to read:

(a) Individuals and organizations that are required under this section to have or initiate background studies shall comply with the requirements of this chapter.

(b) All studies conducted under this section shall be conducted according to sections 299C.60 to 299C.64, including the consent and self-disclosure required in section 299C.62.

Subd. 2. This requirement does not apply to subdivisions 1, paragraph (c), clauses (2) to (5), and 6a.

Sec. 20. Minnesota Statutes 2022, section 245C.03, subdivision 4, is amended to read:

(a) Except as specified in paragraph (b), the commissioner shall conduct background studies of:

(1) personnel pool agencies;

(2) temporary personnel agencies;

(3) educational programs that train individuals by providing direct contact services in licensed programs; and

(4) professional services agencies that are not licensed and which contract that work with licensed programs to provide direct contact services or individuals who provide direct contact services.

(b) Personnel pool agencies, temporary personnel agencies, and professional services agencies must employ the individuals providing direct care services for children, people with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject to (5), and 6a.

Sec. 21. Minnesota Statutes 2022, section 245C.03, subdivision 5a, is amended to read:

(a) Except as specified in paragraph (b), the commissioner shall conduct background studies of:

(1) personnel pool agencies;

(2) temporary personnel agencies;

(3) educational programs that train individuals by providing direct contact services in licensed programs; and

(4) professional services agencies that are not licensed and which contract that work with licensed programs to provide direct contact services or individuals who provide direct contact services.

(b) Personnel pool agencies, temporary personnel agencies, and professional services agencies must employ the individuals providing direct care services for children, people with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject to (5), and 6a.

Sec. 22. Minnesota Statutes 2022, section 245C.03, subdivision 6, is amended to read:

(a) Except as specified in paragraph (b), the commissioner shall conduct background studies of:

(1) personnel pool agencies;

(2) temporary personnel agencies;

(3) educational programs that train individuals by providing direct contact services in licensed programs; and

(4) professional services agencies that are not licensed and which contract that work with licensed programs to provide direct contact services or individuals who provide direct contact services.

(b) Personnel pool agencies, temporary personnel agencies, and professional services agencies must employ the individuals providing direct care services for children, people with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject to (5), and 6a.

Sec. 23. Minnesota Statutes 2022, section 245C.03, subdivision 7, is amended to read:

(a) Except as specified in paragraph (b), the commissioner shall conduct background studies of:

(1) personnel pool agencies;

(2) temporary personnel agencies;

(3) educational programs that train individuals by providing direct contact services in licensed programs; and

(4) professional services agencies that are not licensed and which contract that work with licensed programs to provide direct contact services or individuals who provide direct contact services.

(b) Personnel pool agencies, temporary personnel agencies, and professional services agencies must employ the individuals providing direct care services for children, people with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject to (5), and 6a.

Sec. 24. Minnesota Statutes 2022, section 245C.03, subdivision 8, is amended to read:

(a) Except as specified in paragraph (b), the commissioner shall conduct background studies of:

(1) personnel pool agencies;

(2) temporary personnel agencies;

(3) educational programs that train individuals by providing direct contact services in licensed programs; and

(4) professional services agencies that are not licensed and which contract that work with licensed programs to provide direct contact services or individuals who provide direct contact services.

(b) Personnel pool agencies, temporary personnel agencies, and professional services agencies must employ the individuals providing direct care services for children, people with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject to (5), and 6a.
(1) individuals providing services who have direct contact, as defined under section 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes, outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and home care agencies licensed under chapter 144A; assisted living facilities and assisted living facilities with dementia care licensed under chapter 144G; and board and lodging establishments that are registered to provide supportive or health supervision services under section 157.17;

(2) individuals specified in subdivision 2 who provide direct contact services in a nursing home or a home care agency licensed under chapter 144A; an assisted living facility or assisted living facility with dementia care licensed under chapter 144G; or a boarding care home licensed under sections 144.50 to 144.58. If the individual undergoing a study resides outside of Minnesota, the study must include a check for substantiated findings of maltreatment of adults and children in the individual's state of residence when the state makes the information available;

(3) all other employees in assisted living facilities or assisted living facilities with dementia care licensed under chapter 144G, nursing homes licensed under chapter 144A, and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of an individual in this section shall disqualify the individual from positions allowing direct contact with or access to patients or residents receiving services. "Access" means physical access to a client or the client's personal property without continuous, direct supervision as defined in section 245C.02, subdivision 8, when the employee's employment responsibilities do not include providing direct contact services;

(4) individuals employed by a supplemental nursing services agency, as defined under section 144A.70, who are providing services in health care facilities;

(5) controlling persons of a supplemental nursing services agency, as defined by section 144A.70; and

(6) license applicants, owners, managerial officials, and controlling individuals who are required under section 144A.476, subdivision 1, or 144G.13, subdivision 1, to undergo a background study under this chapter, regardless of the licensure status of the license applicant, owner, managerial official, or controlling individual.

(b) The commissioner of human services shall not conduct an entity shall not initiate a background study on any individual identified in paragraph (a), clauses (1) to (5), if the individual has a valid license issued by a health-related licensing board as defined in section 144A.476, subdivision 2, and has completed the criminal background check as required in section 214.075. An entity that is affiliated with individuals who meet the requirements of this paragraph must separate those individuals from the entity's roster for NETStudy 2.0.

The Department of Human Services is not liable for conducting background studies that have been submitted or not removed from the roster in violation of this provision.
(c) If a facility or program is licensed by the Department of Human Services and the
Department of Health and is subject to the background study provisions of this chapter, the
Department of Human Services is solely responsible for the background studies of individuals
in the jointly licensed program.

(d) The commissioner of health shall review and make decisions regarding reconsideration
requests, including whether to grant variances, according to the procedures and criteria in
this chapter. The commissioner of health shall inform the requesting individual and the
Department of Human Services of the commissioner of health's decision regarding the
reconsideration. The commissioner of health's decision to grant or deny a reconsideration
of a disqualification is a final administrative agency action.

