

SEVENTY-SEVENTH DAY

St. Paul, Minnesota, Monday, May 22, 2023

The Senate met at 10:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Latz imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Dr. DeWayne Davis.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators were present:

Abeler	Dziedzic	Johnson	Maye Quade	Rarick
Anderson	Eichorn	Klein	McEwen	Rasmusson
Bahr	Farnsworth	Koran	Miller	Rest
Boldon	Fatch	Kreun	Mitchell	Seeberger
Carlson	Frentz	Kunesh	Mohamed	Utke
Champion	Green	Kupec	Morrison	Weber
Coleman	Gruenhagen	Lang	Murphy	Wesenberg
Cwodzinski	Gustafson	Latz	Nelson	Westlin
Dahms	Hauschild	Lieske	Oumou Verbeten	Westrom
Dibble	Hawj	Limmer	Pappas	Wiklund
Dornink	Hoffman	Lucero	Pha	Xiong
Draheim	Housley	Mann	Port	
Drazkowski	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Rasmusson introduced--

S.F. No. 3359: A bill for an act relating to capital investment; appropriating money for a veterans memorial park in Parkers Prairie; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Rasmusson introduced--

S.F. No. 3360: A bill for an act relating to capital investment; appropriating money for the Redpath impoundment flood hazard mitigation project; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Rasmusson introduced--

S.F. No. 3361: A bill for an act relating to capital investment; appropriating money for the Toelle Coulee flood hazard mitigation project in Browns Valley; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Rasmusson introduced--

S.F. No. 3362: A bill for an act relating to natural resources; appropriating money for Tyler Wohlers Memorial Trail.

Referred to the Committee on Environment, Climate, and Legacy.

MOTIONS AND RESOLUTIONS

Senator Abeler moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Mathews be shown as chief author to S.F. No. 3353. The motion prevailed.

S.F. No. 2995 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. No. 2995

A bill for an act relating to state government; modifying provisions governing child care, child safety and permanency, child support, economic assistance, deep poverty, housing and homelessness, behavioral health, the medical education and research cost account, MinnesotaCare, medical assistance, background studies, and human services licensing; establishing the Department of Children, Youth, and Families; making technical and conforming changes; establishing requirements for hospital nurse staffing committees and hospital nurse workload committees; modifying requirements of hospital core staffing plans; modifying requirements related to hospital preparedness and incident response action plans to acts of violence; modifying eligibility for the health professional education loan forgiveness program; establishing the Health Care Affordability Board and Health Care Affordability Advisory Council; establishing prescription contraceptive supply requirement; requiring health plan coverage of prescription contraceptives, certain services provided by a pharmacist, infertility treatment, treatment of rare diseases and conditions, and biomarker testing; modifying managed care withhold requirements; establishing filing requirements for a health plan's prescription drug formulary and for items and services provided by medical and dental practices;

establishing notice and disclosure requirements for certain health care transactions; extending moratorium on certain conversion transactions; requiring disclosure of facility fees for telehealth; modifying provisions relating to the eligibility of undocumented children for MinnesotaCare and of children for medical assistance; prohibiting a medical assistance benefit plan from including cost-sharing provisions; authorizing a MinnesotaCare buy-in option; assessing alternative payment methods in rural health care; assessing feasibility for a health care provider directory; requiring compliance with the No Surprises Act in billing; modifying prescription drug price provisions and continuity of care provisions; compiling health encounter data; modifying all-payer claims data provisions; establishing certain advisory councils, committees, public awareness campaigns, apprenticeship programs, and grant programs; modifying lead testing and remediation requirements; establishing Minnesota One Health Microbial Stewardship Collaborative and cultural communications program; providing for clinical health care training; establishing a climate resiliency program; changing assisted living provisions; establishing a program to monitor long COVID, a 988 suicide crisis lifeline, school-based health centers, Healthy Beginnings, Healthy Families Act, and Comprehensive and Collaborative Resource and Referral System for Children; establishing a moratorium on green burials; regulating submerged closed-loop exchanger systems; establishing a tobacco use prevention account; amending provisions relating to adoptee birth records access; establishing Office of African American Health; establishing Office of American Indian Health; changing certain health board fees; establishing easy enrollment health insurance outreach program; establishing a state-funded cost-sharing reduction program for eligible persons enrolled in certain qualified health plans; setting certain fees; requiring reports; authorizing attorney general and commissioner of health review and enforcement of certain health care transactions; authorizing rulemaking; transferring money; allocating funds for a specific purpose; making forecast adjustments; appropriating money for the Department of Human Services, Department of Health, health-related boards, emergency medical services regulatory board, ombudsperson for families, ombudsperson for American Indian families, Office of the Foster Youth Ombudsperson, Rare Disease Advisory Council, Department of Revenue, Department of Management and Budget, Department of Children, Youth and Families, Department of Commerce, and Health Care Affordability Board; amending Minnesota Statutes 2022, sections 4.045; 10.65, subdivision 2; 13.10, subdivision 5; 13.46, subdivision 4; 13.465, subdivision 8; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16A.151, subdivision 2; 43A.08, subdivision 1a; 62A.02, subdivision 1; 62A.045; 62A.15, subdivision 4, by adding a subdivision; 62A.30, by adding subdivisions; 62A.673, subdivision 2; 62J.497, subdivisions 1, 3; 62J.692, subdivisions 1, 3, 4, 5, 8; 62J.824; 62J.84, subdivisions 2, 3, 4, 6, 7, 8, 9, by adding subdivisions; 62K.10, subdivision 4; 62K.15; 62U.04, subdivisions 4, 5, 5a, 11, by adding subdivisions; 62U.10, subdivision 7; 103I.005, subdivisions 17a, 20a, by adding a subdivision; 103I.208, subdivision 2; 119B.011, subdivisions 2, 5, 13, 19a; 119B.025, subdivision 4; 119B.03, subdivision 4a; 119B.125, subdivisions 1, 1a, 1b, 2, 3, 4, 6, 7; 119B.13, subdivisions 1, 6; 119B.16, subdivisions 1a, 1c, 3; 119B.161, subdivisions 2, 3; 119B.19, subdivision 7; 121A.335, subdivisions 3, 5, by adding a subdivision; 144.05, by adding a subdivision; 144.122; 144.1501, subdivisions 1, 2, 3, 4, 5; 144.1506, subdivision 4; 144.218, subdivisions 1, 2; 144.225, subdivision 2; 144.2252; 144.226, subdivisions 3, 4; 144.566; 144.608, subdivision 1; 144.651, by adding a subdivision; 144.653, subdivision 5; 144.7055; 144.7067, subdivision 1; 144.9501, subdivision 9; 144E.001, subdivision 1, by adding a subdivision; 144E.35; 145.4716, subdivision 3; 145.87, subdivision 4; 145.924; 145A.131, subdivisions 1, 2, 5; 145A.14, by adding a subdivision; 147A.08; 148.56, subdivision 1; 148B.392, subdivision 2; 150A.08, subdivisions 1, 5; 150A.091, by adding a subdivision; 150A.13, subdivision 10; 151.065, subdivisions 1, 2, 3, 4, 6; 151.071, subdivision 2; 151.555; 151.74, subdivisions 3, 4; 152.126, subdivisions 4, 5, 6, 9; 245.095; 245.4663, subdivision

4; 245.4889, subdivision 1; 245.735, subdivisions 3, 6, by adding a subdivision; 245A.02, subdivision 2c; 245A.04, subdivisions 1, 7a; 245A.05; 245A.055, subdivision 2; 245A.06, subdivisions 1, 2, 4; 245A.07, subdivision 3; 245A.16, by adding a subdivision; 245A.50, subdivisions 3, 4, 5, 6, 9; 245C.02, subdivision 13e, by adding subdivisions; 245C.03, subdivisions 1, 1a; 245C.031, subdivision 1; 245C.04, subdivision 1; 245C.05, subdivisions 1, 2c, 4; 245C.08, subdivision 1; 245C.10, subdivisions 2, 2a, 3, 4, 5, 6, 8, 9, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21; 245C.15, subdivision 2, by adding a subdivision; 245C.17, subdivisions 2, 3, 6; 245C.21, subdivisions 1a, 2; 245C.22, subdivision 7; 245C.23, subdivisions 1, 2; 245C.24, subdivision 2; 245C.30, subdivision 2; 245C.32, subdivision 2; 245E.06, subdivision 3; 245G.03, subdivision 1; 245H.01, subdivision 3, by adding a subdivision; 245H.03, subdivisions 2, 4; 245H.06, subdivisions 1, 2; 245H.07, subdivisions 1, 2; 245I.011, subdivision 3; 245I.20, subdivisions 10, 13, 14, 16; 254B.02, subdivision 5; 256.01, by adding a subdivision; 256.014, subdivisions 1, 2; 256.046, subdivision 3; 256.0471, subdivision 1; 256.962, subdivision 5; 256.9655, by adding a subdivision; 256.969, subdivisions 2b, 9, 25, by adding a subdivision; 256.983, subdivision 5; 256B.04, by adding a subdivision; 256B.055, subdivision 17; 256B.056, subdivision 7; 256B.0625, subdivisions 9, 13, 13c, 13f, 13g, 28b, 30, 31, 34, 49, by adding subdivisions; 256B.0631, subdivision 2, by adding a subdivision; 256B.0941, by adding a subdivision; 256B.196, subdivision 2; 256B.69, subdivisions 4, 5a, 6d, 28, 36, by adding subdivisions; 256B.692, subdivision 1; 256B.75; 256B.758; 256B.76, as amended; 256B.761; 256B.764; 256D.01, subdivision 1a; 256D.024, subdivision 1; 256D.03, by adding a subdivision; 256D.06, subdivision 5; 256D.44, subdivision 5; 256D.63, subdivision 2; 256E.34, subdivision 4; 256E.35, subdivisions 1, 2, 3, 4a, 6, 7; 256I.03, subdivisions 7, 13; 256I.04, subdivision 1; 256I.06, subdivisions 6, 8, by adding a subdivision; 256J.08, subdivisions 71, 79; 256J.11, subdivision 1; 256J.21, subdivisions 3, 4; 256J.26, subdivision 1; 256J.33, subdivisions 1, 2; 256J.35; 256J.37, subdivisions 3, 3a; 256J.425, subdivisions 1, 4, 5, 7; 256J.46, subdivisions 1, 2, 2a; 256J.95, subdivision 19; 256L.03, subdivision 5; 256L.04, subdivisions 7a, 10, by adding a subdivision; 256L.07, subdivision 1; 256L.15, subdivision 2; 256N.26, subdivision 12; 256P.01, by adding subdivisions; 256P.02, subdivision 2, by adding subdivisions; 256P.04, subdivisions 4, 8; 256P.06, subdivision 3, by adding a subdivision; 256P.07, subdivisions 1, 2, 3, 4, 6, 7, by adding subdivisions; 259.83, subdivisions 1, 1a, 1b, by adding a subdivision; 260.761, subdivision 2, as amended; 260C.007, subdivisions 6, 14; 260C.317, subdivision 4; 260C.80, subdivision 1; 260E.01; 260E.02, subdivision 1; 260E.03, subdivision 22, by adding subdivisions; 260E.09; 260E.14, subdivisions 2, 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; 270B.14, subdivision 1, by adding a subdivision; 297F.10, subdivision 1; 403.161, subdivisions 1, 3, 5, 6, 7; 403.162, subdivisions 1, 2, 5; 518A.31; 518A.32, subdivisions 3, 4; 518A.34; 518A.41; 518A.42, subdivisions 1, 3; 518A.65; 518A.77; 524.5-118; 609B.425, subdivision 2; 609B.435, subdivision 2; Laws 2017, First Special Session chapter 6, article 5, section 11, as amended; Laws 2021, First Special Session chapter 7, article 6, section 26; article 16, sections 2, subdivision 32, as amended; 3, subdivision 2, as amended; article 17, section 5, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 62D; 62J; 62Q; 62V; 103I; 119B; 144; 144E; 145; 148; 245; 245C; 256B; 256E; 256K; 256N; 256P; 260; 290; proposing coding for new law as Minnesota Statutes, chapter 143; repealing Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, 7a; 119B.03, subdivision 4; 137.38, subdivision 1; 144.059, subdivision 10; 144.212, subdivision 11; 245C.02, subdivision 14b; 245C.031, subdivisions 5, 6, 7; 245C.032; 245C.11, subdivision 3; 245C.30, subdivision 1a; 256.8799; 256.9864; 256B.0631, subdivisions 1, 2, 3; 256B.69, subdivision 5c; 256J.08, subdivisions 10, 53, 61, 62, 81, 83; 256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10; 256J.425, subdivision 6; 259.83, subdivision 3; 259.89; 260C.637.

May 21, 2023

The Honorable Bobby Joe Champion
President of the Senate

The Honorable Melissa Hortman
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2995 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2995 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

HEALTH CARE

Section 1. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision to read:

Subd. 43. **Education on contraceptive options.** The commissioner shall require hospitals and primary care providers serving medical assistance and MinnesotaCare enrollees to develop and implement protocols to provide enrollees, when appropriate, with comprehensive and scientifically accurate information on the full range of contraceptive options, in a medically ethical, culturally competent, and noncoercive manner. The information provided must be designed to assist enrollees in identifying the contraceptive method that best meets their needs and the needs of their families. The protocol must specify the enrollee categories to which this requirement will be applied, the process to be used, and the information and resources to be provided. Hospitals and providers must make this protocol available to the commissioner upon request.

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

Sec. 2. Minnesota Statutes 2022, section 256.0471, subdivision 1, is amended to read:

Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted under ~~chapter 119B~~, the MFIP program formerly codified under sections 256.031 to 256.0361; and the AFDC program formerly codified under sections 256.72 to 256.871; for assistance granted under chapters 256B for state-funded medical assistance 119B, 256D, 256I, 256J, and 256K, and 256L; for assistance granted pursuant to section 256.045, subdivision 10, for state-funded medical assistance and state-funded MinnesotaCare under chapters 256B and 256L; and for assistance granted under the Supplemental Nutrition Assistance Program (SNAP), except agency error claims, become a judgment by operation of law 90 days after the notice of overpayment is personally served upon the recipient in a manner that is sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail, return receipt requested. This judgment shall be entitled to full faith and credit in this and any other state.

