

168.26

ARTICLE 11

168.27

EARLY CARE AND LEARNING FINANCE

168.28 Section 1. Minnesota Statutes 2024, section 142B.18, subdivision 4, is amended to read:

168.29 Subd. 4. **License suspension, revocation, or fine.** (a) The commissioner may suspend
168.30 or revoke a license, or impose a fine if:

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

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

497.27

ARTICLE 19

497.28

EARLY CARE AND LEARNING

497.29 Section 1. Minnesota Statutes 2024, section 142A.76, subdivision 2, is amended to read:

497.30 Subd. 2. **Establishment.** The Office of Restorative Practices is established within the
497.31 Department of ~~Public Safety~~ Children, Youth, and Families. The Office of Restorative
497.32 Practices shall have the powers and duties described in this section.

498.1 Sec. 2. Minnesota Statutes 2024, section 142A.76, subdivision 3, is amended to read:

498.2 Subd. 3. **Director; other staff.** (a) The commissioner of ~~public safety children, youth,~~
498.3 ~~and families~~ shall appoint a director of the Office of Restorative Practices. The director
498.4 should have qualifications that include or are similar to the following:

498.5 (1) experience in the many facets of restorative justice and practices such as peacemaking
498.6 circles, sentencing circles, community conferencing, community panels, and family group
498.7 decision making;

498.8 (2) experience in victim-centered and trauma-informed practices;

498.9 (3) knowledge of the range of social problems that bring children and families to points
498.10 of crisis such as poverty, racism, unemployment, and unequal opportunity;

498.11 (4) knowledge of the many ways youth become involved in other systems such as truancy,
498.12 juvenile delinquency, and child protection; and

498.13 (5) understanding of educational barriers.

498.14 (b) The director shall hire additional staff to perform the duties of the Office of
498.15 Restorative Practices. The staff shall be in the classified service of the state and their
498.16 compensation shall be established pursuant to chapter 43A.

UEH2435-1 ART 19 SEC 3 WAS REMOVED TO MATCH WITH H2435-3 ART 12 SEC 4.

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

169.10 (4) a license holder is excluded from any program administered by the commissioner
169.11 under section 142A.12;

169.12 (5) revocation is required under section 142B.10, subdivision 14, paragraph (d);

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

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

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

169.25 (b) If the license was suspended or revoked, the notice must inform the license holder
169.26 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
169.27 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
169.28 a license. The appeal of an order suspending or revoking a license must be made in writing
169.29 by certified mail, by personal service, or through the provider licensing and reporting hub.
169.30 If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar
169.31 days after the license holder receives notice that the license has been suspended or revoked.
169.32 If a request is made by personal service, it must be received by the commissioner within
169.33 ten calendar days after the license holder received the order. If the order is issued through
170.1 the provider hub, the appeal must be received by the commissioner within ten calendar days
170.2 from the date the commissioner issued the order through the hub. Except as provided in
170.3 subdivision 3, paragraph (c), if a license holder submits a timely appeal of an order
170.4 suspending or revoking a license, the license holder may continue to operate the program
170.5 as provided under section 142B.10, subdivision 14, paragraphs (i) and (j), until the
170.6 commissioner issues a final order on the suspension or revocation.

170.7 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
170.8 holder of the responsibility for payment of fines and the right to a contested case hearing
170.9 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
170.10 order to pay a fine must be made in writing by certified mail, by personal service, or through
170.11 the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent

170.12 to the commissioner within ten calendar days after the license holder receives notice that
170.13 the fine has been ordered. If a request is made by personal service, it must be received by
170.14 the commissioner within ten calendar days after the license holder received the order. If the
170.15 order is issued through the provider hub, the appeal must be received by the commissioner
170.16 within ten calendar days from the date the commissioner issued the order through the hub.

170.17 (2) The license holder shall pay the fines assessed on or before the payment date specified.
170.18 If the license holder fails to fully comply with the order, the commissioner may issue a
170.19 second fine or suspend the license until the license holder complies. If the license holder
170.20 receives state funds, the state, county, or municipal agencies or departments responsible for
170.21 administering the funds shall withhold payments and recover any payments made while the
170.22 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
170.23 until the commissioner issues a final order.

170.24 (3) A license holder shall promptly notify the commissioner of children, youth, and
170.25 families, in writing, when a violation specified in the order to forfeit a fine is corrected. If
170.26 upon reinspection the commissioner determines that a violation has not been corrected as
170.27 indicated by the order to forfeit a fine, the commissioner may issue a second fine. The
170.28 commissioner shall notify the license holder by certified mail, by personal service, or through
170.29 the provider licensing and reporting hub that a second fine has been assessed. The license
170.30 holder may appeal the second fine as provided under this subdivision.

170.31 (4) Fines shall be assessed as follows:

170.32 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
170.33 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
171.1 for which the license holder is determined responsible for the maltreatment under section
171.2 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

171.3 (ii) if the commissioner determines that a determination of maltreatment for which the
171.4 license holder is responsible is the result of maltreatment that meets the definition of serious
171.5 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
171.6 \$5,000;

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

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

171.14 (v) the license holder shall forfeit \$500 for each occurrence of failure to comply with
171.15 background study requirements under chapter 245C; and

171.16 ~~(v)~~ (vi) the license holder shall forfeit \$100 for each occurrence of a violation of law or
171.17 rule other than those subject to a \$5,000, \$1,000, ~~or~~ \$200, or \$500 fine in items (i) to ~~(iv)~~
171.18 (v).

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

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

UEH2435-1 ART 19 SEC 4 WAS REMOVED TO MATCH WITH H2435-3 ART
12 SEC 8

171.31 Sec. 2. **[142B.68] VIDEO SECURITY CAMERAS IN CHILD CARE CENTERS.**

171.32 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
171.33 subdivision have the meanings given.

172.1 (b) "Facility" means the indoor and outdoor space in which child care is provided that
172.2 is owned, leased, or operated by a licensed child care center and does not include any outdoor
172.3 space that is not located on the same property as the licensed child care center.

172.4 (c) "Video security camera" means a closed circuit video camera or other closed circuit
172.5 device that captures or records video.

172.6 Subd. 2. **Requirements for video security cameras.** (a) Beginning July 1, 2026, a
172.7 licensed child care center must have video security cameras in public and shared areas of
172.8 its facility as provided under this subdivision and comply with the requirements of this
172.9 section if the center is required to post a maltreatment investigation memorandum under
172.10 section 142B.16, subdivision 5, or 142B.18, subdivision 6. A center must comply with the
172.11 requirements under this section within six months of when the maltreatment investigation
172.12 memorandum is posted and must maintain compliance for the length of time the
172.13 memorandum is required to be posted.