Sec. 44. Minnesota Statutes 2022, section 245C.031, subdivision 1, is amended to read:
Subdivision 1. Alternative background studies. (a) The commissioner shall conduct
an alternative background study of individuals listed in this section.

(b) Notwithstanding other sections of this chapter, all alternative background studies
except subdivision 12 shall be conducted according to this section and with sections 299C.60
to 299C.64, including the consent and self-disclosure required in section 299C.62, subdivision
2.

(c) All terms in this section shall have the definitions provided in section 245C.02.

(d) The entity that submits an alternative background study request under this section
shall submit the request to the commissioner according to section 245C.05.

(e) The commissioner shall comply with the destruction requirements in section 245C.05.

(f) Background studies conducted under this section are subject to the provisions of
section 245C.32.

(g) The commissioner shall forward all information that the commissioner receives under
section 245C.08 to the entity that submitted the alternative background study request under
subdivision 2. The commissioner shall not make any eligibility determinations regarding
background studies conducted under this section.

Sec. 45. Minnesota Statutes 2022, section 245C.031, subdivision 4, is amended to read:
Subd. 4. Applicants, licensees, and other occupations regulated by the commissioner
of health. The commissioner shall conduct an alternative background study, including a
check of state data, and a national criminal history records check of the following individuals.

For studies under this section, the following persons shall complete a consent form and
criminal history disclosure form:

(1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in
license as an audiologist or speech-language pathologist or an applicant for initial

Sec. 23. Minnesota Statutes 2022, section 245C.031, subdivision 1, is amended to read:
Subdivision 1. Alternative background studies. (a) The commissioner shall conduct
an alternative background study of individuals listed in this section.

(b) Notwithstanding other sections of this chapter, all alternative background studies
except subdivision 12 shall be conducted according to this section and with sections 299C.60
to 299C.64, including the consent and self-disclosure required in section 299C.62, subdivision
2.

(c) All terms in this section shall have the definitions provided in section 245C.02.

(d) The entity that submits an alternative background study request under this section
shall submit the request to the commissioner according to section 245C.05.

(e) The commissioner shall comply with the destruction requirements in section 245C.05.

(f) Background studies conducted under this section are subject to the provisions of
section 245C.32.

(g) The commissioner shall forward all information that the commissioner receives under
section 245C.08 to the entity that submitted the alternative background study request under
subdivision 2. The commissioner shall not make any eligibility determinations regarding
background studies conducted under this section.

Sec. 24. Minnesota Statutes 2022, section 245C.031, subdivision 4, is amended to read:
Subd. 4. Applicants, licensees, and other occupations regulated by the commissioner
of health. The commissioner shall conduct an alternative background study, including a
check of state data, and a national criminal history records check of the following individuals.

For studies under this section, the following persons shall complete a consent form and
criminal history disclosure form:

(1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in
license as an audiologist or speech-language pathologist or an applicant for initial
certification as a hearing instrument dispenser who must submit to a background study under section 144.0572.

(2) An applicant for a renewal license or certificate as an audiologist, speech-language pathologist, or hearing instrument dispenser who was licensed or obtained a certificate before January 1, 2018.

Sec. 46. Minnesota Statutes 2022, section 245C.05, subdivision 1, is amended to read:

Subdivision 1. Individual studied.
(a) The individual who is the subject of the background study must provide the applicant, license holder, or other entity under section 245C.04 with sufficient information to ensure an accurate study, including:

(1) the individual's first, middle, and last name and all other names by which the individual has been known;
(2) current home address, city, and state of residence;
(3) current zip code;
(4) sex;
(5) date of birth;
(6) driver's license number or state identification number or, for those without a driver's license or state identification card, an acceptable form of identification as determined by the commissioner; and
(7) upon implementation of NETStudy 2.0, the home address, city, county, and state of residence for the past five years.

(b) Every subject of a background study conducted or initiated by counties or private agencies under this chapter must also provide the home address, city, county, and state of residence for the past five years.

(c) Every subject of a background study related to private agency adoptions or related to child foster care licensed through a private agency, who is 18 years of age or older, shall also provide the commissioner a signed consent for the release of any information received from national crime information databases to the private agency that initiated the background study.

(d) The subject of a background study shall provide fingerprints and a photograph as required in subdivision 5.

(e) The subject of a background study shall submit a completed criminal and maltreatment history records check consent form and criminal history disclosure form for applicable national and state level record checks.
Sec. 26. Minnesota Statutes 2022, section 245C.05, is amended by adding a subdivision

to read:

Subd. 8. **Study submitted.** The entity with which the background study subject is seeking

affiliation shall initiate the background study in the NETStudy 2.0 system.

Sec. 27. Minnesota Statutes 2022, section 245C.07, is amended to read:

(a) Subject to the conditions in paragraph (d), when a license holder, applicant, or other

entity owns multiple programs or services that are licensed by the Department of Human

Services, Department of Health, or Department of Corrections, only one background study

is required for an individual who provides direct contact services in one or more of the

licensed programs or services if:

1. the license holder designates one individual with one address and telephone number

as the person to receive sensitive background study information for the multiple licensed

programs or services that depend on the same background study; and

2. the individual designated to receive the sensitive background study information is

capable of determining, upon request of the department, whether a background study subject

is providing direct contact services in one or more of the license holder's programs or services

and, if so, at which location or locations.

(b) When a license holder maintains background study compliance for multiple licensed

programs according to paragraph (a), and one or more of the licensed programs closes, the

license holder shall immediately notify the commissioner which staff must be transferred

to an active license so that the background studies can be electronically paired with the

license holder's active program.

(c) When a background study is being initiated by a licensed program or service or a

foster care provider that is also licensed under chapter 144G, a study subject affiliated with

multiple licensed programs or services may attach to the background study form a cover

letter indicating the additional names of the programs or services, addresses, and background

study identification numbers.

When the commissioner receives a notice, the commissioner shall notify each program

or service identified by the background study subject of the study results.

The background study notice the commissioner sends to the subsequent agencies shall

satisfy those programs' or services' responsibilities for initiating a background study on that

individual.