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

Sec. 3. Minnesota Statutes 2022, section 256.9655, is amended by adding a subdivision to read:

Subd. 3. **Prompt payment required.** (a) In paying claims under medical assistance, the commissioner shall comply with Code of Federal Regulations, title 42, section 447.45.

(b) If the commissioner does not pay or deny a clean claim within the period provided in paragraph (a), the commissioner must pay interest on the claim for the period beginning on the day after the required payment date specified in paragraph (a) and ending on the date on which the commissioner makes the payment or denies the claim.

(c) The rate of interest paid by the commissioner under this subdivision must be 1.5 percent per month or any part of a month.

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

Sec. 4. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according to the following:

(1) critical access hospitals as defined by Medicare shall be paid using a cost-based methodology;

(2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology under subdivision 25;

(3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation distinct parts as defined by Medicare shall be paid according to the methodology under subdivision 12; and

(4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

(b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For rate setting periods after November 1, 2014, in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals.

(c) Effective for discharges occurring on and after November 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except for the hospitals paid under the methodologies described in paragraph (a), clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a manner similar to Medicare. The base year or years for the rates effective November 1, 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments that were made for the same number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Only the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being rebased during the entire base period shall be incorporated into the budget neutrality calculation.

(d) For discharges occurring on or after November 1, 2014, through the next rebasing that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph (a), clause (4), shall include adjustments to the projected rates that result in no greater than a five percent increase or decrease from the base year payments for any hospital. Any adjustments to the rates made by the commissioner under this paragraph and paragraph (e) shall maintain budget neutrality as described in paragraph (c).

(e) For discharges occurring on or after November 1, 2014, the commissioner may make additional adjustments to the rebased rates, and when evaluating whether additional adjustments should be made, the commissioner shall consider the impact of the rates on the following:

(1) pediatric services;

(2) behavioral health services;

(3) trauma services as defined by the National Uniform Billing Committee;

(4) transplant services;

(5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;

(6) outlier admissions;

(7) low-volume providers; and

(8) services provided by small rural hospitals that are not critical access hospitals.

(f) Hospital payment rates established under paragraph (c) must incorporate the following:

(1) for hospitals paid under the DRG methodology, the base year payment rate per admission is standardized by the applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;

(2) for critical access hospitals, payment rates for discharges between November 1, 2014, and June 30, 2015, shall be set to the same rate of payment that applied for discharges on October 31, 2014;

(3) the cost and charge data used to establish hospital payment rates must only reflect inpatient services covered by medical assistance; and

(4) in determining hospital payment rates for discharges occurring on or after the rate year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per discharge shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years. In determining hospital payment rates for discharges in subsequent base years, the per discharge rates shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.

(g) The commissioner shall validate the rates effective November 1, 2014, by applying the rates established under paragraph (c), and any adjustments made to the rates under paragraph (d) or (e),

to hospital claims paid in calendar year 2013 to determine whether the total aggregate payments for the same number and types of services under the rebased rates are equal to the total aggregate payments made during calendar year 2013.

(h) Effective for discharges occurring on or after July 1, 2017, and every two years thereafter, payment rates under this section shall be rebased to reflect only those changes in hospital costs between the existing base year or years and the next base year or years. In any year that inpatient claims volume falls below the threshold required to ensure a statistically valid sample of claims, the commissioner may combine claims data from two consecutive years to serve as the base year. Years in which inpatient claims volume is reduced or altered due to a pandemic or other public health emergency shall not be used as a base year or part of a base year if the base year includes more than one year. Changes in costs between base years shall be measured using the lower of the hospital cost index defined in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per claim. The commissioner shall establish the base year for each rebasing period considering the most recent year or years for which filed Medicare cost reports are available, except that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019. The estimated change in the average payment per hospital discharge resulting from a scheduled rebasing must be calculated and made available to the legislature by January 15 of each year in which rebasing is scheduled to occur, and must include by hospital the differential in payment rates compared to the individual hospital's costs.

(i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates for critical access hospitals located in Minnesota or the local trade area shall be determined using a new cost-based methodology. The commissioner shall establish within the methodology tiers of payment designed to promote efficiency and cost-effectiveness. Payment rates for hospitals under this paragraph shall be set at a level that does not exceed the total cost for critical access hospitals as reflected in base year cost reports. Until the next rebasing that occurs, the new methodology shall result in no greater than a five percent decrease from the base year payments for any hospital, except a hospital that had payments that were greater than 100 percent of the hospital's costs in the base year shall have their rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and after July 1, 2016, covered under this paragraph shall be increased by the inflation factor in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the following criteria:

(1) hospitals that had payments at or below 80 percent of their costs in the base year shall have a rate set that equals 85 percent of their base year costs;

(2) hospitals that had payments that were above 80 percent, up to and including 90 percent of their costs in the base year shall have a rate set that equals 95 percent of their base year costs; and

(3) hospitals that had payments that were above 90 percent of their costs in the base year shall have a rate set that equals 100 percent of their base year costs.

(j) The commissioner may refine the payment tiers and criteria for critical access hospitals to coincide with the next rebasing under paragraph (h). The factors used to develop the new methodology may include, but are not limited to:

(1) the ratio between the hospital's costs for treating medical assistance patients and the hospital's charges to the medical assistance program;

(2) the ratio between the hospital's costs for treating medical assistance patients and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(3) the ratio between the hospital's charges to the medical assistance program and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

(5) the proportion of that hospital's costs that are administrative and trends in administrative costs; and

(6) geographic location.

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

Sec. 5. Minnesota Statutes 2022, section 256.969, subdivision 9, is amended to read:

Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions occurring on or after July 1, 1993, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the mean, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under clause (1) for that hospital by 1.1. The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class.

(b) Certified public expenditures made by Hennepin County Medical Center shall be considered Medicaid disproportionate share hospital payments. Hennepin County and Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning July 1, 2005, or another date specified by the commissioner, that may qualify for reimbursement under federal law. Based on these reports, the commissioner shall apply for federal matching funds.

(c) Upon federal approval of the related state plan amendment, paragraph (b) is effective retroactively from July 1, 2005, or the earliest effective date approved by the Centers for Medicare and Medicaid Services.

(d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid in accordance with a new methodology using 2012 as the base year. Annual payments made under this paragraph shall equal the total amount of payments made for 2012. A licensed children's hospital shall receive only a single DSH factor for children's hospitals. Other DSH factors may be combined to arrive at a single factor for each hospital that is eligible for DSH payments. The new methodology shall make payments only to hospitals located in Minnesota and include the following factors:

(1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000 fee-for-service discharges in the base year shall receive a factor of 0.7880;

(2) a hospital that has in effect for the initial rate year a contract with the commissioner to provide extended psychiatric inpatient services under section 256.9693 shall receive a factor of 0.0160;

(3) a hospital that has received medical assistance payment for at least 20 transplant services in the base year shall receive a factor of 0.0435;

(4) a hospital that has a medical assistance utilization rate in the base year between 20 percent up to one standard deviation above the statewide mean utilization rate shall receive a factor of 0.0468;

(5) a hospital that has a medical assistance utilization rate in the base year that is at least one standard deviation above the statewide mean utilization rate but is less than two and one-half standard deviations above the mean shall receive a factor of 0.2300; and

(6) a hospital that is a level one trauma center and that has a medical assistance utilization rate in the base year that is at least two and ~~one-half~~ one-quarter standard deviations above the statewide mean utilization rate shall receive a factor of 0.3711.

(e) For the purposes of determining eligibility for the disproportionate share hospital factors in paragraph (d), clauses (1) to (6), the medical assistance utilization rate and discharge thresholds shall be measured using only one year when a two-year base period is used.

(f) Any payments or portion of payments made to a hospital under this subdivision that are subsequently returned to the commissioner because the payments are found to exceed the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that have a medical assistance utilization rate that is at least one standard deviation above the mean.

(g) An additional payment adjustment shall be established by the commissioner under this subdivision for a hospital that provides high levels of administering high-cost drugs to enrollees in fee-for-service medical assistance. The commissioner shall consider factors including fee-for-service medical assistance utilization rates and payments made for drugs purchased through the 340B drug purchasing program and administered to fee-for-service enrollees. If any part of this adjustment

exceeds a hospital's hospital-specific disproportionate share hospital limit, the commissioner shall make a payment to the hospital that equals the nonfederal share of the amount that exceeds the limit. The total nonfederal share of the amount of the payment adjustment under this paragraph shall not exceed \$1,500,000.

Sec. 6. Minnesota Statutes 2022, section 256.969, subdivision 25, is amended to read:

Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid on a per diem basis.

(b) For admissions occurring on or after April 1, 1995, a long-term hospital as designated by Medicare that does not have admissions in the base year shall have inpatient rates established at the average of other hospitals with the same designation. For subsequent rate-setting periods in which base years are updated, the hospital's base year shall be the first Medicare cost report filed with the long-term hospital designation and shall remain in effect until it falls within the same period as other hospitals.

(c) For admissions occurring on or after July 1, 2023, long-term hospitals must be paid the higher of a per diem amount computed using the methodology described in subdivision 2b, paragraph (i), or the per diem rate as of July 1, 2021.

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

Sec. 7. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to read:

Subd. 31. **Long-acting reversible contraceptives.** (a) The commissioner must provide separate reimbursement to hospitals for long-acting reversible contraceptives provided immediately postpartum in the inpatient hospital setting. This payment must be in addition to the diagnostic related group reimbursement for labor and delivery and shall be made consistent with section 256B.0625, subdivision 13e, paragraph (e).

(b) The commissioner must require managed care and county-based purchasing plans to comply with this subdivision when providing services to medical assistance enrollees. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

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

Sec. 8. Minnesota Statutes 2022, section 256B.04, subdivision 14, is amended to read:

Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and feasible, the commissioner may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C, to provide items under the medical assistance program including but not limited to the following:

(1) eyeglasses;

(2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;

(3) hearing aids and supplies;

(4) durable medical equipment, including but not limited to:

(i) hospital beds;

(ii) commodes;

(iii) glide-about chairs;

(iv) patient lift apparatus;

(v) wheelchairs and accessories;

(vi) oxygen administration equipment;

(vii) respiratory therapy equipment;

(viii) electronic diagnostic, therapeutic and life-support systems; and

(ix) allergen-reducing products as described in section 256B.0625, subdivision 67, paragraph (c) or (d);

(5) nonemergency medical transportation level of need determinations, disbursement of public transportation passes and tokens, and volunteer and recipient mileage and parking reimbursements; ~~and~~

(6) drugs; and

(7) quitline services as described in section 256B.0625, subdivision 68, paragraph (c).

(b) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not affect contract payments under this subdivision unless specifically identified.

(c) The commissioner may not utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C for special transportation services or incontinence products and related supplies.

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

Sec. 9. Minnesota Statutes 2022, section 256B.055, subdivision 17, is amended to read:

Subd. 17. **Adults who were in foster care at the age of 18.** (a) Medical assistance may be paid for a person under 26 years of age who was in foster care under the commissioner's responsibility on the date of attaining 18, 19, or 20 years of age, and who was enrolled in medical assistance under

the state plan or a waiver of the plan while in foster care, in accordance with section 2004 of the Affordable Care Act.

(b) Medical assistance may be paid for a person under 26 years of age who was in foster care and enrolled in any state's Medicaid program as provided by Public Law 115-271, section 1002.

(c) The commissioner shall seek federal waiver approval under United States Code, title 42, section 1315, to include youth who were in a state's foster care program and who turned age 18 prior to January 1, 2023, without regard to potential eligibility under a Medicaid mandatory group.

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

Sec. 10. Minnesota Statutes 2022, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. Medical assistance payment for assertive community treatment and intensive residential treatment services. (a) Payment for intensive residential treatment services and assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) The commissioner shall determine one rate for each provider that will bill medical assistance for residential services under this section and one rate for each assertive community treatment provider. If a single entity provides both services, one rate is established for the entity's residential services and another rate for the entity's nonresidential services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); and

(v) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual cost is defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

(3) the number of service units;

(4) the degree to which clients will receive services other than services under this section; and

(5) the costs of other services that will be separately reimbursed.

(d) The rate for intensive residential treatment services and assertive community treatment must exclude room and board, as defined in section 256I.03, subdivision 6, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(e) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(f) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (c).

(i) Effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment, adult residential crisis stabilization services, and intensive residential treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the fourth quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

~~(j)~~ (i) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

~~(k)~~ (k) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2022, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. **Dental services.** (a) Medical assistance covers medically necessary dental services.

~~(b) Medical assistance dental coverage for nonpregnant adults is limited to the following services:~~

~~(1) comprehensive exams, limited to once every five years;~~

~~(2) periodic exams, limited to one per year;~~

~~(3) limited exams;~~

~~(4) bitewing x-rays, limited to one per year;~~

~~(5) periapical x-rays;~~

~~(6) panoramic x-rays, limited to one every five years except (1) when medically necessary for the diagnosis and follow-up of oral and maxillofacial pathology and trauma or (2) once every two years for patients who cannot cooperate for intraoral film due to a developmental disability or medical condition that does not allow for intraoral film placement;~~

~~(7) prophylaxis, limited to one per year;~~

~~(8) application of fluoride varnish, limited to one per year;~~

~~(9) posterior fillings, all at the amalgam rate;~~

~~(10) anterior fillings;~~

~~(11) endodontics, limited to root canals on the anterior and premolars only;~~

~~(12) removable prostheses, each dental arch limited to one every six years;~~

~~(13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;~~

~~(14) palliative treatment and sedative fillings for relief of pain;~~

~~(15) full-mouth debridement, limited to one every five years; and~~

~~(16) nonsurgical treatment for periodontal disease, including sealing and root planing once every two years for each quadrant, and routine periodontal maintenance procedures.~~

~~(e) In addition to the services specified in paragraph (b), medical assistance covers the following services for adults, if provided in an outpatient hospital setting or freestanding ambulatory surgical center as part of outpatient dental surgery:~~

~~(1) periodontics, limited to periodontal sealing and root planing once every two years;~~

~~(2) general anesthesia; and~~

~~(3) full-mouth survey once every five years.~~

~~(d) Medical assistance covers medically necessary dental services for children and pregnant women.~~ (b) The following guidelines apply to dental services:

(1) posterior fillings are paid at the amalgam rate;

(2) application of sealants are covered once every five years per permanent molar ~~for children only;~~ and

(3) application of fluoride varnish is covered once every six months; ~~and.~~

~~(4) orthodontia is eligible for coverage for children only.~~

~~(e)~~ (c) In addition to the services specified in ~~paragraphs~~ paragraph (b) ~~and (e)~~, medical assistance covers the following services ~~for adults:~~

(1) house calls or extended care facility calls for on-site delivery of covered services;

(2) behavioral management when additional staff time is required to accommodate behavioral challenges and sedation is not used;

(3) oral or IV sedation, if the covered dental service cannot be performed safely without it or would otherwise require the service to be performed under general anesthesia in a hospital or surgical center; and

(4) prophylaxis, in accordance with an appropriate individualized treatment plan, but no more than four times per year.