172.14 (b) A licensed child care center must have at least one video security camera in each
172.15 room designated for infants or toddlers. The camera must be positioned to provide maximum
172.16 visibility of the room. If one camera is not sufficient to view at least 80 percent of the square

- 172.17 footage of the room, the center must place an additional camera or cameras in the room to
172.18 achieve maximum visibility of the room.
- 172.19 (c) A licensed child care center must have a sufficient number of video security cameras
172.20 to provide visibility of all the facility's outdoor recreational equipment used by infants or
172.21 toddlers and at least 80 percent of the square footage of the facility's fenced-in outdoor space
172.22 used by infants or toddlers.
- 172.23 (d) The video security cameras must:
- 172.24 (1) be turned on and recording at all times the licensed child care center is in operation;
- 172.25 (2) record and display the accurate date and time;
- 172.26 (3) have a display resolution of 720p or higher; and
- 172.27 (4) have a frames per second rate of 15 or higher.
- 172.28 (e) A licensed child care center is exempt from having cameras that meet the requirements
172.29 under paragraph (d), clauses (2), (3), and (4), if the center has cameras as required in
172.30 paragraphs (b) and (c) prior to July 1, 2025.
- 172.31 Subd. 3. **Retention and disposal of recordings; access to recordings.** (a) A licensed
172.32 child care center must retain video security camera recordings for 60 calendar days after
173.1 the date of the recording. Except as provided under paragraphs (b), (c), and (d), a licensed
173.2 child care center must dispose of video security camera recordings after 60 calendar days.
- 173.3 (b) A licensed child care center that receives notice from a law enforcement official of
173.4 a suspected crime committed against a child at the center may not dispose of any video
173.5 security camera recordings until the law enforcement investigation of the suspected crime
173.6 is complete.
- 173.7 (c) A licensed child care center must retain video security camera recordings related to
173.8 an incident that the center must report to the commissioner under Minnesota Rules, part
173.9 9503.0130, for six months from the date of the incident.
- 173.10 (d) A licensed child care center may retain video security camera recordings to use for
173.11 training center employees. Any recordings used for training purposes must redact, as defined
173.12 under section 13.825, subdivision 1, identifying information on children shown or heard in
173.13 the recording, unless a parent or legal guardian has provided written consent providing that
173.14 the center may use unredacted recordings of the parent's or guardian's child.
- 173.15 (e) A licensed child care center must adhere to additional requirements issued by the
173.16 commissioner regarding retention and disposal of video security camera recordings.
- 173.17 (f) A licensed child care center must establish appropriate security safeguards for video
173.18 security camera recordings, including procedures for ensuring that the recordings are only
173.19 accessible to persons whose work assignment reasonably requires access to the recordings,
173.20 and are only accessed by those persons for purposes described in the procedure. All queries

173.21 and responses, and all actions in which the recordings are accessed, shared, or disseminated,
173.22 must be recorded, including the day and time of the action and who was involved in the
173.23 action. The data created pursuant to this paragraph are subject to the same requirements as
173.24 the underlying recording under this section.

173.25 Subd. 4. **Dissemination of recordings.** (a) A licensed child care center may not sell,
173.26 share, transmit, or disseminate a video security camera recording to any person except as
173.27 authorized by this subdivision.

173.28 (b) A child care center must disseminate a video security camera recording pursuant to
173.29 a valid court order, search warrant, or subpoena in a civil, criminal, or administrative
173.30 proceeding, including an investigation by the commissioner.

173.31 (c) A licensed child care center must establish a process by which a parent or legal
173.32 guardian may review, but not obtain a copy of, a video security camera recording if the
173.33 parent or guardian provides documentation from a physician of a child's physical injury.

174.1 (d) An employee of a licensed child care center who is the subject of proposed disciplinary
174.2 action by the center based upon evidence obtained by a video security camera must be given
174.3 access to that evidence for purposes of defending against the proposed action. An employee
174.4 who obtains a recording or a copy of the recording must treat the recording or copy
174.5 confidentially and must not further disseminate it to any other person except as required
174.6 under law. The employee must not keep the recording or copy or a portion of the recording
174.7 or copy after it is no longer needed for purposes of defending against a proposed action.

174.8 Subd. 5. **Exception.** Notwithstanding the requirement to have closed circuit video security
174.9 cameras under this section and subdivision 4, paragraph (a), a licensed child care center
174.10 that, as of July 1, 2025, provided remote viewing of video footage for parents and legal
174.11 guardians may continue to do so in the same manner.

174.12 Subd. 6. **Hold harmless.** (a) The commissioner may not issue a fix-it ticket, correction
174.13 order, or order of conditional license against a child care center license holder for a licensing
174.14 violation that does not imminently endanger the health or safety of the children served by
174.15 the center, if the only source of evidence for the violation is video security camera recordings
174.16 reviewed as part of an investigation under subdivision 4, paragraph (b). This paragraph
174.17 expires upon implementation of the child care weighted risk system under section 142B.171.
174.18 The commissioner shall notify the revisor of statutes when the system has been implemented.

174.19 (b) Upon implementation of the child care weighted risk system under section 142B.171,
174.20 the commissioner may not take a licensing action against a child care center license holder
174.21 for a violation that counts as 6.5 or below for a child care center in the weighted risk system,
174.22 if the only source of evidence for the violation is video security camera recordings reviewed
174.23 as part of an investigation under subdivision 4, paragraph (b).