(d) If a background study was conducted on an individual related to child foster care

and the requirements under paragraph (a) are met, the background study is transferable

across all licensed programs. If a background study was conducted on an individual under

the requirements under paragraph (a), and the requirements under paragraph (d) are met, the

background study is transferable across all licensed programs.
a license other than child foster care and the requirements under paragraph (a) are met, the
background study is transferable to all licensed programs except child foster care.

(e) The provisions of this section that allow a single background study in one or more
licensed programs or services do not apply to background studies submitted by adoption
agencies, supplemental nursing services agencies, personal pool agencies, educational
programs, professional services agencies, temporary personnel agencies, and unlicensed
personal care provider organizations.

(f) For an entity operating under NETStudy 2.0, the entity's active roster must be the
system used to document when a background study subject is affiliated with multiple entities.

For a background study to be transferable:

(1) the background study subject must be on and moving to a roster for which the person
designated to receive sensitive background study information is the same; and

(2) the same entity must own or legally control both the roster from which the transfer
is occurring and the roster to which the transfer is occurring. For an entity that holds or
controls multiple licenses, or unlicensed personal care provider organizations, there must
be a common highest level entity that has a legally identifiable structure that can be verified
through records available from the secretary of state.

Subd. 4.

Sec. 49. Minnesota Statutes 2022, section 245C.10, subdivision 4, is amended to read:

(a) The commissioner may not grant
services for adults in the provider's own home.

Subd. 5.

Subd. 2.

Disclosure of reason for disqualification. (a) The commissioner may not grant
a variance for a disqualified individual unless the applicant, license-exempt child care center
certification holder, or license holder requests the variance and the disqualified individual
provides written consent for the commissioner to disclose to the applicant, license-exempt
child care center certification holder, or license holder the reason for the disqualification.

(b) This subdivision does not apply to programs licensed to provide family child care
for children, foster care for children in the provider's own home, or foster care or day care
services for adults in the provider's own home. When the commissioner grants a variance
for a disqualified individual in connection with a license to provide the services specified
in this paragraph, the disqualified individual's consent is not required to disclose the reason
for the disqualification to the license holder in the variance issued under subdivision 1,
provided that the commissioner may not disclose the reason for the disqualification if the
disqualification is based on a felony-level conviction for a drug-related offense within the past five years.

Sec. 51. Minnesota Statutes 2022, section 245C.31, subdivision 1, is amended to read:

Subdivision 1. Board determines disciplinary or corrective action. (a) The commissioner shall notify a health-related licensing board if the individual's study is related to child foster care, adult foster care, or family child care licensure.

Sec. 52. Minnesota Statutes 2022, section 245C.33, subdivision 4, is amended to read:

Subd. 4. Information commissioner reviews. (a) The commissioner shall review the following information regarding the background study subject:

(1) the information under section 245C.08, subdivisions 1, 3, and 4;

(2) information from the child abuse and neglect registry for any state in which the subject has resided for the past five years; and

(3) information from national crime information databases, when required under section 245C.08.

(b) The commissioner shall provide any information collected under this subdivision to the county or private agency that initiated the background study. The commissioner shall also provide the agency:

(4) with a notice whether the information collected shows that the subject of the background study has a conviction listed in United States Code, title 42, section 871(a)(20)(A); and

(2) for background studies conducted under subdivision 1, paragraph (a), the date of all adoption-related background studies completed on the subject by the commissioner after June 30, 2007, and the name of the county or private agency that initiated the adoption-related background study.

THE FOLLOWING SECTION IS FROM H0238-3 ARTICLE 1 AND ALSO APPEARS IN THE ARTICLE 8 SIDE BY SIDE.
Sec. 32. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

Subd. 3. Appeal of department action. A provider's rights related to the department's action taken under this chapter against a provider are established in sections 119B.16 and 119B.161, and 119B.162.

THE FOLLOWING SEVEN SECTIONS ARE FROM H0238-3 ARTICLE 4 AND ALSO APPEAR IN THE ARTICLE 8 SIDE BY SIDE.
Sec. 34. Minnesota Statutes 2022, section 245H.03, is amended by adding a subdivision in a manner prescribed by the commissioner, and obtain the commissioner's approval before making any changes:

(1) to the certification holder as defined in section 245H.01, subdivision 4;
(2) to the authorized agent as defined in section 245A.02, subdivision 3b;
(3) to the certification holder information on file with the secretary of state or Department of Revenue;
(4) in the location of the program certified under this chapter;
(5) to the ages of children served by the program; or
(6) to the certified center's schedule including its:
(i) yearly schedule;
(ii) hours of operation; or
(iii) days of the week it is open.
(b) When, for reasons beyond the certification holder's control, a certification holder cannot provide the commissioner with prior notice of the changes in paragraph (a), the certification holder must notify the commissioner by the tenth business day after the change and must provide any additional information requested by the commissioner.
(c) When a certification holder notifies the commissioner of a change to the certification holder information on file with the secretary of state, the certification holder must provide documentation of the change.
(d) Upon implementation of the provider licensing and reporting hub, certification holders must enter and update information in the hub in a manner prescribed by the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 35. Minnesota Statutes 2022, section 245H.05, is amended to read:

245H.05 MONITORING AND INSPECTIONS.

(a) The commissioner must conduct an on-site inspection of a certified license-exempt child care center at least annually once each calendar year to determine compliance with the health, safety, and fire standards specific to a certified license-exempt child care center.
(b) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports for all certified centers including

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 36. Minnesota Statutes 2022, section 245H.05, is amended to read:

245H.05 MONITORING AND INSPECTIONS.

(a) The commissioner must conduct an on-site inspection of a certified license-exempt child care center at least annually once each calendar year to determine compliance with the health, safety, and fire standards specific to a certified license-exempt child care center.
(b) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports for all certified centers including
the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in certified centers each year.

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

Sec. 57. Minnesota Statutes 2022, section 245H.08, subdivision 4, is amended to read:

**Subd. 4. Maximum group size.** (a) For a child six weeks old through 16 months old, the maximum group size shall be no more than eight children.

(b) For a child 16 months old through 33 months old, the maximum group size shall be no more than 14 children.