~~(f)~~ (d) The commissioner shall not require prior authorization for the services included in paragraph ~~(e)~~ (c), clauses (1) to (3), and shall prohibit managed care and county-based purchasing plans from requiring prior authorization for the services included in paragraph ~~(e)~~ (c), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2022, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, by a physician enrolled in the medical assistance program as a dispensing physician, or by a physician, a physician assistant, or an advanced practice registered nurse employed by or under contract with a community health board as defined in section 145A.02, subdivision 5, for the purposes of communicable disease control.

(b) The dispensed quantity of a prescription drug must not exceed a 34-day supply; unless authorized by the commissioner or as provided in paragraph (h) or the drug appears on the 90-day supply list published by the commissioner. The 90-day supply list shall be published by the commissioner on the department's website. The commissioner may add to, delete from, and otherwise modify the 90-day supply list after providing public notice and the opportunity for a 15-day public comment period. The 90-day supply list may include cost-effective generic drugs and shall not include controlled substances.

(c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical ingredient" is defined as a substance that is represented for use in a drug and when used in the manufacturing, processing, or packaging of a drug becomes an active ingredient of the drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and excipients which are included in the medical assistance formulary. Medical assistance covers selected active pharmaceutical ingredients and excipients used in compounded prescriptions when the compounded combination is specifically approved by the commissioner or when a commercially available product:

(1) is not a therapeutic option for the patient;

(2) does not exist in the same combination of active ingredients in the same strengths as the compounded prescription; and

(3) cannot be used in place of the active pharmaceutical ingredient in the compounded prescription.

(d) Medical assistance covers the following over-the-counter drugs when prescribed by a licensed practitioner or by a licensed pharmacist who meets standards established by the commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, vitamins for children under the age of seven and pregnant or nursing women, and any other over-the-counter drug identified by the commissioner, in consultation with the Formulary Committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions, or disorders, and this determination shall not be subject to the requirements of chapter 14. A pharmacist may prescribe over-the-counter medications as provided under this paragraph for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter drugs under this paragraph, licensed pharmacists must consult with the recipient to determine necessity,

provide drug counseling, review drug therapy for potential adverse interactions, and make referrals as needed to other health care professionals.

(e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible for drug coverage as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these individuals, medical assistance may cover drugs from the drug classes listed in United States Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall not be covered.

(f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B covered entities and ambulatory pharmacies under common ownership of the 340B covered entity. Medical assistance does not cover drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

(g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists used for the treatment of an acute opiate overdose prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 16.

(h) Medical assistance coverage for a prescription contraceptive must provide a 12-month supply for any prescription contraceptive if a 12-month supply is prescribed by the prescribing health care provider. The prescribing health care provider must determine the appropriate duration for which to prescribe the prescription contraceptives, up to 12 months. For purposes of this paragraph, "prescription contraceptive" means any drug or device that requires a prescription and is approved by the Food and Drug Administration to prevent pregnancy. Prescription contraceptive does not include an emergency contraceptive drug approved to prevent pregnancy when administered after sexual contact. For purposes of this paragraph, "health plan" has the meaning provided in section 62Q.01, subdivision 3.

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

Sec. 13. Minnesota Statutes 2022, section 256B.0625, subdivision 13c, is amended to read:

Subd. 13c. **Formulary Committee.** The commissioner, after receiving recommendations from professional medical associations and professional pharmacy associations, and consumer groups shall designate a Formulary Committee to carry out duties as described in subdivisions 13 to 13g. The Formulary Committee shall be comprised of ~~four~~ at least five licensed physicians actively engaged in the practice of medicine in Minnesota, ~~one of whom must be actively engaged in the treatment of persons with mental illness~~ is an actively practicing psychiatrist, one of whom specializes in the diagnosis and treatment of rare diseases, one of whom specializes in pediatrics, and one of whom actively treats persons with disabilities; at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota, one of whom practices outside the metropolitan counties listed in section 473.121, subdivision 4, one of whom practices in the metropolitan counties listed

in section 473.121, subdivision 4, and one of whom is a practicing hospital pharmacist; and one at least two consumer representative representatives, all of whom must have a personal or professional connection to medical assistance; and one representative designated by the Minnesota Rare Disease Advisory Council established under section 256.4835; the remainder to be made up of health care professionals who are licensed in their field and have recognized knowledge in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs. Members of the Formulary Committee shall not be employed by the Department of Human Services or have a personal interest in a pharmaceutical company, pharmacy benefits manager, health plan company, or their affiliate organizations, but the committee shall be staffed by an employee of the department who shall serve as an ex officio, nonvoting member of the committee. For the purposes of this subdivision, "personal interest" means that a person owns at least five percent of the voting interest or equity interest in the entity, the equity interest owned by a person represents at least five percent of that person's net worth, or more than five percent of a person's gross income for the preceding year was derived from the entity. A committee member must notify the committee of any potential conflict of interest and recuse themselves from any communications, discussion, or vote on any matter where a conflict of interest exists. A conflict of interest alone, without a personal interest, does not preclude an applicant from serving as a member of the Formulary Committee. Members may be removed from the committee for cause after a recommendation for removal by a majority of the committee membership. For the purposes of this subdivision, "cause" does not include offering a differing or dissenting clinical opinion on a drug or drug class. The department's medical director shall also serve as an ex officio, nonvoting member for the committee. Committee members shall serve three-year terms and may be reappointed twice by the commissioner. The committee members shall vote on a chair and vice chair from among their membership. The chair shall preside over all committee meetings, and the vice chair shall preside over the meetings if the chair is not present. The Formulary Committee shall meet at least ~~twice~~ three times per year. The commissioner may require more frequent Formulary Committee meetings as needed. An honorarium of \$100 per meeting and reimbursement for mileage shall be paid to each committee member in attendance. The Formulary Committee expires June 30, 2023 2027. The Formulary Committee is subject to the Open Meeting Law under chapter 13D. For purposes of establishing a quorum to transact business, vacant committee member positions do not count in the calculation as long as at least 60 percent of the committee member positions are filled.

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

Sec. 14. Minnesota Statutes 2022, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the usual and customary price charged to the public. The usual and customary price means the lowest price charged by the provider to a patient who pays for the prescription by cash, check, or charge account and includes prices the pharmacy charges to a patient enrolled in a prescription savings club or prescription discount club administered by the pharmacy or pharmacy chain. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any third-party provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The professional dispensing fee shall be \$10.77 for prescriptions filled with legend drugs meeting the definition of "covered outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The dispensing fee for intravenous solutions that must be compounded by the pharmacist shall be \$10.77 per claim. The

professional dispensing fee for prescriptions filled with over-the-counter drugs meeting the definition of covered outpatient drugs shall be \$10.77 for dispensed quantities equal to or greater than the number of units contained in the manufacturer's original package. The professional dispensing fee shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The pharmacy dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered outpatient drugs shall be \$3.65 for quantities equal to or greater than the number of units contained in the manufacturer's original package and shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The National Average Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost of a drug. For drugs for which a NADAC is not reported, the commissioner shall estimate the ingredient cost at the wholesale acquisition cost minus two percent. The ingredient cost of a drug for a provider participating in the federal 340B Drug Pricing Program shall be either the 340B Drug Pricing Program ceiling price established by the Health Resources and Services Administration or NADAC, whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to the actual acquisition cost of the drug product and no higher than the NADAC of the generic product. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) Pharmacies dispensing prescriptions to residents of long-term care facilities using an automated drug distribution system meeting the requirements of section 151.58, or a packaging system meeting the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ retrospective billing for prescription drugs dispensed to long-term care facility residents. A retrospectively billing pharmacy must submit a claim only for the quantity of medication used by the enrolled recipient during the defined billing period. A retrospectively billing pharmacy must use a billing period not less than one calendar month or 30 days.

(c) A pharmacy provider using packaging that meets the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the NADAC of the generic product or the maximum allowable cost established by the commissioner unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2.

(e) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider, 106 percent of the average sales price as determined by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act, the specialty pharmacy

rate, or the maximum allowable cost set by the commissioner. If average sales price is unavailable, the amount of payment must be lower of the usual and customary cost submitted by the provider, the wholesale acquisition cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. The commissioner shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an outpatient setting shall be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an outpatient setting is not eligible for direct reimbursement.

(f) The commissioner may establish maximum allowable cost rates for specialty pharmacy products that are lower than the ingredient cost formulas specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the Formulary Committee to develop a list of specialty pharmacy products subject to maximum allowable cost reimbursement. In consulting with the Formulary Committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the maximum allowable cost to prevent access to care issues.

(g) Home infusion therapy services provided by home infusion therapy pharmacies must be paid at rates according to subdivision 8d.

(h) The commissioner shall contract with a vendor to conduct a cost of dispensing survey for all pharmacies that are physically located in the state of Minnesota that dispense outpatient drugs under medical assistance. The commissioner shall ensure that the vendor has prior experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the department to dispense outpatient prescription drugs to fee-for-service members must respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The commissioner shall require the vendor to measure a single statewide cost of dispensing for specialty prescription drugs and a single statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies to measure the mean, mean weighted by total prescription volume, mean weighted by medical assistance prescription volume, median, median weighted by total prescription volume, and median weighted by total medical assistance prescription volume. The commissioner shall post a copy of the final cost of dispensing survey report on the department's website. The initial survey must be completed no later than January 1, 2021, and repeated every three years. The commissioner shall provide a summary of the results of each cost of dispensing survey and provide recommendations for any changes to the dispensing fee to the chairs and ranking members of the legislative committees with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section 256.01, subdivision 42, this paragraph does not expire.

(i) The commissioner shall increase the ingredient cost reimbursement calculated in paragraphs (a) and (f) by 1.8 percent for prescription and nonprescription drugs subject to the wholesale drug distributor tax under section 295.52.

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

Sec. 15. Minnesota Statutes 2022, section 256B.0625, subdivision 13f, is amended to read:

Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and recommend drugs which require prior authorization. The Formulary Committee shall establish general criteria to be used for the prior authorization of brand-name drugs for which generically equivalent drugs are available, but the committee is not required to review each brand-name drug for which a generically equivalent drug is available.

(b) Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The Formulary Committee may recommend drugs for prior authorization directly to the commissioner. The commissioner may also request that the Formulary Committee review a drug for prior authorization. Before the commissioner may require prior authorization for a drug:

(1) the commissioner must provide information to the Formulary Committee on the impact that placing the drug on prior authorization may have on the quality of patient care and on program costs, information regarding whether the drug is subject to clinical abuse or misuse, and relevant data from the state Medicaid program if such data is available;

(2) the Formulary Committee must review the drug, taking into account medical and clinical data and the information provided by the commissioner; and

(3) the Formulary Committee must hold a public forum and receive public comment for an additional 15 days.

The commissioner must provide a 15-day notice period before implementing the prior authorization.

(c) Except as provided in subdivision 13j, prior authorization shall not be required or utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness if:

(1) there is no generically equivalent drug available; and

(2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

(3) the drug is part of the recipient's current course of treatment.

This paragraph applies to any multistate preferred drug list or supplemental drug rebate program established or administered by the commissioner. Prior authorization shall automatically be granted for 60 days for brand name drugs prescribed for treatment of mental illness within 60 days of when a generically equivalent drug becomes available, provided that the brand name drug was part of the recipient's course of treatment at the time the generically equivalent drug became available.

(d) Prior authorization must not be required for liquid methadone if only one version of liquid methadone is available. If more than one version of liquid methadone is available, the commissioner shall ensure that at least one version of liquid methadone is available without prior authorization.

(e) Prior authorization may be required for an oral liquid form of a drug, except as described in paragraph (d). A prior authorization request under this paragraph must be automatically approved within 24 hours if the drug is being prescribed for a Food and Drug Administration-approved condition for a patient who utilizes an enteral tube for feedings or medication administration, even if the patient has current or prior claims for pills for that condition. If more than one version of the oral liquid form of a drug is available, the commissioner may select the version that is able to be approved for a Food and Drug Administration-approved condition for a patient who utilizes an enteral tube for feedings or medication administration. This paragraph applies to any multistate preferred drug list or supplemental drug rebate program established or administered by the commissioner. The commissioner shall design and implement a streamlined prior authorization form for patients who utilize an enteral tube for feedings or medication administration and are prescribed an oral liquid form of a drug. The commissioner may require prior authorization for brand name drugs whenever a generically equivalent product is available, even if the prescriber specifically indicates "dispense as written-brand necessary" on the prescription as required by section 151.21, subdivision 2.

~~(e)~~ (f) Notwithstanding this subdivision, the commissioner may automatically require prior authorization, for a period not to exceed 180 days, for any drug that is approved by the United States Food and Drug Administration on or after July 1, 2005. The 180-day period begins no later than the first day that a drug is available for shipment to pharmacies within the state. The Formulary Committee shall recommend to the commissioner general criteria to be used for the prior authorization of the drugs, but the committee is not required to review each individual drug. In order to continue prior authorizations for a drug after the 180-day period has expired, the commissioner must follow the provisions of this subdivision.

~~(f)~~ (g) Prior authorization under this subdivision shall comply with section 62Q.184.

~~(g)~~ (h) Any step therapy protocol requirements established by the commissioner must comply with section 62Q.1841.