174.24 Subd. 7. **Written policy required.** A licensed child care center must have a written
174.25 policy on the center's use of video security cameras that includes the following:

- 174.26 (1) the days and times the video security cameras in the facility are in use;
- 174.27 (2) the locations of all areas monitored by video security cameras in the facility;
- 174.28 (3) the center's retention and disposal policies and procedures for the video security
174.29 camera recordings;
- 174.30 (4) the center's policies governing access to the video security camera recordings; and
- 174.31 (5) the center's security safeguards and procedures regarding employee access to the
174.32 recordings.
- 175.1 Subd. 8. **Notices.** (a) A licensed child care center must notify all parents and legal
175.2 guardians who apply to enroll or enroll a child in the center about the use of video security
175.3 cameras in the facility. At the time of a child's enrollment, the center must provide parents
175.4 and legal guardians with the video security camera policy required under subdivision 7.
- 175.5 (b) A licensed child care center must post a sign at each facility entrance accessible to
175.6 visitors that states: "Video security cameras are present to record persons and activities."
- 175.7 Subd. 9. **Data practices.** Video footage collected or maintained by the commissioner
175.8 under this section is classified as welfare data under section 13.46.
- 175.9 Sec. 3. Minnesota Statutes 2024, section 142D.21, subdivision 10, is amended to read:
- 175.10 Subd. 10. **Account; carryforward authority.** ~~Money appropriated under this section~~
175.11 ~~is available until expended.~~ (a) An account is established in the special revenue fund known
175.12 as the great start compensation support payment program account.
- 175.13 (b) Money appropriated under this section must be transferred to the great start
175.14 compensation support payment program account in the special revenue fund.
- 175.15 (c) Money in the account is annually appropriated to the commissioner for the purposes
175.16 of this section. Any returned funds are available to be regranted.
- 175.17 Sec. 4. Minnesota Statutes 2024, section 142D.23, subdivision 3, is amended to read:
- 175.18 Subd. 3. **Eligible uses of money.** Grantees must use money received under this section,
175.19 either directly or through grants to eligible child care providers, for one or more of the
175.20 following purposes:
- 175.21 (1) the purchase of computers or mobile devices for use in business management;
- 175.22 (2) access to the Internet through the provision of necessary hardware such as routers
175.23 or modems or by covering the costs of monthly fees for Internet access;
- 175.24 (3) covering the costs of subscription to child care management software;
- 175.25 (4) covering the costs of training in the use of technology for business management
175.26 purposes; or

175.27 (5) providing grants for up to \$4,000 to licensed child care centers to help cover the
175.28 costs of video security cameras and related training; or

175.29 ~~(5)~~ (6) other services as determined by the commissioner.

176.1 Sec. 5. Minnesota Statutes 2024, section 142D.31, subdivision 2, is amended to read:

176.2 Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

176.3 (1) tuition scholarships up to \$10,000 per year in amounts per year consistent with the
176.4 national TEACH early childhood program requirements for courses leading to the nationally
176.5 recognized child development associate credential or college-level courses leading to an
176.6 associate's degree or bachelor's degree in early childhood development and school-age care;
176.7 and

176.8 (2) education incentives of a minimum of \$250 to participants in the tuition scholarship
176.9 program if they complete a year of working in the early care and education field.

176.10 (b) Applicants for the scholarship must be employed by a licensed or certified early
176.11 childhood or child care program and working directly with children, a licensed family child
176.12 care provider, employed by a public prekindergarten program, employed by a Head Start
176.13 program, or an employee in a school-age program exempt from licensing under section
176.14 142B.05, subdivision 2, paragraph (a), clause (8). Lower wage earners must be given priority
176.15 in awarding the tuition scholarships. Scholarship recipients must contribute at least ten
176.16 percent of the total scholarship and must be sponsored by their employers, who must also
176.17 contribute at least five percent of the total scholarship. Scholarship recipients who ~~are~~
176.18 ~~self-employed~~ work in licensed family child care under Minnesota Rules, chapter 9502,
176.19 must contribute ~~20~~ at least ten percent of the total scholarship and are not required to receive
176.20 employer sponsorship or employer match.

176.21 Sec. 6. Minnesota Statutes 2024, section 142E.03, subdivision 3, is amended to read:

176.22 Subd. 3. **Redeterminations.** (a) Notwithstanding Minnesota Rules, part 3400.0180, item
176.23 A, the county shall conduct a redetermination according to paragraphs (b) and (c).

176.24 (b) The county shall use the redetermination form developed by the commissioner. The
176.25 county must verify the factors listed in subdivision 1, paragraph (a), as part of the
176.26 redetermination.

176.27 (c) An applicant's eligibility must be redetermined no more frequently than every 12
176.28 months. The following criteria apply:

176.29 (1) a family meets the eligibility redetermination requirements if a complete
176.30 redetermination form and all required verifications are received within 30 days after the
176.31 date the form was due;

500.4 Sec. 5. Minnesota Statutes 2024, section 142D.31, subdivision 2, is amended to read:

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500.9 associate's degree or bachelor's degree in early childhood development and school-age care;
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500.12 program if they complete a year of working in the early care and education field.

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500.15 care provider, employed by a public prekindergarten program, employed by a Head Start
500.16 program, or an employee in a school-age program exempt from licensing under section
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500.28 county must verify the factors listed in subdivision 1, paragraph (a), as part of the
500.29 redetermination.

500.30 (c) An applicant's eligibility must be redetermined no more frequently than every 12
500.31 months. The following criteria apply:

501.1 (1) a family meets the eligibility redetermination requirements if a complete
501.2 redetermination form and all required verifications are received within 30 days after the
501.3 date the form was due;

177.1 (2) if the 30th day after the date the form was due falls on a Saturday, Sunday, or holiday,
177.2 the 30-day time period is extended to include the next day that is not a Saturday, Sunday,
177.3 or holiday. Assistance shall be payable retroactively from the redetermination due date;

177.4 (3) for a family where at least one parent is younger than 21 years of age, does not have
177.5 a high school degree or commissioner of education-selected high school equivalency
177.6 certification, and is a student in a school district or another similar program that provides
177.7 or arranges for child care, parenting, social services, career and employment supports, and
177.8 academic support to achieve high school graduation, the redetermination of eligibility may
177.9 be deferred beyond 12 months, to the end of the student's school year; ~~and~~

177.10 (4) starting May 25, 2026, if a new eligible child is added to the family and has care
177.11 authorized, the redetermination of eligibility must be extended 12 months from the eligible
177.12 child's arrival date; and

177.13 ~~(4)~~ (5) a family and the family's providers must be notified that the family's
177.14 redetermination is due at least 45 days before the end of the family's 12-month eligibility
177.15 period.

177.16 Sec. 7. Minnesota Statutes 2024, section 142E.11, subdivision 1, is amended to read:

177.17 Subdivision 1. **General authorization requirements.** (a) When authorizing the amount
177.18 of child care, the county agency must consider the amount of time the parent reports on the
177.19 application or redetermination form that the child attends preschool, a Head Start program,
177.20 or school while the parent is participating in an authorized activity.