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

(d) For a child in kindergarten through 13 years old, a maximum group size shall be no more than 30 children.

(e) The maximum group size applies at all times except during group activity coordination time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and special activity including a film, guest speaker, indoor large muscle activity, or holiday program.

(f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:

1. The child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e);
2. The certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 58. Minnesota Statutes 2022, section 245H.08, subdivision 5, is amended to read:

**Subd. 5. Ratios.** (a) The minimally acceptable staff-to-child ratios are:

- six weeks old through 16 months old: 1:4
- 16 months old through 33 months old: 1:7
- 33 months old through prekindergarten: 1:10
- kindergarten through 13 years old: 1:15
- Kindergarten includes a child of sufficient age to have attended the first day of kindergarten or who is eligible to enter kindergarten within the next four months.

(b) Kindergarten includes a child of sufficient age to have attended the first day of kindergarten or who is eligible to enter kindergarten within the next four months.
(c) For mixed groups, the ratio for the age group of the youngest child applies.
(d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:

1. the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or
2. the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 59. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:

Subd. 3. Administration of medication.
(a) A certified center that chooses to administer prescription and nonprescription medicine, diapering product, sunscreen lotion, and insect repellent.

(b) The certified center must obtain written permission from the child's parent or legal guardian before administering prescription medicine, nonprescription medicine, diapering product, sunscreen lotion, and insect repellent.

d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:

1. the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or
2. the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

Sec. 38. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:

Subd. 3. Administration of medication.
(a) A certified center that chooses to administer prescription medicine, diapering product, sunscreen lotion, and insect repellent.

(b) The certified center must obtain written permission from the child's parent or legal guardian before administering prescription medicine, nonprescription medicine, diapering product, sunscreen lotion, and insect repellent.

c) The certified center must ensure all prescription and nonprescription medicine is:

1. kept in the medicine's original container with a legible label stating the child's first and last name;
2. given only to the child whose name is on the label;
3. not given after an expiration date on the label; and
4. returned to the child's parent or legal guardian, if unused.

(f) The certified center must document in the child's record the administration of prescription and nonprescription medication, including the child's first and last name; the name of the medication or prescription number; the date, time, and dosage; and the name and signature of the person who administered the medicine. This documentation must be available to the child's parent or legal guardian.

g) The certified center must store prescription and nonprescription medications, insect repellents, and diapering products according to directions on the original container.
EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 60. Minnesota Statutes 2022, section 245H.13, subdivision 7, is amended to read:

Subd. 7. Risk reduction plan. (a) The certified center must develop a risk reduction plan that identifies risks to children served by the child care center. The assessment of risk must include risks presented by (1) the physical plant where the certified services are provided, including electrical hazards; and (2) the environment, including the proximity to busy roads and bodies of water.

(b) The certification holder must establish policies and procedures to minimize identified risks. After any change to the risk reduction plan, the certification holder must inform staff of the change in the risk reduction plan and document that staff were informed of the change.

(c) If middle-school-age children are enrolled in the center and combined with elementary children, the certification holder must establish policies and procedures to ensure adequate supervision as defined in subdivision 10 when children are grouped together.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 61. Minnesota Statutes 2022, section 245H.13, subdivision 9, is amended to read:

Subd. 9. Behavior guidance. The certified center must ensure that staff and volunteers use positive behavior guidance and do not subject children to:

1. corporal punishment, including but not limited to rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, hitting, and spanking;
2. humiliation;
3. abusive language;
4. the use of mechanical restraints, including tying;
5. the use of physical restraints other than to physically hold a child when containment is necessary to protect a child or others from harm; or
6. prone restraints, as prohibited by section 245A.211; or
7. the withholding or forcing of food and other basic needs.

Sec. 62. Minnesota Statutes 2022, section 256.9685, subdivision 1a, is amended to read:

Subd. 1a. Administrative reconsideration. Notwithstanding section 256B.04, subdivision 15, the commissioner shall establish an administrative reconsideration process for appeals of inpatient hospital services determined to be medically unnecessary. A

THE FOLLOWING 10 SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE BY SIDE. UES2995-2

Sec. 31. Minnesota Statutes 2022, section 245H.13, subdivision 9, is amended to read:

Subd. 9. Behavior guidance. The certified center must ensure that staff and volunteers use positive behavior guidance and do not subject children to:

1. corporal punishment, including but not limited to rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, hitting, and spanking;
2. humiliation;
3. abusive language;
4. the use of mechanical restraints, including tying;
5. the use of physical restraints other than to physically hold a child when containment is necessary to protect a child or others from harm; or
6. prone restraints, as prohibited by section 245A.211; or
7. the withholding or forcing of food and other basic needs.

Sec. 33. Minnesota Statutes 2022, section 256.9685, subdivision 1a, is amended to read:

Subd. 1a. Administrative reconsideration. Notwithstanding section 256B.04, subdivision 15, the commissioner shall establish an administrative reconsideration process for appeals of inpatient hospital services determined to be medically unnecessary. A
physician, advanced practice registered nurse, physician assistant, or hospital may request a reconsideration of the decision that inpatient hospital services are not medically necessary by submitting a written request for review to the commissioner within 45 calendar days after receiving the date of the notice of the decision was mailed. The request for reconsideration shall be conducted be reviewed by the at least one medical review agent that is independent of the case under reconsideration. The medical review agent shall make a recommendation to the commissioner. The commissioner’s decision on reconsideration is final and not subject to appeal under chapter 14.

Sec. 34. Minnesota Statutes 2022, section 256.9685, subdivision 1b, is amended to read:

Subd. 1b. Appeal of reconsideration. Notwithstanding section 256B.72, the commissioner may recover inpatient hospital payments for services that have been determined to be medically unnecessary after the reconsideration and determinations. A physician, advanced practice registered nurse, physician assistant, or hospital may appeal the result of the reconsideration process by submitting a written request for review to the commissioner within 30 days after receiving notice of the action. The commissioner shall review the medical record and information submitted during the reconsideration process and the medical review agent’s basis for the determination that the services were not medically necessary for inpatient hospital services. The commissioner shall issue an order upholding or reversing the decision of the reconsideration process based on the review. The commissioner’s decision under subdivision 1a is appealable by petition for writ of certiorari under chapter 606.