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

Sec. 16. Minnesota Statutes 2022, section 256B.0625, subdivision 13g, is amended to read:

Subd. 13g. **Preferred drug list.** (a) The commissioner shall adopt and implement a preferred drug list by January 1, 2004. The commissioner may enter into a contract with a vendor for the purpose of participating in a preferred drug list and supplemental rebate program. The terms of the contract with the vendor must be publicly disclosed on the website of the Department of Human Services. The commissioner shall ensure that any contract meets all federal requirements and maximizes federal financial participation. The commissioner shall publish the preferred drug list annually in the State Register and shall maintain an accurate and up-to-date list on the agency website. The commissioner shall implement and maintain an accurate archive of previous versions of the preferred drug list, and make this archive available to the public on the website of the Department of Human Services beginning January 1, 2024.

(b) The commissioner may add to, delete from, and otherwise modify the preferred drug list, after consulting with the Formulary Committee and appropriate medical specialists ~~and~~, providing public notice and the opportunity for public comment, and complying with the requirements of paragraph (f).

(c) The commissioner shall adopt and administer the preferred drug list as part of the administration of the supplemental drug rebate program. Reimbursement for prescription drugs not on the preferred drug list may be subject to prior authorization.

(d) For purposes of this subdivision, the following terms have the meanings given:

(1) "appropriate medical specialist" means a medical professional who prescribes the relevant class of drug as part of their practice; and

(2) "preferred drug list" means a list of prescription drugs within designated therapeutic classes selected by the commissioner, for which prior authorization based on the identity of the drug or class is not required.

(e) The commissioner shall seek any federal waivers or approvals necessary to implement this subdivision.

~~(f) Notwithstanding paragraph (b),~~ Before the commissioner may delete a drug from the preferred drug list or modify the inclusion of a drug on the preferred drug list, the commissioner shall consider any implications that the deletion or modification may have on state public health policies or initiatives and any impact that the deletion or modification may have on increasing health disparities in the state. Prior to deleting a drug or modifying the inclusion of a drug, the commissioner shall also conduct a public hearing. The commissioner shall provide adequate notice to the public and the commissioner of health prior to the hearing that specifies the drug that the commissioner is proposing to delete or modify, and shall disclose any public medical or clinical analysis that the commissioner has relied on in proposing the deletion or modification, and evidence that the commissioner has evaluated the impact of the proposed deletion or modification on public health and health disparities. Notwithstanding section 331A.05, a public notice of a Formulary Committee meeting must be published at least 30 days in advance of the meeting. The list of drugs to be discussed at the meeting must be announced at least 30 days before the meeting and must include the name and class of drug, the proposed action, and the proposed prior authorization requirements, if applicable.

Sec. 17. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13k. **Value-based purchasing arrangements.** (a) The commissioner may enter into a value-based purchasing arrangement under medical assistance or MinnesotaCare, by written arrangement with a drug manufacturer based on agreed-upon metrics. The commissioner may contract with a vendor to implement and administer the value-based purchasing arrangement. A value-based purchasing arrangement may include but is not limited to rebates, discounts, price reductions, risk sharing, reimbursements, guarantees, shared savings payments, withholds, or bonuses. A value-based purchasing arrangement must provide at least the same value or discount in the aggregate as would claiming the mandatory federal drug rebate under the Federal Social Security Act, section 1927.

(b) Nothing in this section shall be interpreted as requiring a drug manufacturer or the commissioner to enter into an arrangement as described in paragraph (a).

(c) Nothing in this section shall be interpreted as altering or modifying medical assistance coverage requirements under the federal Social Security Act, section 1927.

(d) If the commissioner determines that a state plan amendment is necessary before implementing a value-based purchasing arrangement, the commissioner shall request the amendment and may delay implementing this provision until the amendment is approved.

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

Sec. 18. Minnesota Statutes 2022, section 256B.0625, subdivision 16, is amended to read:

Subd. 16. **Abortion services.** Medical assistance covers abortion services, ~~but only if one of the following conditions is met:~~ determined to be medically necessary by the treating provider and delivered in accordance with all applicable Minnesota laws.

~~(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;~~

~~(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, subdivision 1, clauses (a), (b), (c)(i) and (ii), and (c), and subdivision 1a, clauses (a), (b), (c)(i) and (ii), and (d), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or~~

~~(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.~~

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

Sec. 19. Minnesota Statutes 2022, section 256B.0625, subdivision 28b, is amended to read:

Subd. 28b. **Doula services.** Medical assistance covers doula services provided by a certified doula as defined in section 148.995, subdivision 2, of the mother's choice. For purposes of this section, "doula services" means childbirth education and support services, including emotional and physical support provided during pregnancy, labor, birth, and postpartum. The commissioner shall enroll doula agencies and individual treating doulas to provide direct reimbursement.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2022, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center (FQHC) that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. An FQHC that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, an FQHC shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. FQHCs that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not FQHCs or rural health clinics.

(d) Effective July 1, 1999, the provisions of paragraph (c) requiring an FQHC or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

(e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

(f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment methodology shall be 100 percent of cost as determined according to Medicare cost principles.

(g) Effective for services provided on or after January 1, 2021, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner, according to an annual election by the FQHC or rural health clinic, under the current prospective payment system described in paragraph (f) or the alternative payment methodology described in paragraph

(l), or, upon federal approval, for FQHCs that are also urban Indian organizations under Title V of the federal Indian Health Improvement Act, as provided under paragraph (k).

(h) For purposes of this section, "nonprofit community clinic" is a clinic that:

(1) has nonprofit status as specified in chapter 317A;

(2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

(3) is established to provide health services to low-income population groups, uninsured, high-risk and special needs populations, underserved and other special needs populations;

(4) employs professional staff at least one-half of which are familiar with the cultural background of their clients;

(5) charges for services on a sliding fee scale designed to provide assistance to low-income clients based on current poverty income guidelines and family size; and

(6) does not restrict access or services because of a client's financial limitations or public assistance status and provides no-cost care as needed.

(i) Effective for services provided on or after January 1, 2015, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner. the commissioner shall determine the most feasible method for paying claims from the following options:

(1) FQHCs and rural health clinics submit claims directly to the commissioner for payment, and the commissioner provides claims information for recipients enrolled in a managed care or county-based purchasing plan to the plan, on a regular basis; or

(2) FQHCs and rural health clinics submit claims for recipients enrolled in a managed care or county-based purchasing plan to the plan, and those claims are submitted by the plan to the commissioner for payment to the clinic.

(j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate and pay monthly the proposed managed care supplemental payments to clinics, and clinics shall conduct a timely review of the payment calculation data in order to finalize all supplemental payments in accordance with federal law. Any issues arising from a clinic's review must be reported to the commissioner by January 1, 2017. Upon final agreement between the commissioner and a clinic on issues identified under this subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no supplemental payments for managed care plan or county-based purchasing plan claims for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to resolve issues under this subdivision, the parties shall submit the dispute to the arbitration process under section 14.57.

~~(k) The commissioner shall seek a federal waiver, authorized under section 1115 of the Social Security Act, to obtain federal financial participation at the 100 percent federal matching percentage available to facilities of the Indian Health Service or tribal organization in accordance with section 1905(b) of the Social Security Act for expenditures made to organizations dually certified under~~

Title V of the Indian Health Care Improvement Act, Public Law 94-437, and as a federally qualified health center under paragraph (a) that

~~provides services to American Indian and Alaskan Native individuals eligible for services under this subdivision.~~

(k) The commissioner shall establish an encounter payment rate that is equivalent to the all inclusive rate (AIR) payment established by the Indian Health Service and published in the Federal Register. The encounter rate must be updated annually and must reflect the changes in the AIR established by the Indian Health Service each calendar year. FQHCs that are also urban Indian organizations under Title V of the federal Indian Health Improvement Act may elect to be paid: (1) at the encounter rate established under this paragraph; (2) under the alternative payment methodology described in paragraph (l); or (3) under the federally required prospective payment system described in paragraph (f). FQHCs that elect to be paid at the encounter rate established under this paragraph must continue to meet all state and federal requirements related to FQHCs and urban Indian organizations, and must maintain their statuses as FQHCs and urban Indian organizations.

(l) All claims for payment of clinic services provided by FQHCs and rural health clinics, that have elected to be paid under this paragraph, shall be paid by the commissioner according to the following requirements:

(1) the commissioner shall establish a single medical and single dental organization encounter rate for each FQHC and rural health clinic when applicable;

(2) each FQHC and rural health clinic is eligible for same day reimbursement of one medical and one dental organization encounter rate if eligible medical and dental visits are provided on the same day;

(3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance with current applicable Medicare cost principles, their allowable costs, including direct patient care costs and patient-related support services. Nonallowable costs include, but are not limited to:

- (i) general social services and administrative costs;
- (ii) retail pharmacy;
- (iii) patient incentives, food, housing assistance, and utility assistance;
- (iv) external lab and x-ray;
- (v) navigation services;
- (vi) health care taxes;
- (vii) advertising, public relations, and marketing;
- (viii) office entertainment costs, food, alcohol, and gifts;
- (ix) contributions and donations;

- (x) bad debts or losses on awards or contracts;
- (xi) fines, penalties, damages, or other settlements;
- (xii) fundraising, investment management, and associated administrative costs;
- (xiii) research and associated administrative costs;
- (xiv) nonpaid workers;
- (xv) lobbying;
- (xvi) scholarships and student aid; and
- (xvii) nonmedical assistance covered services;

(4) the commissioner shall review the list of nonallowable costs in the years between the rebasing process established in clause (5), in consultation with the Minnesota Association of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall publish the list and any updates in the Minnesota health care programs provider manual;

(5) the initial applicable base year organization encounter rates for FQHCs and rural health clinics shall be computed for services delivered on or after January 1, 2021, and:

(i) must be determined using each FQHC's and rural health clinic's Medicare cost reports from 2017 and 2018;

(ii) must be according to current applicable Medicare cost principles as applicable to FQHCs and rural health clinics without the application of productivity screens and upper payment limits or the Medicare prospective payment system FQHC aggregate mean upper payment limit;

(iii) must be subsequently rebased every two years thereafter using the Medicare cost reports that are three and four years prior to the rebasing year. Years in which organizational cost or claims volume is reduced or altered due to a pandemic, disease, or other public health emergency shall not be used as part of a base year when the base year includes more than one year. The commissioner may use the Medicare cost reports of a year unaffected by a pandemic, disease, or other public health emergency, or previous two consecutive years, inflated to the base year as established under item (iv);

(iv) must be inflated to the base year using the inflation factor described in clause (6); and

(v) the commissioner must provide for a 60-day appeals process under section 14.57;

(6) the commissioner shall annually inflate the applicable organization encounter rates for FQHCs and rural health clinics from the base year payment rate to the effective date by using the CMS FQHC Market Basket inflator established under United States Code, title 42, section 1395m(o), less productivity;

(7) FQHCs and rural health clinics that have elected the alternative payment methodology under this paragraph shall submit all necessary documentation required by the commissioner to compute

the rebased organization encounter rates no later than six months following the date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid Services;

(8) the commissioner shall reimburse FQHCs and rural health clinics an additional amount relative to their medical and dental organization encounter rates that is attributable to the tax required to be paid according to section 295.52, if applicable;

(9) FQHCs and rural health clinics may submit change of scope requests to the commissioner if the change of scope would result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate currently received by the FQHC or rural health clinic;

(10) for FQHCs and rural health clinics seeking a change in scope with the commissioner under clause (9) that requires the approval of the scope change by the federal Health Resources Services Administration:

(i) FQHCs and rural health clinics shall submit the change of scope request, including the start date of services, to the commissioner within seven business days of submission of the scope change to the federal Health Resources Services Administration;

(ii) the commissioner shall establish the effective date of the payment change as the federal Health Resources Services Administration date of approval of the FQHC's or rural health clinic's scope change request, or the effective start date of services, whichever is later; and

(iii) within 45 days of one year after the effective date established in item (ii), the commissioner shall conduct a retroactive review to determine if the actual costs established under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate, and if this is the case, the commissioner shall revise the rate accordingly and shall adjust payments retrospectively to the effective date established in item (ii);

(11) for change of scope requests that do not require federal Health Resources Services Administration approval, the FQHC and rural health clinic shall submit the request to the commissioner before implementing the change, and the effective date of the change is the date the commissioner received the FQHC's or rural health clinic's request, or the effective start date of the service, whichever is later. The commissioner shall provide a response to the FQHC's or rural health clinic's request within 45 days of submission and provide a final approval within 120 days of submission. This timeline may be waived at the mutual agreement of the commissioner and the FQHC or rural health clinic if more information is needed to evaluate the request;

(12) the commissioner, when establishing organization encounter rates for new FQHCs and rural health clinics, shall consider the patient caseload of existing FQHCs and rural health clinics in a 60-mile radius for organizations established outside of the seven-county metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan area. If this information is not available, the commissioner may use Medicare cost reports or audited financial statements to establish base rates;

(13) the commissioner shall establish a quality measures workgroup that includes representatives from the Minnesota Association of Community Health Centers, FQHCs, and rural health clinics, to evaluate clinical and nonclinical measures; and

(14) the commissioner shall not disallow or reduce costs that are related to an FQHC's or rural health clinic's participation in health care educational programs to the extent that the costs are not accounted for in the alternative payment methodology encounter rate established in this paragraph.

(m) Effective July 1, 2023, an enrolled Indian health service facility or a Tribal health center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC. Requirements that otherwise apply to an FQHC covered in this subdivision do not apply to a Tribal FQHC enrolled under this paragraph, except that any requirements necessary to comply with federal regulations do apply to a Tribal FQHC. The commissioner shall establish an alternative payment method for a Tribal FQHC enrolled under this paragraph that uses the same method and rates applicable to a Tribal facility or health center that does not enroll as a Tribal FQHC.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later, except that paragraph (m) is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 21. Minnesota Statutes 2022, section 256B.0625, subdivision 31, is amended to read:

Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical supplies and equipment. Separate payment outside of the facility's payment rate shall be made for wheelchairs and wheelchair accessories for recipients who are residents of intermediate care facilities for the developmentally disabled. Reimbursement for wheelchairs and wheelchair accessories for ICF/DD recipients shall be subject to the same conditions and limitations as coverage for recipients who do not reside in institutions. A wheelchair purchased outside of the facility's payment rate is the property of the recipient.