177.21 (b) Care must be authorized and scheduled with a provider based on the applicant's or
177.22 participant's verified activity schedule when:

177.23 (1) the family requests care from more than one provider per child;

177.24 (2) the family requests care from a legal nonlicensed provider; or

177.25 (3) an applicant or participant is employed by any child care center that is licensed by
177.26 the Department of Children, Youth, and Families or has been identified as a high-risk
177.27 Medicaid-enrolled provider.

177.28 This paragraph expires March 2, 2026.

177.29 (c) If the family remains eligible at redetermination, a new authorization with fewer
177.30 hours, the same hours, or increased hours may be determined.

178.1 Sec. 8. Minnesota Statutes 2024, section 142E.11, subdivision 2, is amended to read:

178.2 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota
178.3 Rules, chapter 3400, the amount of child care authorized under section 142E.12 for
178.4 employment, education, or an MFIP employment plan shall continue at the same number
178.5 of hours or more hours until redetermination, including:

501.4 (2) if the 30th day after the date the form was due falls on a Saturday, Sunday, or holiday,
501.5 the 30-day time period is extended to include the next day that is not a Saturday, Sunday,
501.6 or holiday. Assistance shall be payable retroactively from the redetermination due date;

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501.8 a high school degree or commissioner of education-selected high school equivalency
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501.10 or arranges for child care, parenting, social services, career and employment supports, and
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501.12 be deferred beyond 12 months, to the end of the student's school year; ~~and~~

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501.15 child's arrival date; and

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502.5 Rules, chapter 3400, the amount of child care authorized under section 142E.12 for
502.6 employment, education, or an MFIP employment plan shall continue at the same number
502.7 of hours or more hours until redetermination, including:

178.6 (1) when the other parent moves in and is employed or has an education plan under
178.7 section 142E.12, subdivision 3, or has an MFIP employment plan; or

178.8 (2) when the participant's work hours are reduced or a participant temporarily stops
178.9 working or attending an approved education program. Temporary changes include, but are
178.10 not limited to, a medical leave, seasonal employment fluctuations, or a school break between
178.11 semesters.

178.12 (b) The county may increase the amount of child care authorized at any time if the
178.13 participant verifies the need for increased hours for authorized activities.

178.14 (c) The county may reduce the amount of child care authorized if a parent requests a
178.15 reduction or because of a change in:

178.16 (1) the child's school schedule;

178.17 (2) the custody schedule; or

178.18 (3) the provider's availability.

178.19 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph
178.20 (b), must change when the participant's activity schedule changes. Paragraph (a) does not
178.21 apply to a family subject to subdivision 1, paragraph (b). This paragraph expires March 2,
178.22 2026.

178.23 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of
178.24 age, the amount of child care authorized shall continue at the same number of hours or more
178.25 hours until redetermination.

178.26 Sec. 9. Minnesota Statutes 2024, section 142E.13, subdivision 2, is amended to read:

178.27 Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three
178.28 months of extended eligibility and redetermination is not due, to continue receiving child
178.29 care assistance the participant must be employed or have an education plan that meets the
178.30 requirements of section 142E.12, subdivision 3, or have an MFIP employment plan.
178.31 Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance continues, the
178.32 amount of child care authorized shall continue at the same number or more hours until
179.1 redetermination, unless a condition in section 142E.11, subdivision 2, paragraph (c), applies.
179.2 ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care~~
179.3 ~~authorized based on a verified activity schedule.~~

179.4 (b) If the family's redetermination occurs before the end of the three-month extended
179.5 eligibility period to continue receiving child care assistance, the participant must verify that
179.6 the participant meets eligibility and activity requirements for child care assistance under
179.7 this chapter. ~~Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance~~
179.8 ~~continues, the amount of child care authorized is based on section 142E.12. A family subject~~

502.8 (1) when the other parent moves in and is employed or has an education plan under
502.9 section 142E.12, subdivision 3, or has an MFIP employment plan; or

502.10 (2) when the participant's work hours are reduced or a participant temporarily stops
502.11 working or attending an approved education program. Temporary changes include, but are
502.12 not limited to, a medical leave, seasonal employment fluctuations, or a school break between
502.13 semesters.

502.14 (b) The county may increase the amount of child care authorized at any time if the
502.15 participant verifies the need for increased hours for authorized activities.

502.16 (c) The county may reduce the amount of child care authorized if a parent requests a
502.17 reduction or because of a change in:

502.18 (1) the child's school schedule;

502.19 (2) the custody schedule; or

502.20 (3) the provider's availability.

502.21 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph
502.22 (b), must change when the participant's activity schedule changes. Paragraph (a) does not
502.23 apply to a family subject to subdivision 1, paragraph (b). This paragraph expires March 2,
502.24 2026.

502.25 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of
502.26 age, the amount of child care authorized shall continue at the same number of hours or more
502.27 hours until redetermination.

502.28 Sec. 9. Minnesota Statutes 2024, section 142E.13, subdivision 2, is amended to read:

502.29 Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three
502.30 months of extended eligibility and redetermination is not due, to continue receiving child
502.31 care assistance the participant must be employed or have an education plan that meets the
503.1 requirements of section 142E.12, subdivision 3, or have an MFIP employment plan.
503.2 Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance continues, the
503.3 amount of child care authorized shall continue at the same number or more hours until
503.4 redetermination, unless a condition in section 142E.11, subdivision 2, paragraph (c), applies.
503.5 ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care~~
503.6 ~~authorized based on a verified activity schedule.~~

503.7 (b) If the family's redetermination occurs before the end of the three-month extended
503.8 eligibility period to continue receiving child care assistance, the participant must verify that
503.9 the participant meets eligibility and activity requirements for child care assistance under
503.10 this chapter. Notwithstanding Minnesota Rules, part 3400.0010, if child care assistance
503.11 ~~continues, the amount of child care authorized is based on section 142E.12. A family subject~~

179.9 to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on
179.10 a verified activity schedule.

179.11 **EFFECTIVE DATE.** This section is effective May 25, 2026.

179.12 Sec. 10. Minnesota Statutes 2024, section 142E.15, subdivision 1, is amended to read:

179.13 Subdivision 1. **Fee schedule.** All changes to parent fees must be implemented on the
179.14 first Monday of the service period following the effective date of the change.