Sec. 35. Minnesota Statutes 2022, section 256.9686, is amended by adding a subdivision to read:

Subd. 7a. Medical review agent. "Medical review agent" means the representative of the commissioner who is authorized by the commissioner to administer medical record reviews; conduct administrative reconsiderations as defined by section 256.9685, subdivision 1a; and perform other functions as stipulated in the terms of the agent’s contract with the department. Medical records reviews and administrative reconsiderations will be performed by medical professionals within their scope of expertise, including but not limited to physicians, physician assistants, advanced practice registered nurses, and registered nurses. The medical professional performing the review or reconsideration must be on staff with the medical review agent, in good standing, and licensed to practice in the state where the medical professional resides.

Sec. 65. Minnesota Statutes 2022, section 256B.04, subdivision 15, is amended to read:

Subd. 15. Utilization review. (a) Establish on a statewide basis a new program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in prepaid health plans, long-term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both prepayment and postpayment review systems.
to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group or health care consultant appointed by the commissioner.

(b) Contracts entered into for purposes of meeting the requirements of this subdivision shall not be subject to the set-aside provisions of chapter 16C.

(c) A recipient aggrieved by the commissioner's termination of services or denial of future services may appeal pursuant to section 256.045. Unless otherwise provided by law, a vendor aggrieved by the commissioner's determination that services provided were not reasonable or necessary may appeal pursuant to the contested case procedures of chapter 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving the commissioner's notice. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the vendor believes is correct, the authority in statute or rule upon which the vendor relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.

(d) The commissioner may select providers to provide case management services to recipients who use health care services inappropriately or to recipients who are eligible for other managed care projects. The providers shall be selected based upon criteria that may include a comparison with a peer group of providers related to the quality, quantity, or cost of health care services delivered or a review of sanctions previously imposed by health care services programs or the provider's professional licensing board.

Sec. 66. Minnesota Statutes 2022, section 256B.064, is amended to read:

Subdivision 1. Terminating payments to ineligible vendors, individuals or entities. The commissioner may terminate payments under this chapter to any person or facility that, under applicable federal law or regulation, has been determined to be ineligible for payments under title XIX of the Social Security Act.

Sec. 66. Minnesota Statutes 2022, section 256B.064, is amended to read:

Subdivision 1. Terminating payments to ineligible vendors, individuals or entities. The commissioner may terminate payments under this chapter to any person or facility that, under applicable federal law or regulation, has been determined to be ineligible for payments under title XIX of the Social Security Act.

Subd. 1a. Grounds for sanctions against vendors. (a) The commissioner may impose sanctions against a vendor of medical care any individual or entity that receives payments from medical assistance or provides goods or services for which payment is made from medical assistance for any of the following: (1) fraud, theft, or abuse in connection with the provision of medical care goods and services to recipients of public assistance for which payment is made from medical assistance; (2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary; (3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the vendor is legally entitled; (4) suspension or termination as a Medicare vendor; (5) refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients and
appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally established under this section; (7) failure to correct errors in the maintenance of health service or financial records for which a fine was imposed or after issuance of a warning by the commissioner; and (6) any reason for which a vendor or department has been excluded from participation in the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act. For the purposes of this section, goods or services for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

(b) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph (h).

Subd. 1. Grounds for and methods of monetary recovery. (a) The commissioner may obtain monetary recovery from a vendor or department in an individual or entity that has been improperly paid by the department either as a result of conduct described in subdivision 1a as a result of a vendor or department error or as a result of a vendor or department error by the individual or entity submitting the claim or by the department, regardless of whether the error was intentional. Patterns need not be proven as a precondition to monetary recovery of erroneous or false claims, duplicate claims, claims for services not medically necessary, or claims based on false statements.

(b) The commissioner may obtain monetary recovery using methods including but not limited to the following: assessing and recovering money improperly paid and debiting from future payments any money improperly paid. The commissioner shall charge interest on any money improperly paid. The commissioner may impose the following sanctions against a vendor or department for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph (h).

Subd. 1c. Investigative costs. The commissioner may seek recovery of investigative costs from any vendor or department in an individual or entity that willfully submits a claim for reimbursement for services that the vendor or department or the individual or entity knows, for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

Subd. 1d. Investigative costs. The commissioner may seek recovery of investigative costs from any vendor or department in an individual or entity that willfully submits a claim for reimbursement for services that the vendor or department or the individual or entity knows, for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.
or reasonably should have known, is a false representation and that results in the payment
of public funds for which the vendor of medical care or entity is ineligible. Billing errors that
result in unintentional overcharges shall not be grounds for investigative cost recoupment.

Subd. 2. Imposition of monetary recovery and sanctions. (a) The commissioner shall
determine any monetary amounts to be recovered and sanctions to be imposed upon a vendor
of medical care or an individual or entity under this section. Except as provided in paragraphs
(b) and (d), neither a monetary recovery nor a sanction will be imposed by the commissioner
without prior notice and an opportunity for a hearing, according to chapter 14, on the
commissioner’s proposed action, provided that the commissioner may suspend or reduce
payment to a vendor of medical care or an individual or entity, except a nursing home or
convalescent care facility, after notice and prior to the hearing if in the commissioner’s
opinion that action is necessary to protect the public welfare and the interests of the program.

(b) Except when the commissioner finds good cause not to suspend payments under
Code of Federal Regulations, title 42, section 455.23 (e) or (f), the commissioner shall
withhold or reduce payments to a vendor of medical care or an individual or entity
without providing advance notice of such withholding or reduction if either of the following occurs:
(1) the vendor of medical care or entity is convicted of a crime involving the conduct described
in subdivision 1a; or
(2) the commissioner determines there is a credible allegation of fraud for which an
investigation is pending under the program. Allegations are considered credible when they
have an indicium of reliability and the state agency has reviewed all allegations, facts, and
evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of
fraud is an allegation which has been verified by the state, from any source, including but
not limited to:
(i) fraud hotline complaints;
(ii) claims data mining; and
(iii) patterns identified through provider audits, civil false claims cases, and law
enforcement investigations.