(b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies must enroll as a Medicare provider.

(c) When necessary to ensure access to durable medical equipment, prosthetics, orthotics, or medical supplies, the commissioner may exempt a vendor from the Medicare enrollment requirement if:

(1) the vendor supplies only one type of durable medical equipment, prosthetic, orthotic, or medical supply;

(2) the vendor serves ten or fewer medical assistance recipients per year;

(3) the commissioner finds that other vendors are not available to provide same or similar durable medical equipment, prosthetics, orthotics, or medical supplies; and

(4) the vendor complies with all screening requirements in this chapter and Code of Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare and Medicaid Services approved national accreditation organization as complying with the Medicare program's supplier and quality standards and the vendor serves primarily pediatric patients.

(d) Durable medical equipment means a device or equipment that:

(1) can withstand repeated use;

(2) is generally not useful in the absence of an illness, injury, or disability; and

(3) is provided to correct or accommodate a physiological disorder or physical condition or is generally used primarily for a medical purpose.

(e) Electronic tablets may be considered durable medical equipment if the electronic tablet will be used as an augmentative and alternative communication system as defined under subdivision 31a, paragraph (a). To be covered by medical assistance, the device must be locked in order to prevent use not related to communication.

(f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must be locked to prevent use not as an augmentative communication device, a recipient of waiver services may use an electronic tablet for a use not related to communication when the recipient has been authorized under the waiver to receive one or more additional applications that can be loaded onto the electronic tablet, such that allowing the additional use prevents the purchase of a separate electronic tablet with waiver funds.

(g) An order or prescription for medical supplies, equipment, or appliances must meet the requirements in Code of Federal Regulations, title 42, part 440.70.

(h) Allergen-reducing products provided according to subdivision 67, paragraph (c) or (d), shall be considered durable medical equipment.

(i) Seizure detection devices are covered as durable medical equipment under this subdivision if:

(1) the seizure detection device is medically appropriate based on the recipient's medical condition or status; and

(2) the recipient's health care provider has identified that a seizure detection device would:

(i) likely assist in reducing bodily harm to or death of the recipient as a result of the recipient experiencing a seizure; or

(ii) provide data to the health care provider necessary to appropriately diagnose or treat a health condition of the recipient that causes the seizure activity.

(j) For purposes of paragraph (i), "seizure detection device" means a United States Food and Drug Administration-approved monitoring device and related service or subscription supporting the prescribed use of the device, including technology that provides ongoing patient monitoring and alert services that detect seizure activity and transmit notification of the seizure activity to a caregiver for appropriate medical response or collects data of the seizure activity of the recipient that can be used by a health care provider to diagnose or appropriately treat a health care condition that causes the seizure activity. The medical assistance reimbursement rate for a subscription supporting the prescribed use of a seizure detection device is 60 percent of the rate for monthly remote monitoring under the medical assistance telemonitoring benefit.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 22. Minnesota Statutes 2022, section 256B.0625, subdivision 34, is amended to read:

Subd. 34. **Indian health services facilities.** ~~(a)~~ Medical assistance payments and MinnesotaCare payments to facilities of the Indian health service and facilities operated by a Tribe or Tribal organization under funding authorized by United States Code, title 25, sections 450f to 450n, or title III of the Indian Self-Determination and Education Assistance Act, Public Law 93-638, for enrollees who are eligible for federal financial participation, shall be at the option of the facility in accordance with the rate published by the United States Assistant Secretary for Health under the authority of United States Code, title 42, sections 248(a) and 249(b). MinnesotaCare payments for enrollees who are not eligible for federal financial participation at facilities of the Indian health service and facilities operated by a Tribe or Tribal organization for the provision of outpatient medical services must be in accordance with the medical assistance rates paid for the same services when provided in a facility other than a facility of the Indian health service or a facility operated by a Tribe or Tribal organization.

~~(b) Effective upon federal approval, the medical assistance payments to a dually certified facility as defined in subdivision 30, paragraph (j), shall be the encounter rate described in paragraph (a) or a rate that is substantially equivalent for services provided to American Indians and Alaskan Native populations. The rate established under this paragraph for dually certified facilities shall not apply to MinnesotaCare payments.~~

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

Sec. 23. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 68. **Tobacco and nicotine cessation.** (a) Medical assistance covers tobacco and nicotine cessation services, drugs to treat tobacco and nicotine addiction or dependence, and drugs to help individuals discontinue use of tobacco and nicotine products. Medical assistance must cover services and drugs as provided in this subdivision consistent with evidence-based or evidence-informed best practices.

(b) Medical assistance must cover in-person individual and group tobacco and nicotine cessation education and counseling services if provided by a health care practitioner whose scope of practice encompasses tobacco and nicotine cessation education and counseling. Service providers include but are not limited to the following:

- (1) mental health practitioners under section 245.462, subdivision 17;
- (2) mental health professionals under section 245.462, subdivision 18;
- (3) mental health certified peer specialists under section 256B.0615;
- (4) alcohol and drug counselors licensed under chapter 148F;

(5) recovery peers as defined in section 245F.02, subdivision 21;

(6) certified tobacco treatment specialists;

(7) community health workers;

(8) physicians;

(9) physician assistants;

(10) advanced practice registered nurses; or

(11) other licensed or nonlicensed professionals or paraprofessionals with training in providing tobacco and nicotine cessation education and counseling services.

(c) Medical assistance covers telephone cessation counseling services provided through a quitline. Notwithstanding section 256B.0625, subdivision 3b, quitline services may be provided through audio-only communications. The commissioner of human services may utilize volume purchasing for quitline services consistent with section 256B.04, subdivision 14.

(d) Medical assistance must cover all prescription and over-the-counter pharmacotherapy drugs approved by the United States Food and Drug Administration for cessation of tobacco and nicotine use or treatment of tobacco and nicotine dependence, and that are subject to a Medicaid drug rebate agreement.

(e) Services covered under this subdivision may be provided by telemedicine.

(f) The commissioner must not:

(1) restrict or limit the type, duration, or frequency of tobacco and nicotine cessation services;

(2) prohibit the simultaneous use of multiple cessation services, including but not limited to simultaneous use of counseling and drugs;

(3) require counseling before receiving drugs or as a condition of receiving drugs;

(4) limit pharmacotherapy drug dosage amounts for a dosing regimen for treatment of a medically accepted indication as defined in United States Code, title 14, section 1396r-8(K)(6); limit dosing frequency; or impose duration limits;

(5) prohibit simultaneous use of multiple drugs, including prescription and over-the-counter drugs;

(6) require or authorize step therapy; or

(7) require or utilize prior authorization for any tobacco and nicotine cessation services and drugs covered under this subdivision.

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

Sec. 24. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 69. **Biomarker testing.** Medical assistance covers biomarker testing to diagnose, treat, manage, and monitor illness or disease. Medical assistance coverage must meet the requirements that would otherwise apply to a health plan under section 62Q.473.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 70. **Recuperative care services.** Medical assistance covers recuperative care services according to section 256B.0701.

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

Sec. 26. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 71. **Coverage of services for the diagnosis, monitoring, and treatment of rare diseases.** (a) Medical assistance covers services related to the diagnosis, monitoring, and treatment of a rare disease or condition. Medical assistance coverage for these services must meet the requirements in section 62Q.451, subdivisions 1 to 3 and 6. Providers must still meet all applicable program requirements.

(b) Coverage for a service must not be denied solely on the basis that it was provided by, referred for, or ordered by an out-of-network provider.

(c) Any prior authorization requirements for a service that is provided by, referred for, or ordered by an out-of-network provider must be the same as any prior authorization requirements for a service that is provided by, referred for, or ordered by an in-network provider.

(d) Nothing in this subdivision requires medical assistance to cover additional services.

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

Sec. 27. **[256B.0701] RECUPERATIVE CARE SERVICES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Provider" means a recuperative care provider as defined by the standards established by the National Institute for Medical Respite Care.

(c) "Recuperative care" means a model of care that prevents hospitalization or that provides postacute medical care and support services for recipients experiencing homelessness who are too ill or frail to recover from a physical illness or injury while living in a shelter or are otherwise

unhoused but who are not sick enough to be hospitalized or remain hospitalized, or to need other levels of care.

Subd. 2. **Recuperative care settings.** Recuperative care may be provided in any setting, including but not limited to homeless shelters, congregate care settings, single room occupancy settings, or supportive housing, so long as the provider of recuperative care or provider of housing is able to provide to the recipient within the designated setting, at a minimum:

(1) 24-hour access to a bed and bathroom;

(2) access to three meals a day;

(3) availability to environmental services;

(4) access to a telephone;

(5) a secure place to store belongings; and

(6) staff available within the setting to provide a wellness check as needed, but at a minimum, at least once every 24 hours.

Subd. 3. **Eligibility.** To be eligible for recuperative care service, a recipient must:

(1) not be a child;

(2) be experiencing homelessness;

(3) be in need of short-term acute medical care for a period of no more than 60 days;

(4) meet clinical criteria, as established by the commissioner, that indicates that the recipient needs recuperative care; and

(5) not have behavioral health needs that are greater than what can be managed by the provider within the setting.

Subd. 4. **Total payment rates.** Total payment rates for recuperative care consist of the recuperative care services rate and the recuperative care facility rate.

Subd. 5. **Recuperative care services rate.** The recuperative care services rate is for the services provided to the recipient and must be a bundled daily per diem payment of at least \$300 per day. Services provided within the bundled payment may include but are not limited to:

(1) basic nursing care, including:

(i) monitoring a patient's physical health and pain level;

(ii) providing wound care;

(iii) medication support;

(iv) patient education;

(v) immunization review and update; and

(vi) establishing clinical goals for the recuperative care period and discharge plan;

(2) care coordination, including:

(i) initial assessment of medical, behavioral, and social needs;

(ii) development of a care plan;

(iii) support and referral assistance for legal services, housing, community social services, case management, health care benefits, health and other eligible benefits, and transportation needs and services; and

(iv) monitoring and follow-up to ensure that the care plan is effectively implemented to address the medical, behavioral, and social needs;

(3) basic behavioral needs, including counseling and peer support, that can be provided in the recuperative care setting; and

(4) services provided by a community health worker as defined under section 256B.0625, subdivision 49.

Subd. 6. Recuperative care facility rate. (a) The recuperative care facility rate is for facility costs and must be paid from state money in an amount equal to the medical assistance room and board rate at the time the recuperative care services were provided. The eligibility standards in chapter 256I do not apply to the recuperative care facility rate. The recuperative care facility rate is only paid when the recuperative care services rate is paid to a provider. Providers may opt to only receive the recuperative care services rate.

(b) Before a recipient is discharged from a recuperative care setting, the provider must ensure that the recipient's medical condition is stabilized or that the recipient is being discharged to a setting that is able to meet that recipient's needs.

Subd. 7. Extended stay. If a recipient requires care exceeding the 60-day limit described in subdivision 3, the provider may request in a format prescribed by the commissioner an extension to continue payments until the recipient is discharged.

Subd. 8. Report. (a) The commissioner must submit an initial report on coverage of recuperative care services to the chairs and ranking minority members of the legislative committees having jurisdiction over health and human services finance and policy by February 1, 2025, and a final report by February 1, 2027. The reports must include but are not limited to:

(1) a list of the recuperative care services in Minnesota and the number of recipients;

(2) the estimated return on investment, including health care savings due to reduced hospitalizations;

(3) follow-up information, if available, on whether recipients' hospital visits decreased since recuperative care services were provided compared to before the services were provided; and

(4) any other information that can be used to determine the effectiveness of the program and its funding, including recommendations for improvements to the program.

(b) This subdivision expires upon submission of the final report.

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

Sec. 28. Minnesota Statutes 2022, section 256B.0941, subdivision 3, is amended to read:

Subd. 3. **Per diem rate.** (a) The commissioner must establish one per diem rate per provider for psychiatric residential treatment facility services for individuals 21 years of age or younger. The rate for a provider must not exceed the rate charged by that provider for the same service to other payers. Payment must not be made to more than one entity for each individual for services provided under this section on a given day. The commissioner must set rates prospectively for the annual rate period. The commissioner must require providers to submit annual cost reports on a uniform cost reporting form and must use submitted cost reports to inform the rate-setting process. The cost reporting must be done according to federal requirements for Medicare cost reports.

(b) The following are included in the rate:

(1) costs necessary for licensure and accreditation, meeting all staffing standards for participation, meeting all service standards for participation, meeting all requirements for active treatment, maintaining medical records, conducting utilization review, meeting inspection of care, and discharge planning. The direct services costs must be determined using the actual cost of salaries, benefits, payroll taxes, and training of direct services staff and service-related transportation; and

(2) payment for room and board provided by facilities meeting all accreditation and licensing requirements for participation.

(c) A facility may submit a claim for payment outside of the per diem for professional services arranged by and provided at the facility by an appropriately licensed professional who is enrolled as a provider with Minnesota health care programs. Arranged services may be billed by either the facility or the licensed professional. These services must be included in the individual plan of care and are subject to prior authorization.

(d) Medicaid must reimburse for concurrent services as approved by the commissioner to support continuity of care and successful discharge from the facility. "Concurrent services" means services provided by another entity or provider while the individual is admitted to a psychiatric residential treatment facility. Payment for concurrent services may be limited and these services are subject to prior authorization by the state's medical review agent. Concurrent services may include targeted case management, assertive community treatment, clinical care consultation, team consultation, and treatment planning.

(e) Payment rates under this subdivision must not include the costs of providing the following services:

(1) educational services;

(2) acute medical care or specialty services for other medical conditions;

- (3) dental services; and
- (4) pharmacy drug costs.

(f) For purposes of this section, "actual cost" means costs that are allowable, allocable, reasonable, and consistent with federal reimbursement requirements in Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and the Office of Management and Budget Circular Number A-122, relating to nonprofit entities.