179.15 PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in
179.16 subdivision 2:

179.17	Income Range (as a percent of the state	Co-payment (as a percentage of adjusted
179.18	median income, except at the start of the first	gross income)
179.19	tier)	
179.20	0-74.99% <u>0-99.99%</u> of federal poverty	
179.21	guidelines	\$0/biweekly
179.22	75.00-99.99% of federal poverty guidelines	\$2/biweekly
179.23	100.00% of federal poverty	
179.24	guidelines- 27.72% <u>27.99%</u>	2.61% <u>2.6%</u>
179.25	27.73-29.04%	2.61%
179.26	29.05-30.36%	2.61%
179.27	30.37-31.68%	2.61%
179.28	31.69-33.00%	2.91%
179.29	33.01-34.32%	2.91%
179.30	34.33-35.65%	2.91%
179.31	35.66-36.96%	2.91%
179.32	36.97-38.29%	3.21%
179.33	38.30-39.61%	3.21%
179.34	39.62-40.93%	3.21%
179.35	40.94-42.25%	3.84%

503.12 to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on
503.13 a verified activity schedule.

503.14 **EFFECTIVE DATE.** This section is effective May 25, 2026.

503.15 Sec. 10. Minnesota Statutes 2024, section 142E.15, subdivision 1, is amended to read:

503.16 Subdivision 1. **Fee schedule.** All changes to parent fees must be implemented on the
503.17 first Monday of the service period following the effective date of the change.

503.18 PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in
503.19 subdivision 2:

503.20	Income Range (as a percent of the state	Co-payment (as a percentage of adjusted
503.21	median income, except at the start of the first	gross income)
503.22	tier)	
503.23	0-74.99% <u>0-99.99%</u> of federal poverty	
503.24	guidelines	\$0/biweekly
503.25	75.00-99.99% of federal poverty guidelines	\$2/biweekly
503.26	100.00% of federal poverty	
503.27	guidelines- 27.72% <u>27.99%</u>	2.61% <u>2.6%</u>
503.28	27.73-29.04%	2.61%
503.29	29.05-30.36%	2.61%
503.30	30.37-31.68%	2.61%
503.31	31.69-33.00%	2.91%
503.32	33.01-34.32%	2.91%
503.33	34.33-35.65%	2.91%
503.34	35.66-36.96%	2.91%
503.35	36.97-38.29%	3.21%
503.36	38.30-39.61%	3.21%
504.1	39.62-40.93%	3.21%
504.2	40.94-42.25%	3.84%

179.36	42.26-43.57%	<u>3.84%</u>
180.1	43.58-44.89%	<u>4.46%</u>
180.2	44.90-46.21%	<u>4.76%</u>
180.3	46.22-47.53%	<u>5.05%</u>
180.4	47.54-48.85%	<u>5.65%</u>
180.5	48.86-50.17%	<u>5.95%</u>
180.6	50.18-51.49%	<u>6.24%</u>
180.7	51.50-52.81%	<u>6.84%</u>
180.8	52.82-54.13%	<u>7.58%</u>
180.9	54.14-55.45%	<u>8.33%</u>
180.10	55.46-56.77%	<u>9.20%</u>
180.11	56.78-58.09%	<u>10.07%</u>
180.12	58.10-59.41%	<u>10.94%</u>
180.13	59.42-60.73%	<u>11.55%</u>
180.14	60.74-62.06%	<u>12.16%</u>
180.15	62.07-63.38%	<u>12.77%</u>
180.16	63.39-64.70%	<u>13.38%</u>
180.17	64.71-67.00%	<u>14.00%</u>
180.18	<u>28.00-30.99%</u>	<u>2.6%</u>
180.19	<u>31.00-33.99%</u>	<u>2.6%</u>
180.20	<u>34.00-36.99%</u>	<u>2.9%</u>
180.21	<u>37.00-39.99%</u>	<u>3.2%</u>
180.22	<u>40.00-42.99%</u>	<u>3.8%</u>
180.23	<u>43.00-45.99%</u>	<u>4.4%</u>

504.3	42.26-43.57%	<u>3.84%</u>
504.4	43.58-44.89%	<u>4.46%</u>
504.5	44.90-46.21%	<u>4.76%</u>
504.6	46.22-47.53%	<u>5.05%</u>
504.7	47.54-48.85%	<u>5.65%</u>
504.8	48.86-50.17%	<u>5.95%</u>
504.9	50.18-51.49%	<u>6.24%</u>
504.10	51.50-52.81%	<u>6.84%</u>
504.11	52.82-54.13%	<u>7.58%</u>
504.12	54.14-55.45%	<u>8.33%</u>
504.13	55.46-56.77%	<u>9.20%</u>
504.14	56.78-58.09%	<u>10.07%</u>
504.15	58.10-59.41%	<u>10.94%</u>
504.16	59.42-60.73%	<u>11.55%</u>
504.17	60.74-62.06%	<u>12.16%</u>
504.18	62.07-63.38%	<u>12.77%</u>
504.19	63.39-64.70%	<u>13.38%</u>
504.20	64.71-67.00%	<u>14.00%</u>
504.21	<u>28.00-30.99%</u>	<u>2.6%</u>
504.22	<u>31.00-33.99%</u>	<u>2.6%</u>
504.23	<u>34.00-36.99%</u>	<u>2.9%</u>
504.24	<u>37.00-39.99%</u>	<u>3.2%</u>
504.25	<u>40.00-42.99%</u>	<u>3.8%</u>
504.26	<u>43.00-45.99%</u>	<u>4.4%</u>

180.24	<u>46.00-48.99%</u>	<u>5.0%</u>
180.25	<u>49.00-51.99%</u>	<u>5.6%</u>
180.26	<u>52.00-54.99%</u>	<u>6.2%</u>
180.27	<u>55.00-57.99%</u>	<u>6.8%</u>
180.28	<u>58.00-60.99%</u>	<u>6.9%</u>
180.29	<u>61.00-63.99%</u>	<u>6.9%</u>
180.30	<u>64.00-67.00%</u>	<u>6.9%</u>
180.31	Greater than 67.00%	ineligible

180.32 A family's biweekly co-payment fee is the fixed percentage established for the income
180.33 range multiplied by the ~~highest~~ lowest possible income within that income range.

180.34 **EFFECTIVE DATE.** This section is effective October 13, 2025.

181.1 Sec. 11. Minnesota Statutes 2024, section 142E.16, subdivision 3, is amended to read:

181.2 Subd. 3. **Training required.** (a) Prior to initial authorization as required in subdivision
181.3 1, a legal nonlicensed family child care provider must complete first aid and CPR training
181.4 and provide the verification of first aid and CPR training to the commissioner. The training
181.5 documentation must have valid effective dates as of the date the registration request is
181.6 submitted to the commissioner. The training must have been provided by an individual
181.7 approved to provide first aid and CPR instruction and have included CPR techniques for
181.8 infants and children.