Allegations are considered to be credible when they have an indicium of reliability and
the state agency has reviewed all allegations, facts, and evidence carefully and acts
judiciously on a case-by-case basis.

(c) The commissioner must send notice of the withholding or reduction of payments
under paragraph (b) within five days of taking such action unless requested in writing by a
law enforcement agency to temporarily withhold the notice. The notice must:
(1) state that payments are being withheld according to paragraph (b);
(2) set forth the general allegations as to the nature of the withholding action, but need
not disclose any specific information concerning an ongoing investigation;

Senate Language S2819-2

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(3) except in the case of a conviction for conduct described in subdivision 1a, state that
the withholding is for a temporary period and cite the circumstances under which withholding
will be terminated;

(4) identify the types of claims to which the withholding applies; and

(5) inform the vendor individual or entity of the right to submit written evidence for
consideration by the commissioner.

(d) The withholding or reduction of payments will not continue after the commissioner
determines there is insufficient evidence of fraud by the vendor individual or entity, or after
legal proceedings relating to the alleged fraud are completed, unless the commissioner has
sent notice of intention to impose monetary recovery or sanctions under paragraph (a). Upon
conviction for a crime related to the provision, management, or administration of a health
service under medical assistance, a payment held pursuant to this section by the commissioner
is forfeited to the commissioner or managed care organization, regardless of the amount
charged in the criminal complaint or the amount of criminal restitution ordered.

(f) The commissioner shall suspend or terminate vendor's individual's or entity's
participation in the program without providing advance notice and an opportunity for a
hearing when the suspension or termination is required because of the vendor's individual's
or entity's exclusion from participation in Medicare. Within five days of taking such action,
the commissioner must send notice of the suspension or termination. The notice must:

(1) state that suspension or termination is the result of the vendor's individual's or entity's
exclusion from Medicare;

(2) identify the effective date of the suspension or termination; and

(3) inform the vendor individual or entity of the need to be reinstated to Medicare before
reapplying for participation in the program.

(f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction
is to be imposed, vendor an individual or entity may request a contested case, as defined
in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal.
The appeal request must be received by the commissioner no later than 30 days after the
date the notification of monetary recovery or sanction was mailed to the vendor individual
or entity. The appeal request must specify:

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

(2) the computation that the vendor individual or entity believes is correct;

(3) the authority in statute or rule upon which the vendor individual or entity relies for
each disputed item;

(4) the amount of criminal restitution ordered. The commissioner shall suspend or terminate
a vendor or entity if

upon conclusion of legal proceedings relating to the alleged fraud, the commissioner determines
there is insufficient evidence of fraud by the vendor individual or entity, or if

the vendor individual or entity is excluded from Medicare;
(4) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(5) other information required by the commissioner.

(a) The commissioner may order a vendor to forfeit a fine for failure to fully document services according to standards in this chapter and Minnesota Rules, chapter 9505. The commissioner may assess fines if specific required components of documentation are missing. The fine for incomplete documentation shall equal 20 percent of the amount paid on the claims for reimbursement submitted by the vendor, or up to $5,000, whichever is less. If the commissioner determines that a vendor individually or entity repeatedly violated this chapter, chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to the provision of services to program recipients and the submission of claims for payment, the commissioner may order the vendor, an individual or entity to forfeit a fine based on the nature, severity, and chronicity of the violations, in an amount of up to $5,000 or 20 percent of the value of the claims, whichever is greater.

Subd. 3. Mandates on prohibited payments. (a) The commissioner shall maintain and publish a list of each excluded individual and entity that was convicted of a crime related to the provision, management, or administration of a medical assistance health service, or suspended or terminated under subdivision 2. Medical assistance payments cannot be made by a vendor an individual or entity for items or services furnished either directly or indirectly by an excluded individual or entity, or at the direction of excluded individuals or entities.

(b) The vendor must check the exclusion list on a monthly basis and document the date and time the exclusion list was checked and the name and title of the person who checked the exclusion list. The vendor must immediately terminate payments to an individual or entity on the exclusion list.

(c) An entity's requirement to check the exclusion list and to terminate payments to individuals or entities on the exclusion list applies to each individual or entity on the exclusion list, even if the named individual or entity is not responsible for direct patient care or direct submission of a claim to medical assistance.

(d) An entity that pays medical assistance program funds to an individual or entity on the exclusion list must refund any payment related to either items or services rendered by an individual or entity on the exclusion list from the date the individual or entity

Subd. 4. (a) The commissioner may order a vendor an individual or entity to forfeit a fine for failure to fully document services according to standards in this chapter and Minnesota Rules, chapter 9505. The commissioner may assess fines if specific required components of documentation are missing. The fine for incomplete documentation shall equal 20 percent of the amount paid on the claims for reimbursement submitted by the vendor, or up to $5,000, whichever is less. If the commissioner determines that a vendor individually or entity repeatedly violated this chapter, chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to the provision of services to program recipients and the submission of claims for payment, the commissioner may order the vendor, an individual or entity to forfeit a fine based on the nature, severity, and chronicity of the violations, in an amount of up to $5,000 or 20 percent of the value of the claims, whichever is greater. The commissioner may issue fines under this paragraph in place of or in addition to full monetary recovery of the value of the claims submitted under subdivision 1c.

Subd. 5. Vendor payments to individuals or entities on the exclusion list applies to each individual or entity that pays medical assistance program funds to an individual or entity.

An entity that pays medical assistance program funds to an individual or entity fails to pay the fine, the commissioner may withhold or reduce payments and recover the amount of the fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

Subd. 6. Mandates on prohibited payments. (a) The commissioner shall maintain and publish a list of each excluded individual and entity that was convicted of a crime related to the provision, management, or administration of a medical assistance health service, or suspended or terminated under subdivision 2. Medical assistance payments cannot be made by a vendor an individual or entity for items or services furnished either directly or indirectly by an excluded individual or entity, or at the direction of excluded individuals or entities.