(g) The commissioner shall annually adjust psychiatric residential treatment facility services per diem rates to reflect the change in the Centers for Medicare and Medicaid Services Inpatient Psychiatric Facility Market Basket. The commissioner shall use the indices as forecasted for the midpoint of the prior rate year to the midpoint of the current rate year.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 29. Minnesota Statutes 2022, section 256B.0947, subdivision 7, is amended to read:

Subd. 7. **Medical assistance payment and rate setting.** (a) Payment for services in this section must be based on one daily encounter rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services, supports, and ancillary activities under this section, staff travel time to provide rehabilitative services under this section, and crisis response services under section 256B.0624.

(b) Payment must not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team shall determine how to distribute the payment among the members.

(c) The commissioner shall establish regional cost-based rates for entities that will bill medical assistance for nonresidential intensive rehabilitative mental health services. In developing these rates, the commissioner shall consider:

- (1) the cost for similar services in the health care trade area;
- (2) actual costs incurred by entities providing the services;
- (3) the intensity and frequency of services to be provided to each client;
- (4) the degree to which clients will receive services other than services under this section; and
- (5) the costs of other services that will be separately reimbursed.

(d) The rate for a provider must not exceed the rate charged by that provider for the same service to other payers.

(e) Effective for the rate years beginning on and after January 1, 2024, rates must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic

Index, as forecasted in the fourth quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 30. Minnesota Statutes 2022, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B and 256L is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B and 256L established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) The commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care plans, county-based purchasing plans, and providers. The managed care or county-based purchasing plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23.

(d) The commissioner shall require that managed care plans:

(1) use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659 and community first services and supports under section 256B.85; and

(2) by January 30 of each year that follows a rate increase for any aspect of services under section 256B.0659 or 256B.85, inform the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over rates determined under section 256B.851 of the amount of the rate increase that is paid to each personal care assistance provider agency with which the plan has a contract.

~~(e) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction shall be based on the health plan's utilization in 2009. To earn the return of the withhold each subsequent year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous measurement year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.~~

~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.~~

~~The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.~~

~~(f) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous calendar year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.~~

~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved. The~~

commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

~~The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospital admission rate compared to the hospital admission rates in calendar year 2011, as determined by the commissioner. The hospital admissions in this performance target do not include the admissions applicable to the subsequent hospital admission performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.~~

~~(g) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rates for subsequent hospitalizations within 30 days of a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.~~

~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a qualifying reduction in the subsequent hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.~~

~~The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.~~

~~(h) (e) Effective for services rendered on or after January 1, 2013, through December 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.~~

~~(i) (f) Effective for services rendered on or after January 1, 2014, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.~~

~~(g)~~ (g) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned.

~~(h)~~ (h) Contracts between the commissioner and a prepaid health plan are exempt from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and 7.

~~(i)~~ (i) The return of the withhold under paragraphs (h) and (i) is not subject to the requirements of paragraph (c).

~~(j)~~ (j) Managed care plans and county-based purchasing plans shall maintain current and fully executed agreements for all subcontractors, including bargaining groups, for administrative services that are expensed to the state's public health care programs. Subcontractor agreements determined to be material, as defined by the commissioner after taking into account state contracting and relevant statutory requirements, must be in the form of a written instrument or electronic document containing the elements of offer, acceptance, consideration, payment terms, scope, duration of the contract, and how the subcontractor services relate to state public health care programs. Upon request, the commissioner shall have access to all subcontractor documentation under this paragraph. Nothing in this paragraph shall allow release of information that is nonpublic data pursuant to section 13.02.

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

Sec. 31. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision to read:

Subd. 19a. Limitation on reimbursement; rare disease services provided in Minnesota by out-of-network providers. (a) If a managed care or county-based purchasing plan has an established contractual payment under medical assistance with an out-of-network provider for a service provided in Minnesota related to the diagnosis, monitoring, and treatment of a rare disease or condition, the provider must accept the established contractual payment for that service as payment in full.

(b) If a plan does not have an established contractual payment under medical assistance with an out-of-network provider for a service provided in Minnesota related to the diagnosis, monitoring, and treatment of a rare disease or condition, the provider must accept the provider's established rate for uninsured patients for that service as payment in full. If the provider does not have an established rate for uninsured patients for that service, the provider must accept the fee-for-service rate.

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

Sec. 32. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision to read:

Subd. 19b. Limitation on reimbursement; rare disease services provided outside of Minnesota by an out-of-network provider. (a) If a managed care or county-based purchasing plan has an established contractual payment under medical assistance with an out-of-network provider for a service provided in another state related to diagnosis, monitoring, and treatment of a rare disease or condition, the plan must pay the established contractual payment for that service.

(b) If a plan does not have an established contractual payment under medical assistance with an out-of-network provider for a service provided in another state related to diagnosis, monitoring, and treatment of a rare disease or condition, the plan must pay the provider's established rate for

uninsured patients for that service. If the provider does not have an established rate for uninsured patients for that service, the plan must pay the provider the fee-for-service rate in that state.

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

Sec. 33. Minnesota Statutes 2022, section 256B.758, is amended to read:

256B.758 REIMBURSEMENT FOR DOULA SERVICES.

(a) Effective for services provided on or after July 1, 2019, through December 31, 2023, payments for doula services provided by a certified doula shall be \$47 per prenatal or postpartum visit and \$488 for attending and providing doula services at a birth.

(b) Effective for services provided on or after January 1, 2024, payments for doula services provided by a certified doula are \$100 per prenatal or postpartum visit and \$1,400 for attending and providing doula services at birth.

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

Sec. 34. Minnesota Statutes 2022, section 256B.76, subdivision 1, as amended by Laws 2023, chapter 25, section 145, is amended to read:

Subdivision 1. **Physician and professional services reimbursement.** (a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:

(1) payment for level one Centers for Medicare and Medicaid Services' common procedural coding system codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," cesarean delivery and pharmacologic management provided to psychiatric patients, and level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases except that payment rates for home health agency services shall be the rates in effect on September 30, 1992.

(b) Effective for services rendered on or after January 1, 2000, payment rates for physician and professional services shall be increased by three percent over the rates in effect on December 31, 1999, except for home health agency and family planning agency services. The increases in this paragraph shall be implemented January 1, 2000, for managed care.

(c) Effective for services rendered on or after July 1, 2009, payment rates for physician and professional services shall be reduced by five percent, except that for the period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical assistance and general assistance medical care programs, over the rates in effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other outpatient visits, preventive medicine

visits and family planning visits billed by physicians, advanced practice registered nurses, or physician assistants in a family planning agency or in one of the following primary care practices: general practice, general internal medicine, general pediatrics, general geriatrics, and family medicine. This reduction and the reductions in paragraph (d) do not apply to federally qualified health centers, rural health centers, and Indian health services. Effective October 1, 2009, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(d) Effective for services rendered on or after July 1, 2010, payment rates for physician and professional services shall be reduced an additional seven percent over the five percent reduction in rates described in paragraph (c). This additional reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services provided on or after July 1, 2010. This additional reduction does not apply to physician services billed by a psychiatrist or an advanced practice registered nurse with a specialty in mental health. Effective October 1, 2010, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(e) Effective for services rendered on or after September 1, 2011, through June 30, 2013, payment rates for physician and professional services shall be reduced three percent from the rates in effect on August 31, 2011. This reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services.

(f) Effective for services rendered on or after September 1, 2014, payment rates for physician and professional services, including physical therapy, occupational therapy, speech pathology, and mental health services shall be increased by five percent from the rates in effect on August 31, 2014. In calculating this rate increase, the commissioner shall not include in the base rate for August 31, 2014, the rate increase provided under section 256B.76, subdivision 7. This increase does not apply to federally qualified health centers, rural health centers, and Indian health services. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(g) Effective for services rendered on or after July 1, 2015, payment rates for physical therapy, occupational therapy, and speech pathology and related services provided by a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(h) Any rates effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

(i) The commissioner may reimburse physicians and other licensed professionals for costs incurred to pay the fee for testing newborns who are medical assistance enrollees for heritable and congenital disorders under section 144.125, subdivision 1, paragraph (c), when the sample is collected outside of an inpatient hospital or freestanding birth center and the cost is not recognized by another payment source.

Sec. 35. Minnesota Statutes 2022, section 256B.761, is amended to read:

256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.

(a) Effective for services rendered on or after July 1, 2001, payment for medication management provided to psychiatric patients, outpatient mental health services, day treatment services, home-based mental health services, and family community support services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of 1999 charges.

(b) Effective July 1, 2001, the medical assistance rates for outpatient mental health services provided by an entity that operates: (1) a Medicare-certified comprehensive outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993, with at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year who are medical assistance recipients, will be increased by 38 percent, when those services are provided within the comprehensive outpatient rehabilitation facility and provided to residents of nursing facilities owned by the entity.

(c) In addition to rate increases otherwise provided, the commissioner may restructure coverage policy and rates to improve access to adult rehabilitative mental health services under section 256B.0623 and related mental health support services under section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected state share of increased costs due to this paragraph is transferred from adult mental health grants under sections 245.4661 and 256E.12. The transfer for fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.

(d) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

(e) Effective for services rendered on or after January 1, 2024, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be increased by three percent from the rates in effect on December 31, 2023. Effective for services rendered on or after January 1, 2025, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be annually adjusted according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year. For payments made in accordance with this paragraph, if and to the extent that the commissioner identifies that the state has received federal financial participation for behavioral health services in excess of the amount allowed under United States Code, title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state money and maintain the full payment rate under this paragraph. This paragraph does not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county. This paragraph expires upon legislative implementation of the new rate methodology resulting from the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18.

(f) Effective January 1, 2024, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the behavioral health service rate increase provided in paragraph (e). Managed care and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates to behavioral health services providers. The commissioner must monitor the effect of this rate increase on enrollee access to behavioral health services. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 36. Minnesota Statutes 2022, section 256B.763, is amended to read:

256B.763 CRITICAL ACCESS MENTAL HEALTH RATE INCREASE.

Subdivision 1. **Rate add-on.** (a) For services defined in paragraph (b) and rendered on or after July 1, 2007, payment rates shall be increased by 23.7 percent over the rates in effect on January 1, 2006, for:

(1) psychiatrists and advanced practice registered nurses with a psychiatric specialty;

(2) community mental health centers under section 256B.0625, subdivision 5; and

(3) mental health clinics certified under section 245I.20, or hospital outpatient psychiatric departments that are designated as essential community providers under section 62Q.19.

(b) This increase applies to group skills training when provided as a component of children's therapeutic services and support, psychotherapy, medication management, evaluation and management, diagnostic assessment, explanation of findings, psychological testing, neuropsychological services, direction of behavioral aides, and inpatient consultation.

(c) This increase does not apply to rates that are governed by section 256B.0625, subdivision 30, or 256B.761, paragraph (b), other cost-based rates, rates that are negotiated with the county, rates that are established by the federal government, or rates that increased between January 1, 2004, and January 1, 2005.

(d) Payment rates shall be increased by 23.7 percent over the rates in effect on December 31, 2007, for:

(1) medication education services provided on or after January 1, 2008, by adult rehabilitative mental health services providers certified under section 256B.0623; and

(2) mental health behavioral aide services provided on or after January 1, 2008, by children's therapeutic services and support providers certified under section 256B.0943.

(e) For services defined in paragraph (b) and rendered on or after January 1, 2008, by children's therapeutic services and support providers certified under section 256B.0943 and not already included in paragraph (a), payment rates shall be increased by 23.7 percent over the rates in effect on December 31, 2007.

(f) Payment rates shall be increased by 2.3 percent over the rates in effect on December 31, 2007, for individual and family skills training provided on or after January 1, 2008, by children's therapeutic services and support providers certified under section 256B.0943.

(g) For services described in paragraphs (b), (d), and (f) and rendered on or after July 1, 2017, payment rates for mental health clinics certified under section 245I.20 that are not designated as essential community providers under section 62Q.19 shall be equal to payment rates for mental health clinics certified under section 245I.20 that are designated as essential community providers under section 62Q.19. In order to receive increased payment rates under this paragraph, a provider must demonstrate a commitment to serve low-income and underserved populations by:

(1) charging for services on a sliding-fee schedule based on current poverty income guidelines; and

(2) not restricting access or services because of a client's financial limitation.

(h) For services identified under this section that are rendered by providers identified under this section, managed care plans and county-based purchasing plans shall reimburse the providers at a rate that is at least equal to the fee-for-service payment rate. The commissioner shall monitor the effect of this requirement on the rate of access to the services delivered by mental health providers.

Subd. 2. **Phaseout.** The critical access mental health rate add-on under this section must be reduced according to the following schedule:

(1) effective for services provided on or after January 1, 2025, the rate add-on is reduced to 11.85 percent;

(2) effective for services provided on or after January 1, 2026, the rate add-on is reduced to 5.92 percent; and

(3) effective for services provided on or after January 1, 2027, the rate add-on is 0 percent.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 37. Minnesota Statutes 2022, section 256B.764, is amended to read:

256B.764 REIMBURSEMENT FOR FAMILY PLANNING SERVICES.

(a) Effective for services rendered on or after July 1, 2007, payment rates for family planning services shall be increased by 25 percent over the rates in effect June 30, 2007, when these services are provided by a community clinic as defined in section 145.9268, subdivision 1.

(b) Effective for services rendered on or after July 1, 2013, payment rates for family planning services shall be increased by 20 percent over the rates in effect June 30, 2013, when these services are provided by a community clinic as defined in section 145.9268, subdivision 1. The commissioner shall adjust capitation rates to managed care and county-based purchasing plans to reflect this increase, and shall require plans to pass on the full amount of the rate increase to eligible community clinics, in the form of higher payment rates for family planning services.

(c) Effective for services provided on or after January 1, 2024, payment rates for family planning and abortion services shall be increased by 20 percent. This increase does not apply to federally qualified health centers, rural health centers, or Indian health services.

Sec. 38. Minnesota Statutes 2022, section 256L.03, subdivision 1, is amended to read:

Subdivision 1. **Covered health services.** (a) "Covered health services" means the health services reimbursed under chapter 256B, with the exception of special education services, home care nursing services, adult dental care services other than services covered under section 256B.0625, subdivision 9, orthodontic services, nonemergency medical transportation services, personal care assistance and case management services, community first services and supports under section 256B.85, behavioral health home services under section 256B.0757, housing stabilization services under section 256B.051, and nursing home or intermediate care facilities services.