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

181.13 (c) Every 12 months, a legal nonlicensed family child care provider who is unrelated to
181.14 the child they care for must complete two hours of training in caring for children approved
181.15 by the commissioner.

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

181.17 **EFFECTIVE DATE.** This section is effective October 1, 2025.

181.18 Sec. 12. Minnesota Statutes 2024, section 142E.16, subdivision 7, is amended to read:

181.19 Subd. 7. **Record-keeping requirement.** (a) As a condition of payment, all providers
181.20 receiving child care assistance payments must:

504.27	<u>46.00-48.99%</u>	<u>5.0%</u>
504.28	<u>49.00-51.99%</u>	<u>5.6%</u>
504.29	<u>52.00-54.99%</u>	<u>6.2%</u>
504.30	<u>55.00-57.99%</u>	<u>6.8%</u>
504.31	<u>58.00-60.99%</u>	<u>6.9%</u>
504.32	<u>61.00-63.99%</u>	<u>6.9%</u>
504.33	<u>64.00-67.00%</u>	<u>6.9%</u>
504.34	Greater than 67.00%	ineligible

504.35 A family's biweekly co-payment fee is the fixed percentage established for the income
504.36 range multiplied by the ~~highest~~ lowest possible income within that income range.

504.37 **EFFECTIVE DATE.** This section is effective October 13, 2025.

505.1 Sec. 11. Minnesota Statutes 2024, section 142E.16, subdivision 3, is amended to read:

505.2 Subd. 3. **Training required.** (a) Prior to initial authorization as required in subdivision
505.3 1, a legal nonlicensed family child care provider must complete first aid and CPR training
505.4 and provide the verification of first aid and CPR training to the commissioner. The training
505.5 documentation must have valid effective dates as of the date the registration request is
505.6 submitted to the commissioner. The training must have been provided by an individual
505.7 approved to provide first aid and CPR instruction and have included CPR techniques for
505.8 infants and children.

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

505.13 (c) Every 12 months, a legal nonlicensed family child care provider who is unrelated to
505.14 the child they care for must complete two hours of training in caring for children approved
505.15 by the commissioner.

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

505.17 **EFFECTIVE DATE.** This section is effective October 1, 2025.

505.18 Sec. 12. Minnesota Statutes 2024, section 142E.16, subdivision 7, is amended to read:

505.19 Subd. 7. **Record-keeping requirement.** (a) As a condition of payment, all providers
505.20 receiving child care assistance payments must:

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

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

181.27 (3) submit data on child enrollment and attendance in the form and manner specified by
181.28 the commissioner.

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

182.3 (c) When the county or the commissioner knows or has reason to believe that a current
182.4 or former provider has not complied with the record-keeping requirement in this subdivision:

182.5 (1) the commissioner may:

182.6 (i) deny or revoke a provider's authorization to receive child care assistance payments
182.7 under section 142E.17, subdivision 9, paragraph (d);

182.8 (ii) pursue an administrative disqualification under sections 142E.51, subdivision 5, and
182.9 256.98; or

182.10 (iii) take an action against the provider under ~~sections 142E.50 to 142E.58~~ section
182.11 142E.51; or

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

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

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

182.20 **EFFECTIVE DATE.** This section is effective June 22, 2026.

182.21 Sec. 13. Minnesota Statutes 2024, section 142E.17, subdivision 9, is amended to read:

182.22 Subd. 9. **Provider payments.** (a) A provider shall bill only for services documented
182.23 according to section 142E.16, subdivision 7. The provider shall bill for services provided

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

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

505.27 (3) submit data on child enrollment and attendance in the form and manner specified by
505.28 the commissioner.

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

506.3 (c) When the county or the commissioner knows or has reason to believe that a current
506.4 or former provider has not complied with the record-keeping requirement in this subdivision:

506.5 (1) the commissioner may:

506.6 (i) deny or revoke a provider's authorization to receive child care assistance payments
506.7 under section 142E.17, subdivision 9, paragraph (d);

506.8 (ii) pursue an administrative disqualification under sections 142E.51, subdivision 5, and
506.9 256.98; or

506.10 (iii) take an action against the provider under ~~sections 142E.50 to 142E.58~~ section
506.11 142E.51; or

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

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

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

506.20 **EFFECTIVE DATE.** This section is effective June 22, 2026.

- 182.24 within ten days of the end of the service period. A provider must sign each bill and declare,
182.25 under penalty of perjury as provided in section 609.48, that the information in the bill is
182.26 true and correct. Payments under the child care fund shall be made within 21 days of
182.27 receiving a complete bill from the provider. Counties or the state may establish policies that
182.28 make payments on a more frequent basis.
- 182.29 (b) If a provider has received an authorization of care and been issued a billing form for
182.30 an eligible family, the bill must be submitted within 60 days of the last date of service on
182.31 the bill. A bill submitted more than 60 days after the last date of service must be paid if the
182.32 county determines that the provider has shown good cause why the bill was not submitted
183.1 within 60 days. Good cause must be defined in the county's child care fund plan under
183.2 section 142E.09, subdivision 3, and the definition of good cause must include county error.
183.3 Any bill submitted more than a year after the last date of service on the bill must not be
183.4 paid.
- 183.5 (c) If a provider provided care for a time period without receiving an authorization of
183.6 care and a billing form for an eligible family, payment of child care assistance may only be
183.7 made retroactively for a maximum of three months from the date the provider is issued an
183.8 authorization of care and a billing form. For a family at application, if a provider provided
183.9 child care during a time period without receiving an authorization of care and a billing form,
183.10 a county may only make child care assistance payments to the provider retroactively from
183.11 the date that child care began, or from the date that the family's eligibility began under
183.12 section 142E.10, subdivision 7, or from the date that the family meets authorization
183.13 requirements, not to exceed six months from the date that the provider is issued an
183.14 authorization of care and a billing form, whichever is later.
- 183.15 (d) The commissioner may refuse to issue a child care authorization to a certified,
183.16 licensed, or legal nonlicensed provider; revoke an existing child care authorization to a
183.17 certified, licensed, or legal nonlicensed provider; stop payment issued to a certified, licensed,
183.18 or legal nonlicensed provider; or refuse to pay a bill submitted by a certified, licensed, or
183.19 legal nonlicensed provider if:
- 183.20 (1) the provider admits to intentionally giving the county materially false information
183.21 on the provider's billing forms;
- 183.22 (2) the commissioner finds by a preponderance of the evidence that the provider
183.23 intentionally gave the county materially false information on the provider's billing forms,
183.24 or provided false attendance records to a county or the commissioner;
- 183.25 (3) the provider is in violation of child care assistance program rules, until the agency
183.26 determines those violations have been corrected;
- 183.27 (4) the provider is operating after:
- 183.28 (i) an order of suspension of the provider's license issued by the commissioner;
- 183.29 (ii) an order of revocation of the provider's license issued by the commissioner; or