(b) The vendor must check the exclusion list on a monthly basis and document the date and time the exclusion list was checked and the name and title of the person who checked the exclusion list. The vendor must immediately terminate payments to an individual or entity on the exclusion list.

(c) An entity's requirement to check the exclusion list and to terminate payments to individuals or entities on the exclusion list applies to each individual or entity on the exclusion list, even if the named individual or entity is not responsible for direct patient care or direct submission of a claim to medical assistance.

(d) An entity that pays medical assistance program funds to an individual or entity on the exclusion list must refund any payment related to either items or services rendered by an individual or entity on the exclusion list from the date the individual or entity
is first paid or the date the individual or entity is placed on the exclusion list, whichever is
later, and a vendor may be subject to:

(1) sanctions under subdivision 2;

(2) a civil monetary penalty of up to $25,000 for each determination by the department
that the vendor employed or contracted with an individual or entity on the exclusion list;

and

(3) other fines or penalties allowed by law.

Subd. 4. Notice. (a) The department shall serve the notice required under subdivision 2
shall be served by certified mail at the address submitted to the department by the vendor
individual or entity. Service is complete upon mailing. The commissioner shall place an
affidavit of the certified mailing in the vendor's file as an indication of the address and the
date of mailing.

(b) The department shall give notice in writing to a recipient placed in the Minnesota
restricted recipient program under section 256B.0646 and Minnesota Rules, part 9505.2200.
The department shall send the notice shall be served by first class mail to the recipient's current
address on file with the department. A recipient placed in the Minnesota restricted recipient
program may contest the placement by submitting a written request for a hearing to the
department within 90 days of the notice being mailed.

(c) For purposes of this subdivision, "person" includes a natural person or any form of
a business or legal entity.

(d) After an investigation is complete, the reporter's name must be kept confidential.

The subject of the report may compel disclosure of the reporter's name only with the consent
of the reporter or upon a written finding by a district court that the report was false and there
is evidence that the report was made in bad faith. This subdivision does not alter disclosure
responsibilities or obligations under the Rules of Criminal Procedure, except that when the
identity of the reporter is relevant to a criminal prosecution the district court shall conduct
an in-camera review before determining whether to order disclosure of the reporter's identity.

is first paid or the date the individual or entity is placed on the exclusion list, whichever is
later, and a vendor may be subject to:

(1) sanctions under subdivision 2;

(2) a civil monetary penalty of up to $25,000 for each determination by the department
that the vendor employed or contracted with an individual or entity on the exclusion list;

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address on file with the department. A recipient placed in the Minnesota restricted recipient
program may contest the placement by submitting a written request for a hearing to the
department within 90 days of the notice being mailed.

(c) For purposes of this subdivision, "person" includes a natural person or any form of
a business or legal entity.
Sec. 38. Minnesota Statutes 2022, section 256B.27, subdivision 3, is amended to read:

Subd. 3. Access to medical records. The commissioner of human services, with the written consent of the recipient, on file with the local welfare agency, shall be allowed access in the manner and within the time prescribed by the commissioner to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which is duplicative, erroneous, or false in whole or in part, or which results in the vendor obtaining greater compensation than the vendor is legally entitled to; or (b) the medical care was medically necessary. When the commissioner is investigating a possible overpayment of Medicaid funds, the commissioner must be given immediate access without prior notice to the vendor's office during regular business hours and to documentation and records related to services provided and submission of claims for services provided. The department shall document in writing the need for immediate access to records related to a specific investigation. Denying the commissioner access to records is cause for the vendor's immediate suspension of payment or termination according to section 256B.064. The determination of provision of services not medically necessary shall be made by the commissioner. Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for providing access to medical records to the commissioner of human services pursuant to this section.

Sec. 67. Minnesota Statutes 2022, section 524.5-118, subdivision 2a, is amended to read:

Subd. 2a. Procedure; state licensing agency data. (a) The court shall request the commissioner of human services to provide the court within 25 working days of receipt of the request with licensing agency data for licenses directly related to the responsibilities of a professional fiduciary if the study subject indicates current or prior affiliation from the following agencies in Minnesota:

1. Lawyers Responsibility Board;
2. State Board of Accountancy;
3. Board of Social Work;
4. Board of Psychology;
5. Board of Nursing;
6. Board of Medical Practice;
7. Department of Commerce;
8. Department of Education;
9. Department of Human Services; and
10. Department of Human Resources.

The determination of provision of services not medically necessary shall be made by the commissioner. Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for providing access to medical records to the commissioner of human services pursuant to this section.

Sec. 68. Minnesota Statutes 2022, section 524.5-118, subdivision 2a, is amended to read:

Subd. 2a. Procedure; state licensing agency data. (a) The court shall request the commissioner of human services to provide the court within 25 working days of receipt of the request with licensing agency data for licenses directly related to the responsibilities of a professional fiduciary if the study subject indicates current or prior affiliation from the following agencies in Minnesota:

1. Lawyers Responsibility Board;
2. State Board of Accountancy;
3. Board of Social Work;
4. Board of Psychology;
5. Board of Nursing;
6. Board of Medical Practice;
7. Department of Commerce;
Commissioner with electronic access to the relevant licensing data, and to provide the commissioner with a quarterly list of new sanctions issued by the agency.

(c) The commissioner shall provide to the court the electronically available data maintained in the agency's database, including whether the proposed guardian or conservator is or has been licensed by the agency, and if the licensing agency database indicates a disciplinary action or a sanction against the individual's license, including a condition, suspension, revocation, or cancellation.

(d) If the proposed guardian or conservator has resided in a state other than Minnesota in the previous ten years, licensing agency data under this section shall also include the licensing agency data from any other state where the proposed guardian or conservator reported to have resided during the previous ten years if the study subject indicates current or prior affiliation. If the proposed guardian or conservator has or has had a professional license in another state that is directly related to the responsibilities of a professional fiduciary from one of the agencies listed under paragraph (a), state licensing agency data shall also include data from the relevant licensing agency of that state.