~~(b) No public funds shall be used for coverage of abortion under MinnesotaCare except where the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; or where the pregnancy is the result of rape or incest.~~

~~(b)~~ (b) Covered health services shall be expanded as provided in this section.

~~(c)~~ (c) For the purposes of covered health services under this section, "child" means an individual younger than 19 years of age.

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

Sec. 39. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner ~~shall~~ must adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or services exempt from cost-sharing under state law. The cost-sharing changes described in this paragraph shall not be implemented prior to January 1, 2016.

(c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations, title 42, sections 600.510 and 600.520.

(d) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic services or testing that a health care provider determines an enrollee requires after a mammogram, as specified under section 62A.30, subdivision 5.

(e) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

(f) Co-payments, coinsurance, and deductibles do not apply to pre-exposure prophylaxis (PrEP) and postexposure prophylaxis (PEP) medications when used for the prevention or treatment of the human immunodeficiency virus (HIV).

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 40. Laws 2021, First Special Session chapter 7, article 1, section 36, as amended by Laws 2023, chapter 22, section 2, is amended to read:

Sec. 36. RESPONSE TO COVID-19 PUBLIC HEALTH EMERGENCY.

(a) Notwithstanding Minnesota Statutes, section 256B.057, subdivision 9, or any other provision to the contrary, the commissioner shall not collect any unpaid premium for a coverage month that occurred during the COVID-19 public health emergency declared by the United States Secretary of Health and Human Services and through the month prior to an enrollee's first renewal following the resumption of medical assistance renewals after March 31, 2023.

(b) Notwithstanding any provision to the contrary, periodic data matching under Minnesota Statutes, section 256B.0561, subdivision 2, may be suspended for up to 12 months following the resumption of medical assistance and MinnesotaCare renewals after March 31, 2023.

(c) Notwithstanding any provision to the contrary, the requirement for the commissioner of human services to issue an annual report on periodic data matching under Minnesota Statutes, section 256B.0561, is suspended for one year following the last day of the COVID-19 public health emergency declared by the United States Secretary of Health and Human Services.

(d) For individuals enrolled in ~~medical assistance~~ Minnesota health care programs as of March 31, 2023, who are subject to the asset limits established by Minnesota Statutes, ~~section~~ sections 256B.056, subdivision 3, paragraph (a), and 256B.057, assets in excess of the limits ~~established by Minnesota Statutes, section 256B.056, subdivision 3, paragraph (a),~~ therein must be disregarded until the individual's second annual renewal ~~occurring~~ following the resumption of renewals after March 31, 2023.

(e) The commissioner may temporarily adjust medical assistance eligibility verification requirements as needed to comply with federal guidance and ensure a timely renewal process for the period during which enrollees are subject to their first annual renewal following March 31, 2023.

The commissioner must implement sufficient controls to monitor the effectiveness of verification adjustments and ensure program integrity.

(f) Notwithstanding any provision to the contrary, the commissioner of human services may temporarily extend the time frame permitted to take final administrative action on fair hearing requests from medical assistance and MinnesotaCare recipients under Minnesota Statutes, section 256.045, until the end of the 23rd month after the end of the month in which the public health emergency for COVID-19, as declared by the United States Secretary of Health and Human Services, ends. During this period, the commissioner must:

(1) not delay resolving expedited fair hearings described in Code of Federal Regulations, title 42, chapter IV, subchapter C, part 431, subpart E, section 431.224, paragraph (a);

(2) provide medical assistance benefits, pending the outcome of a fair hearing decision, to any medical assistance recipient, and provide MinnesotaCare benefits, pending the outcome of a fair hearing decision, to any MinnesotaCare recipient, who requests a fair hearing within the time provided under Minnesota Statutes, section 256.045, subdivision 3, paragraph (i), and regardless of whether the recipient has requested benefits pending the outcome of the recipient's fair hearing;

(3) reinstate medical assistance or MinnesotaCare benefits back to the date of action, if the recipient requests a fair hearing after the date of action and within the time provided under Minnesota Statutes, section 256.045, subdivision 3, paragraph (i);

(4) take final administrative action within the maximum 90 days permitted under Code of Federal Regulations, title 42, chapter IV, subchapter C, part 431, subpart E, section 431.244, paragraph (f)(1), for fair hearing requests where medical assistance or MinnesotaCare benefits cannot be provided pending the outcome of the fair hearing, such as a fair hearing challenging a denial of eligibility for an applicant;

(5) not recoup or recover from the recipient the cost of medical assistance or MinnesotaCare benefits provided pending final administrative action, even if the agency's action is sustained by the hearing decision; and

(6) not use this authority as justification to delay taking final action, and only exceed the 90 days permitted for taking final agency action under Code of Federal Regulations, title 42, section 431.244, paragraph (f)(1), to the extent to which the commissioner is unable to take timely final agency action on a given fair hearing request.

(g) Notwithstanding Minnesota Statutes, section 256L.06, subdivision 3; 256L.15, subdivision 2, or any other provision to the contrary, the commissioner must not collect any unpaid premium for a coverage month that occurred during the COVID-19 public health emergency declared by the United States Secretary of Health and Human Services.

(h) Notwithstanding Minnesota Statutes, sections 256L.06 and 256L.15, or any other provision to the contrary, the commissioner must waive MinnesotaCare premiums for all enrollees beginning May 1, 2023, through June 30, 2024.

(i) Notwithstanding any other law to the contrary, the commissioner shall, as required by the Centers for Medicare & Medicaid Services, suspend certain procedural terminations for medical assistance enrollees.

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

Sec. 41. Laws 2021, First Special Session chapter 7, article 6, section 26, is amended to read:

Sec. 26. COMMISSIONER OF HUMAN SERVICES; EXTENSION OF COVID-19 HUMAN SERVICES PROGRAM MODIFICATIONS.

Notwithstanding Laws 2020, First Special Session chapter 7, section 1, subdivision 2, as amended by Laws 2020, Third Special Session chapter 1, section 3, when the peacetime emergency declared by the governor in response to the COVID-19 outbreak expires, is terminated, or is rescinded by the proper authority, the following modifications issued by the commissioner of human services pursuant to Executive Orders 20-11 and 20-12, and including any amendments to the modification issued before the peacetime emergency expires, shall remain in effect until July 1, ~~2023~~ 2025:

(1) CV16: expanding access to telemedicine services for Children's Health Insurance Program, Medical Assistance, and MinnesotaCare enrollees; and

(2) CV21: allowing telemedicine alternative for school-linked mental health services and intermediate school district mental health services.

Sec. 42. ELIGIBILITY FOR DEFERRED ACTION FOR CHILDHOOD ARRIVAL ENROLLEES.

(a) The commissioner of human services shall make federally funded medical assistance and federally funded MinnesotaCare available to Minnesotans who are Deferred Action for Childhood Arrival recipients considered lawfully present noncitizens in accordance with regulations finalized by the Centers for Medicare and Medicaid Services and who meet all other medical assistance and MinnesotaCare eligibility criteria.

(b) This section expires June 30, 2025.

EFFECTIVE DATE. This section is effective upon the effective date of final regulations published by the Centers for Medicare and Medicaid Services. The commissioner of human services shall notify the revisor of statutes when the final regulations published by the Centers for Medicare and Medicaid Services are effective.

Sec. 43. REPEALER.

(a) Minnesota Statutes 2022, section 256B.763, is repealed.

(b) Minnesota Rules, part 9505.0235, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2027. Paragraph (b) is effective the day following final enactment.

ARTICLE 2**HEALTH INSURANCE**

Section 1. Minnesota Statutes 2022, section 62A.045, is amended to read:

62A.045 PAYMENTS ON BEHALF OF ENROLLEES IN GOVERNMENT HEALTH PROGRAMS.

(a) As a condition of doing business in Minnesota or providing coverage to residents of Minnesota covered by this section, each health insurer shall comply with the requirements ~~of~~ for health insurers under the federal Deficit Reduction Act of 2005, Public Law 109-171 and the federal Consolidated Appropriations Act of 2022, Public Law 117-103, including any federal regulations adopted under that act ~~those acts~~, to the extent that ~~it imposes~~ they impose a requirement that applies in this state and that is not also required by the laws of this state. This section does not require compliance with any provision of the federal ~~act~~ acts prior to the effective ~~date~~ dates provided for ~~that provision~~ those provisions in the federal ~~act~~ acts. The commissioner shall enforce this section.

For the purpose of this section, "health insurer" includes self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, managed care organizations, pharmacy benefit managers, or other parties that are by contract legally responsible to pay a claim for a health-care item or service for an individual receiving benefits under paragraph (b).

(b) No plan offered by a health insurer issued or renewed to provide coverage to a Minnesota resident shall contain any provision denying or reducing benefits because services are rendered to a person who is eligible for or receiving medical benefits pursuant to title XIX of the Social Security Act (Medicaid) in this or any other state; chapter 256 or 256B; or services pursuant to section 252.27; 256L.01 to 256L.10; 260B.331, subdivision 2; 260C.331, subdivision 2; or 393.07, subdivision 1 or 2. No health insurer providing benefits under plans covered by this section shall use eligibility for medical programs named in this section as an underwriting guideline or reason for nonacceptance of the risk.

(c) If payment for covered expenses has been made under state medical programs for health care items or services provided to an individual, and a third party has a legal liability to make payments, the rights of payment and appeal of an adverse coverage decision for the individual, or in the case of a child their responsible relative or caretaker, will be subrogated to the state agency. The state agency may assert its rights under this section within three years of the date the service was rendered. For purposes of this section, "state agency" includes prepaid health plans under contract with the commissioner according to sections 256B.69 and 256L.12; children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes under the alternative payment demonstration project under section 256B.434; and county-based purchasing entities under section 256B.692.

(d) Notwithstanding any law to the contrary, when a person covered by a plan offered by a health insurer receives medical benefits according to any statute listed in this section, payment for covered services or notice of denial for services billed by the provider must be issued directly to the provider. If a person was receiving medical benefits through the Department of Human Services at the time a service was provided, the provider must indicate this benefit coverage on any claim forms

submitted by the provider to the health insurer for those services. If the commissioner of human services notifies the health insurer that the commissioner has made payments to the provider, payment for benefits or notices of denials issued by the health insurer must be issued directly to the commissioner. Submission by the department to the health insurer of the claim on a Department of Human Services claim form is proper notice and shall be considered proof of payment of the claim to the provider and supersedes any contract requirements of the health insurer relating to the form of submission. Liability to the insured for coverage is satisfied to the extent that payments for those benefits are made by the health insurer to the provider or the commissioner as required by this section.

(e) When a state agency has acquired the rights of an individual eligible for medical programs named in this section and has health benefits coverage through a health insurer, the health insurer shall not impose requirements that are different from requirements applicable to an agent or assignee of any other individual covered.

(f) A health insurer must process a clean claim made by a state agency for covered expenses paid under state medical programs within 90 business days of the claim's submission. A health insurer must process all other claims made by a state agency for covered expenses paid under a state medical program within the timeline set forth in Code of Federal Regulations, title 42, section 447.45(d)(4).

(g) A health insurer may request a refund of a claim paid in error to the Department of Human Services within two years of the date the payment was made to the department. A request for a refund shall not be honored by the department if the health insurer makes the request after the time period has lapsed.

Sec. 2. Minnesota Statutes 2022, section 62A.30, is amended by adding a subdivision to read:

Subd. 5. Mammogram; diagnostic services and testing. If a health care provider determines an enrollee requires additional diagnostic services or testing after a mammogram, a health plan must provide coverage for the additional diagnostic services or testing with no cost-sharing, including co-pay, deductible, or coinsurance.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to health plans offered, issued, or sold on or after that date.

Sec. 3. Minnesota Statutes 2022, section 62A.30, is amended by adding a subdivision to read:

Subd. 6. Application. If the application of subdivision 5 before an enrollee has met their health plan's deductible would result in: (1) health savings account ineligibility under United States Code, title 26, section 223; or (2) catastrophic health plan ineligibility under United States Code, title 42, section 18022(e), then subdivision 5 shall apply to diagnostic services or testing only after the enrollee has met their health plan's deductible.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to health plans offered, issued, or sold on or after that date.

Sec. 4. Minnesota Statutes 2022, section 62A.673, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Distant site" means a site at which a health care provider is located while providing health care services or consultations by means of telehealth.

(c) "Health care provider" means a health care professional who is licensed or registered by the state to perform health care services within the provider's scope of practice and in accordance with state law. A health care provider includes a mental health professional under section 245I.04, subdivision 2; a mental health practitioner under section 245I.04, subdivision 4; a clinical trainee under section 245I.04, subdivision 6; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; and a recovery peer under section 245G.11, subdivision 8.

(d) "Health carrier" has the meaning given in section 62A.011, subdivision 2.

(e) "Health plan" has the meaning given in section 62A.011, subdivision 3. Health plan includes dental plans as defined in section 62Q.76, subdivision 3, but does not include dental plans that provide indemnity-based benefits, regardless of expenses incurred, and are designed to pay benefits directly to the policy holder.

(f) "Originating site" means a site at which a patient is located at the time health care services are provided to the patient by means of telehealth. For purposes of store-and-forward technology, the originating site also means the location at which a health care provider transfers or transmits information to the distant site.

(g) "Store-and-forward technology" means the asynchronous electronic transfer or transmission of a patient's medical information or data from an originating site to a distant site for the purposes of diagnostic and therapeutic assistance in the care of a patient.

(h) "Telehealth" means the delivery of health care services or consultations through the use of real time two-way interactive audio and visual communications to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes the application of secure video conferencing, store-and-forward technology, and synchronous interactions between a patient located at an originating site and a health care provider located at a distant site. Until July 1, ~~2023~~ 2025, telehealth also includes audio-only communication between a health care provider and a patient in accordance with subdivision 6, paragraph (b). Telehealth does not include communication between health care providers that consists solely of a telephone conversation, email, or facsimile transmission. Telehealth does not include communication between a health care provider and a patient that consists solely of an email or facsimile transmission. Telehealth does not include telemonitoring services as defined in paragraph (i).