- 183.30 (iii) an order of decertification issued to the provider;
- 183.31 (5) the provider submits false attendance reports or refuses to provide documentation
- 183.32 of the child's attendance upon request;
- 184.1 (6) the provider gives false child care price information; or
- 184.2 (7) the provider fails to report decreases in a child's attendance as required under section
- 184.3 142E.16, subdivision 9.
- 184.4 (e) For purposes of paragraph (d), clauses (3), (5), (6), and (7), the commissioner may
- 184.5 withhold the provider's authorization or payment for a period of time not to exceed three
- 184.6 months beyond the time the condition has been corrected.
- 184.7 (f) A county's payment policies must be included in the county's child care plan under
- 184.8 section 142E.09, subdivision 3. If payments are made by the state, in addition to being in
- 184.9 compliance with this subdivision, the payments must be made in compliance with section
- 184.10 16A.124.
- 184.11 (g) If the commissioner suspends or refuses payment to a provider under paragraph (d),
- 184.12 clause (1) or (2), or sections 142E.50 to 142E.58 and the provider has:
- 184.13 (1) a disqualification for wrongfully obtaining assistance under section 256.98,
- 184.14 subdivision 8, paragraph (c);
- 184.15 (2) an administrative disqualification under section 142E.51, subdivision 5; or
- 184.16 (3) a termination under section 142E.51, subdivision 4, paragraph (c), clause (4), or
- 184.17 142E.55;
- 184.18 then the provider forfeits the payment to the commissioner or the responsible county agency,
- 184.19 regardless of the amount assessed in an overpayment, charged in a criminal complaint, or
- 184.20 ordered as criminal restitution.
- 184.21 **EFFECTIVE DATE.** This section is effective September 15, 2025.
- 184.22 Sec. 14. Minnesota Statutes 2024, section 245.0962, subdivision 1, is amended to read:
- 184.23 Subdivision 1. **Establishment.** The commissioner of ~~human services~~ children, youth,
- 184.24 and families must establish a quality parenting initiative grant program to implement quality
- 184.25 parenting initiative principles and practices to support children and families experiencing
- 184.26 foster care placements.
- 184.27 **EFFECTIVE DATE.** This section is effective July 1, 2025.

- 506.21 Sec. 13. Minnesota Statutes 2024, section 245.0962, subdivision 1, is amended to read:
- 506.22 Subdivision 1. **Establishment.** The commissioner of ~~human services~~ children, youth,
- 506.23 and families must establish a quality parenting initiative grant program to implement quality
- 506.24 parenting initiative principles and practices to support children and families experiencing
- 506.25 foster care placements.
- 506.26 Sec. 14. Minnesota Statutes 2024, section 245.975, subdivision 1, is amended to read:
- 506.27 Subdivision 1. **Creation and appointment.** The Office of the Ombudsperson for Family
- 506.28 Child Care Providers is hereby created. The governor shall appoint an ombudsperson in the

506.29 unclassified service to assist family child care providers with licensing, compliance, and
506.30 other issues facing family child care providers. The ombudsperson must be selected without
506.31 regard to the person's political affiliation and must have been a licensed family child care
507.1 provider for at least three years. The ombudsperson shall serve a term of four years, which
507.2 may be renewed, and may be removed prior to the end of the term for just cause.

507.3 Sec. 15. Laws 2021, First Special Session chapter 7, article 2, section 81, is amended to
507.4 read:

507.5 Sec. 81. **FAMILY CHILD CARE REGULATION MODERNIZATION.**

507.6 (a) The commissioner of ~~human services~~ shall children, youth, and families must contract
507.7 with an experienced and independent organization or individual consultant to conduct the
507.8 work outlined in this section. If practicable, the commissioner must contract with the National
507.9 Association for Regulatory Administration.

507.10 (b) The consultant must develop a proposal for updated family child care licensing
507.11 standards and solicit input from stakeholders as described in paragraph (d). The proposed
507.12 new standards must protect the health and safety of children in family child care programs
507.13 and be child centered, family friendly, and fair to providers.

507.14 (c) The consultant must work with stakeholders and the Department of Children, Youth,
507.15 and Families, as described in paragraph (d), to develop a proposal for a risk-based model
507.16 for monitoring compliance with family child care licensing standards, ~~grounded in national~~
507.17 ~~regulatory best practices~~. Violations in the new model must be weighted to reflect the
507.18 potential risk they pose to children's health and safety, and licensing sanctions must be tied
507.19 to the potential risk. ~~The proposed new model must protect the health and safety of children~~
507.20 ~~in family child care programs and be child-centered, family friendly, and fair to providers.~~

507.21 (d) The consultant ~~shall~~ must develop and implement a stakeholder engagement process
507.22 that solicits input from parents, licensed family child care providers, county licensors, staff
507.23 of the Department of ~~Human Services~~ Children, Youth, and Families, and experts in child
507.24 development about licensing standards, tiers for violations of the standards based on the
507.25 potential risk of harm that each violation poses, and licensing sanctions for each tier. The
507.26 consultant and commissioner must engage with working groups of licensed family child
507.27 care providers at least five times throughout the stakeholder engagement process, and include
507.28 both daytime and evening engagement opportunities as needed.

507.29 (e) The consultant shall solicit input from parents, licensed family child care providers,
507.30 county licensors, and staff of the Department of ~~Human Services~~ Children, Youth, and
507.31 Families about which family child care providers should be eligible for abbreviated
507.32 inspections that predict compliance with other licensing standards for licensed family child
507.33 care providers using key indicators previously identified by an empirically based statistical
508.1 methodology developed by the National Association for Regulatory Administration and the
508.2 Research Institute for Key Indicators.