(e) The commissioner is not required to repeat a search for Minnesota or out-of-state licensing data on an individual if the commissioner has provided this information to the court within the prior five years.

(f) The commissioner shall review the information in paragraph (c) at least once every four months to determine if an individual who has been studied within the previous five years:

1. has new disciplinary action or sanction against the individual's license; or
2. did not disclose a prior or current affiliation with a Minnesota licensing agency.

(g) If the commissioner's review in paragraph (f) identifies new information, the commissioner shall provide any new information to the court.
Sec. 40. REVISOR INSTRUCTION.

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section 245C.02, in alphabetical order and correct any cross-reference changes that result.

Sec. 70. REPEALER.

(a) Minnesota Statutes 2022, sections 245A.22; 245C.02, subdivision 9; 245C.301; and 256.9685, subdivisions 1c and 1d, are repealed.

(b) Minnesota Rules, parts 9505.0505, subpart 18; and 9505.0520, subpart 9b, are repealed.

(c) Minnesota Statutes 2022, sections 245A.144; and 245A.175, are repealed.

(d) Minnesota Rules, parts 2960.3070; 2960.3210; and 9502.0425, subparts 5 and 10, are repealed.

Subd. 12. Approval of initial assessments, special assessments, and reassessments.

(a) Any agency completing initial assessments, special assessments, or reassessments must designate one or more supervisors or other staff to examine and approve assessments completed by others in the agency under subdivision 2. The person approving an assessment must not be the case manager or staff member completing that assessment.

(b) In cases where a special assessment or reassessment for Northstar kinship assistance and adoption assistance is required under subdivision 8 or 11, the commissioner shall review and approve the assessment as part of the eligibility determination process outlined in section 256N.22, subdivision 7, for Northstar kinship assistance, or section 256N.23, subdivision 7, for adoption assistance. The assessment determines the maximum of the negotiated agreement amount under section 256N.25.

(c) The effective date of the new rate is effective the calendar month that the assessment is approved, or the effective date of the agreement, whichever is later, determined as follows:

EFFECTIVE DATE. Paragraphs (a) and (b) are effective the day following final enactment. Paragraphs (c) and (d) are effective January 1, 2024.
for initial assessments of children in foster care, the new rate is effective based on

(1) for initial assessments of children in foster care, the new rate is effective based on

the emergency foster care rate for initial placement pursuant to section 256N.26, subdivision

6;

(2) for special assessments, the new rate is effective the date of the finalized adoption
decree or the date of the court order that transfers permanent legal and physical custody to

a relative;

(3) for postpermanency reassessments, the new rate is effective the date that the

commissioner signs the amendment to the Northstar Adoption Assistance or Northstar

Kinship Assistance benefit agreement.

Sec. 2. Minnesota Statutes 2022, section 260C.221, subdivision 1, is amended to read:

Subdivision 1. Relative search requirements. (a) The responsible social services agency
shall exercise due diligence to identify and notify adult relatives, as defined in section
260C.007, subdivision 27, and current caregivers of a child's sibling, prior to placement or
within 30 days after the child's removal from the parent, regardless of whether a child is
placed in a relative's home, as required under subdivision 2. The relative search required
by this section shall be comprehensive in scope.

(b) The relative search required by this section shall include both maternal and paternal
adult relatives of the child; all adult grandparents; all legal parents, guardians, or custodians
of the child's siblings; and any other adult relatives suggested by the child's parents, subject
to the exceptions due to family violence in subdivision 5, paragraph (b). The search shall
also include getting information from the child in an age-appropriate manner about who the
child considers to be family members and important friends with whom the child has resided
or had significant contact. The relative search required under this section must fulfill the
agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the
breakup of the Indian family under United States Code, title 25, section 1912(d), and to
meet placement preferences under United States Code, title 25, section 1915.

(c) The responsible social services agency has a continuing responsibility to search for
and identify relatives of a child and send the notice to relatives that is required under
subdivision 2, unless the court has relieved the agency of this duty under subdivision 5,
paragraph (e).

Sec. 3. Minnesota Statutes 2022, section 260C.317, subdivision 3, is amended to read:

Subd. 3. Order; retention of jurisdiction. (a) A certified copy of the findings and the
order terminating parental rights, and a summary of the court's information concerning the
child shall be furnished by the court to the commissioner or the agency to which guardianship
is transferred.

(b) The orders shall be on a document separate from the findings. The court shall furnish
the guardian a copy of the order terminating parental rights.
(c) When the court orders guardianship pursuant to this section, the guardian ad litem and counsel for the child shall continue on the case until an adoption decree is entered. An in-court appearance hearing must be held every 90 days following termination of parental rights for the court to review progress toward an adoptive placement and the specific recruitment efforts the agency has taken to find an adoptive family for the child and to finalize the adoption or other permanency plan. Review of the progress toward adoption of a child under guardianship of the commissioner of human services shall be conducted according to section 260C.607.

(d) Upon terminating parental rights or upon a parent's consent to adoption under Minnesota Statutes 2010, section 260C.201, subdivision 11, or section 260C.515, subdivision 5, resulting in an order for guardianship to the commissioner of human services, the court shall retain jurisdiction:

(1) until the child is adopted;

(2) through the child's minority; or

(3) as long as the child continues in or reenters foster care, until the individual becomes 21 years of age according to sections 260C.193, subdivision 6, and 260C.451.

Sec. 8. Minnesota Statutes 2022, section 518A.43, subdivision 1b, is amended to read:

Subd. 1b. Increase in income of custodial parent. In a modification of support under section 518A.39, the court may deviate from the presumptive child support obligation under section 518A.34 when the only change in circumstances is an increase to the custodial parent's income and:

(1) the basic support increases;

(2) the parties' combined gross income is $6,000 or less; or

(3) the obligor's income is $2,000 or less.

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

Sec. 5. REPEALER. Minnesota Statutes 2022, sections 256D.63, subdivision 1; and 518A.59, are repealed.

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

Sec. 11. REPEALER. Minnesota Statutes 2022, section 518A.59, is repealed.

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