184.28 Sec. 15. **ELIMINATING SCHEDULE REPORTER DESIGNATION.**

184.29 Notwithstanding Minnesota Statutes, section 142E.04, subdivisions 6, 7, and 8, the
184.30 commissioner of children, youth, and families must allocate additional basic sliding fee
185.1 child care money for calendar years 2026 and 2027 to counties and Tribes to account for
185.2 eliminating the schedule reporter designation in the child care assistance program. In
185.3 allocating the additional money, the commissioner shall consider:

- 185.4 (1) the number of children who are in schedule reporter families; and
185.5 (2) the average basic sliding fee cost of care in the county or Tribe.

185.6 Sec. 16. **CHILDREN AND FAMILIES INFORMATION TECHNOLOGY SYSTEMS**
185.7 **MODERNIZATION.**

185.8 Subdivision 1. **Direction to commissioner.** To the extent there is funding available for
185.9 these purposes in the state systems account established under Minnesota Statutes, section
185.10 142A.04, subdivision 2, the commissioner of children, youth, and families must establish
185.11 and implement the information technology systems described under this section.

185.12 Subd. 2. **Family common application tool.** (a) The commissioner must establish and
185.13 implement an application tool that allows families to apply for available early care and
185.14 education support programs. The application tool must:

- 185.15 (1) provide integrated support in multiple languages, including real-time translation
185.16 capabilities;

508.3 (f) No later than ~~February~~ December 1, 2024 2025, the commissioner shall must submit
508.4 a report and proposed legislation required to implement the new licensing model and the
508.5 new licensing standards to the chairs and ranking minority members of the legislative
508.6 committees with jurisdiction over child care regulation. Throughout the drafting of the
508.7 report and proposed legislation required under this paragraph, the commissioner must engage
508.8 providers whose primary language is not English to have those providers review translated
508.9 drafts of the report and written materials provided at engagement sessions to provide feedback
508.10 on the draft standards. This engagement must occur within focus groups or meetings that
508.11 are held at convenient times for the providers, including both daytime and evening sessions.

508.12 (g) The proposals developed under paragraphs (b) and (c); any presentations, summary
508.13 documents, engagement invitations, surveys, and drafts of the report used in the stakeholder
508.14 engagement process under paragraph (d) or when soliciting input under paragraph (e); and
508.15 the report required under paragraph (f) must also be made available in Hmong, Somali, and
508.16 Spanish.

508.17 (h) The updated family child care licensing standards proposed under paragraph (b) and
508.18 the risk-based model for monitoring compliance with family child care licensing standards
508.19 proposed under paragraph (c) must not be implemented any earlier than January 1, 2027.

508.20 Sec. 16. **ELIMINATING SCHEDULE REPORTER DESIGNATION.**

508.21 Notwithstanding Minnesota Statutes, section 142E.04, subdivisions 6, 7, and 8, the
508.22 commissioner of children, youth, and families must allocate additional basic sliding fee
508.23 child care money for calendar years 2026 and 2027 to counties and Tribes to account for
508.24 eliminating the schedule reporter designation in the child care assistance program. In
508.25 allocating the additional money, the commissioner shall consider:

- 508.26 (1) the number of children who are in schedule reporter families; and
508.27 (2) the average basic sliding fee cost of care in the county or Tribe.

185.17 (2) include an eligibility screener;
185.18 (3) include capability for automatic pre-population of known family information and
185.19 use open authorization to validate identity;
185.20 (4) enable application completion and submission across multiple programs and services;
185.21 (5) integrate selection tool for early care and education programs;
185.22 (6) reach families through various ways, including employers, employee organizations,
185.23 and medical assistance managed care organizations; and
185.24 (7) operate using the software as a service model that ensures frequent maintenance and
185.25 user experience updates.
185.26 (b) Funding under this section for the application tool may only be used for early care
185.27 and education support programs.
185.28 Subd. 3. **Payments system.** The commissioner must establish and implement a
185.29 centralized, integrated payment system for early care and education funding streams that:
185.30 (1) integrates seamlessly with the existing provider licensing and reporting hub;
186.1 (2) implements real-time payment processing and cash management capabilities, including
186.2 instant fund transfers and automated reconciliation;
186.3 (3) incorporates robust security measures, including fraud detection and prevention;
186.4 (4) enables automated compliance with state and federal reporting requirements;
186.5 (5) provides a user-friendly interface with mobile accessibility for child care providers
186.6 to manage invoices and payments;
186.7 (6) ensures interoperability with other relevant state systems and databases; and
186.8 (7) implements data quality monitoring and reporting tools to support decision making.
186.9 Subd. 4. **Reporting requirements.** The commissioner must provide quarterly
186.10 implementation updates to the chairs and minority leads of the committees with jurisdiction
186.11 over programs for children and families. The quarterly updates must describe the department's
186.12 progress toward establishing and implementing the information technology systems under
186.13 this section. The quarterly updates must continue until either the systems are fully
186.14 implemented or the department no longer has sufficient funding for the purposes identified
186.15 in this section.
186.16 Sec. 17. **REVISOR INSTRUCTION.**
186.17 The revisor of statutes shall renumber Minnesota Statutes, section 245.0962, as Minnesota
186.18 Statutes, section 142A.47. The revisor shall also make necessary cross-reference changes
186.19 consistent with the renumbering.

508.28 Sec. 17. **REVISOR INSTRUCTION.**

508.29 The revisor of statutes shall renumber Minnesota Statutes, section 245.0962, as Minnesota
508.30 Statutes, section 142A.47. The revisor shall also make necessary cross-reference changes
508.31 consistent with the renumbering.

186.20 EFFECTIVE DATE. This section is effective July 1, 2025.

186.21 Sec. 18. REVISOR INSTRUCTION.

186.22 The revisor of statutes shall renumber Minnesota Statutes, section 142D.12, subdivision
186.23 3, as Minnesota Statutes, section 120B.121. The revisor shall also make necessary
186.24 cross-reference changes consistent with the renumbering.

508.32 EFFECTIVE DATE. This section is effective July 1, 2025.

509.1 Sec. 18. REVISOR INSTRUCTION.

509.2 The revisor of statutes shall renumber Minnesota Statutes, section 142D.12, subdivision
509.3 3, as Minnesota Statutes, section 120B.121. The revisor shall also make necessary
509.4 cross-reference changes consistent with the renumbering.

509.5 Sec. 19. REVISOR INSTRUCTION.

509.6 The revisor of statutes shall renumber Minnesota Statutes, section 124D.129, as
509.7 Minnesota Statutes, section 142A.48. The revisor shall also make necessary cross-reference
509.8 changes consistent with the renumbering.