(i) "Telemonitoring services" means the remote monitoring of clinical data related to the enrollee's vital signs or biometric data by a monitoring device or equipment that transmits the data electronically to a health care provider for analysis. Telemonitoring is intended to collect an enrollee's health-related data for the purpose of assisting a health care provider in assessing and monitoring the enrollee's medical condition or status.

Sec. 5. **[62J.811] PROVIDER BALANCE BILLING REQUIREMENTS.**

Subdivision 1. **Billing requirements.** (a) Each health care provider and health facility shall comply with the federal Consolidated Appropriations Act, 2021, Division BB also known as the "No Surprises Act," including any federal regulations adopted under that act.

(b) For the purposes of this section, "provider" or "facility" means any health care provider or facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that is subject to relevant provisions of the No Surprises Act.

Subd. 2. **Investigations and compliance.** (a) The commissioner shall, to the extent practicable, seek the cooperation of health care providers and facilities, and may provide any support and assistance as available, in obtaining compliance with this section.

(b) The commissioner shall determine the manner and processes for fulfilling any responsibilities and taking any of the actions in paragraphs (c) to (f).

(c) A person who believes a health care provider or facility has not complied with the requirements of the No Surprises Act or this section may file a complaint with the commissioner in the manner determined by the commissioner.

(d) The commissioner shall conduct compliance reviews and investigate complaints filed under this section in the manner determined by the commissioner to ascertain whether health care providers and facilities are complying with this section.

(e) The commissioner may report violations under this section to other relevant federal and state departments and jurisdictions as appropriate, including the attorney general and relevant licensing boards, and may also coordinate on investigations and enforcement of this section with other relevant federal and state departments and jurisdictions as appropriate, including the attorney general and relevant licensing boards.

(f) A health care provider or facility may contest whether the finding of facts constitute a violation of this section according to the contested case proceeding in sections 14.57 to 14.62, subject to appeal according to sections 14.63 to 14.68.

(g) Any data collected by the commissioner as part of an active investigation or active compliance review under this section are classified (1) if the data is not on individuals, it is classified as protected nonpublic data pursuant to section 13.02 subdivision 13; or (2) if the data is on individuals, it is classified as confidential pursuant to sections 13.02, subdivision 3. Data describing the final disposition of an investigative or compliance review are classified as public.

Subd. 3. **Civil penalty.** (a) The commissioner, in monitoring and enforcing this section, may levy a civil monetary penalty against each health care provider or facility found to be in violation of up to \$100 for each violation, but may not exceed \$25,000 for identical violations during a calendar year.

(b) No civil monetary penalty shall be imposed under this section for violations that occur prior to January 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 62J.824, is amended to read:

62J.824 FACILITY FEE DISCLOSURE.

(a) Prior to the delivery of nonemergency services, a provider-based clinic that charges a facility fee shall provide notice to any patient, including patients served by telehealth as defined in section 62A.673, subdivision 2, paragraph (h), stating that the clinic is part of a hospital and the patient may receive a separate charge or billing for the facility component, which may result in a higher out-of-pocket expense.

(b) Each health care facility must post prominently in locations easily accessible to and visible by patients, including on its website, a statement that the provider-based clinic is part of a hospital and the patient may receive a separate charge or billing for the facility, which may result in a higher out-of-pocket expense.

(c) This section does not apply to laboratory services, imaging services, or other ancillary health services that are provided by staff who are not employed by the health care facility or clinic.

(d) For purposes of this section:

(1) "facility fee" means any separate charge or billing by a provider-based clinic in addition to a professional fee for physicians' services that is intended to cover building, electronic medical records systems, billing, and other administrative and operational expenses; and

(2) "provider-based clinic" means the site of an off-campus clinic or provider office, located at least 250 yards from the main hospital buildings or as determined by the Centers for Medicare and Medicaid Services, that is owned by a hospital licensed under chapter 144 or a health system that operates one or more hospitals licensed under chapter 144, and is primarily engaged in providing diagnostic and therapeutic care, including medical history, physical examinations, assessment of health status, and treatment monitoring. This definition does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy, pharmacy, or educational services and does not include facilities designated as rural health clinics.

Sec. 7. [62J.826] MEDICAL AND DENTAL PRACTICES; CURRENT STANDARD CHARGES.

Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

(b) "CDT code" means a code value drawn from the Code on Dental Procedures and Nomenclature published by the American Dental Association.

(c) "Chargemaster" means the list of all individual items and services maintained by a medical or dental practice for which the medical or dental practice has established a charge.

(d) "Commissioner" means the commissioner of health.

(e) "CPT code" means a code value drawn from the Current Procedural Terminology published by the American Medical Association.

(f) "Dental service" means a service charged using a CDT code.

(g) "Diagnostic laboratory testing" means a service charged using a CPT code within the CPT code range of 80047 to 89398.

(h) "Diagnostic radiology service" means a service charged using a CPT code within the CPT code range of 70010 to 79999 and includes the provision of x-rays, computed tomography scans, positron emission tomography scans, magnetic resonance imaging scans, and mammographies.

(i) "Hospital" means an acute care institution licensed under sections 144.50 to 144.58, but does not include a health care institution conducted for those who rely primarily upon treatment by prayer or spiritual means in accordance with the creed or tenets of any church or denomination.

(j) "Medical or dental practice" means a business that:

(1) earns revenue by providing medical care or dental services to the public;

(2) issues payment claims to health plan companies and other payers; and

(3) may be identified by its federal tax identification number.

(k) "Outpatient surgical center" means a health care facility other than a hospital offering elective outpatient surgery under a license issued under sections 144.50 to 144.58.

(l) "Standard charge" means the regular rate established by the medical or dental practice for an item or service provided to a specific group of paying patients. This includes all of the following:

(1) the charge for an individual item or service that is reflected on a medical or dental practice's chargemaster, absent any discounts;

(2) the charge that a medical or dental practice has negotiated with a third-party payer for an item or service;

(3) the lowest charge that a medical or dental practice has negotiated with all third-party payers for an item or service;

(4) the highest charge that a medical or dental practice has negotiated with all third-party payers for an item or service; and

(5) the charge that applies to an individual who pays cash, or cash equivalent, for an item or service.

Subd. 2. **Requirement; current standard charges.** The following medical or dental practices must make available to the public a list of their current standard charges for all items and services, as reflected in the medical or dental practice's chargemaster, provided by the medical or dental practice:

(1) hospitals;

(2) outpatient surgical centers; and

(3) any other medical or dental practice that has revenue of greater than \$50,000,000 per year and that derives the majority of its revenue by providing one or more of the following services:

(i) diagnostic radiology services;

(ii) diagnostic laboratory testing;

(iii) orthopedic surgical procedures, including joint arthroplasty procedures within the CPT code range of 26990 to 27899;

(iv) ophthalmologic surgical procedures, including cataract surgery coded using CPT code 66982 or 66984, or refractive correction surgery to improve visual acuity;

(v) anesthesia services commonly provided as an ancillary to services provided at a hospital, outpatient surgical center, or medical practice that provides orthopedic surgical procedures or ophthalmologic surgical procedures;

(vi) oncology services, including radiation oncology treatments within the CPT code range of 77261 to 77799 and drug infusions; or

(vii) dental services.

Subd. 3. **Required file format and content.** (a) A medical or dental practice that is subject to this section must make available to the public current standard charges using the format and data elements specified in the currently effective version of the Hospital Price Transparency Sample Format (Tall) (CSV) and related data dictionary recommended for hospitals by the Centers for Medicare and Medicaid Services (CMS). If CMS modifies or replaces the specifications for this format, the form of this file must be modified or replaced to conform with the new CMS specifications by the date specified by CMS for compliance with its new specifications. All prices included in the file must be expressed as dollar amounts. The data must be in the form of a comma separated values file which can be directly imported, without further editing or remediation, into a relational database table which has been designed to receive these files. The medical or dental practice must make the file available to the public in a manner specified by the commissioner.

(b) A medical or dental practice must test its file for compliance with paragraph (a) before making the file available to the public.

(c) A hospital must comply with this section no later than January 1, 2024. A medical or dental practice that meets the requirements in subdivision 2, clause (3), or an outpatient surgical center must comply with this section no later than January 1, 2025.

Sec. 8. Minnesota Statutes 2022, section 62J.84, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics license application approved under United States Code, title 42, section 262(K)(3).

(c) "Brand name drug" means a drug that is produced or distributed pursuant to:

(1) ~~an original~~, a new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or

(2) a biologics license application approved under United States Code, title ~~45~~ 42, section 262(a)(c).

(d) "Commissioner" means the commissioner of health.

(e) "Generic drug" means a drug that is marketed or distributed pursuant to:

(1) an abbreviated new drug application approved under United States Code, title 21, section 355(j);

(2) an authorized generic as defined under Code of Federal Regulations, title ~~45~~ 42, section 447.502; or

(3) a drug that entered the market the year before 1962 and was not originally marketed under a new drug application.

(f) "Manufacturer" means a drug manufacturer licensed under section 151.252.

(g) "New prescription drug" or "new drug" means a prescription drug approved for marketing by the United States Food and Drug Administration (FDA) for which no previous wholesale acquisition cost has been established for comparison.

(h) "Patient assistance program" means a program that a manufacturer offers to the public in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other means.

(i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision 8.

(j) "Price" means the wholesale acquisition cost as defined in United States Code, title 42, section 1395w-3a(c)(6)(B).

(k) "30-day supply" means the total daily dosage units of a prescription drug recommended by the prescribing label approved by the FDA for 30 days. If the FDA-approved prescribing label includes more than one recommended daily dosage, the 30-day supply is based on the maximum recommended daily dosage on the FDA-approved prescribing label.

(l) "Course of treatment" means the total dosage of a single prescription for a prescription drug recommended by the FDA-approved prescribing label. If the FDA-approved prescribing label includes more than one recommended dosage for a single course of treatment, the course of treatment is the maximum recommended dosage on the FDA-approved prescribing label.

(m) "Drug product family" means a group of one or more prescription drugs that share a unique generic drug description or nontrade name and dosage form.

(n) "Individual salable unit" means the smallest container of product introduced into commerce by the manufacturer or repackager that is intended by the manufacturer or repackager for individual sale to a dispenser.

(o) "National drug code" means the three-segment code maintained by the federal Food and Drug Administration that includes a labeler code, a product code, and a package code for a drug product and that has been converted to an 11-digit format consisting of five digits in the first segment, four digits in the second segment, and two digits in the third segment. A three-segment code shall be considered converted to an 11-digit format when, as necessary, at least one "0" has been added to the front of each segment containing less than the specified number of digits such that each segment contains the specified number of digits.

(p) "Pharmacy" or "pharmacy provider" means a community/outpatient pharmacy as defined in Minnesota Rules, part 6800.0100, subpart 2, that is also licensed as a pharmacy by the Board of Pharmacy under section 151.19.

(q) "Pharmacy benefit manager" or "PBM" means an entity licensed to act as a pharmacy benefit manager under section 62W.03.

(r) "Pricing unit" means the smallest dispensable amount of a prescription drug product that could be dispensed.

(s) "Rebate" means a discount, chargeback, or other price concession that affects the price of a prescription drug product, regardless of whether conferred through regular aggregate payments, on a claim-by-claim basis at the point of sale, as part of retrospective financial reconciliations, including reconciliations that also reflect other contractual arrangements, or by any other method. "Rebate" does not mean a bona fide service fee as defined in Code of Federal Regulations, title 42, section 447.502.

(t) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefit manager, wholesale drug distributor, or any other entity required to submit data under this section.

(u) "Wholesale drug distributor" or "wholesaler" means an entity that:

(1) is licensed to act as a wholesale drug distributor under section 151.47; and

(2) distributes prescription drugs, for which it is not the manufacturer, to persons or entities, or both, other than a consumer or patient in the state.

Sec. 9. Minnesota Statutes 2022, section 62J.84, subdivision 3, is amended to read:

Subd. 3. **Prescription drug price increases reporting.** (a) Beginning January 1, 2022, a drug manufacturer must submit to the commissioner the information described in paragraph (b) for each prescription drug for which the price was \$100 or greater for a 30-day supply or for a course of treatment lasting less than 30 days and:

(1) for brand name drugs where there is an increase of ten percent or greater in the price over the previous 12-month period or an increase of 16 percent or greater in the price over the previous 24-month period; and

(2) for generic or biosimilar drugs where there is an increase of 50 percent or greater in the price over the previous 12-month period.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the price increase goes into effect, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the ~~name~~ description and price of the drug and the net increase, expressed as a percentage, ~~with the following listed separately:~~

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the factors that contributed to the price increase;

(3) the name of any generic version of the prescription drug available on the market;

(4) the introductory price of the prescription drug when it was ~~approved for marketing by the Food and Drug Administration and the net yearly increase, by calendar year, in the price of the prescription drug during the previous five years~~ introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the price increase;

(5) the direct costs incurred during the previous 12-month period by the manufacturer that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(6) the total sales revenue for the prescription drug during the previous 12-month period;

(7) the manufacturer's net profit attributable to the prescription drug during the previous 12-month period;

(8) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the previous 12-month period, if applicable;

(9) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

(10) the patent expiration date of the prescription drug if it is under patent;

(11) the name and location of the company that manufactured the drug; ~~and~~

(12) if a brand name prescription drug, the ~~ten highest prices~~ price paid for the prescription drug during the previous calendar year in ~~any country other than~~ the ten countries, excluding the United States, that charged the highest single price for the prescription drug; and

(13) if the prescription drug was acquired by the manufacturer during the previous 12-month period, all of the following information:

(i) price at acquisition;

(ii) price in the calendar year prior to acquisition;

(iii) name of the company from which the drug was acquired;

(iv) date of acquisition; and

(v) acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 10. Minnesota Statutes 2022, section 62J.84, subdivision 4, is amended to read:

Subd. 4. **New prescription drug price reporting.** (a) Beginning January 1, 2022, no later than 60 days after a manufacturer introduces a new prescription drug for sale in the United States that is a new brand name drug with a price that is greater than the tier threshold established by the Centers for Medicare and Medicaid Services for specialty drugs in the Medicare Part D program for a 30-day supply or for a course of treatment lasting fewer than 30 days or a new generic or biosimilar drug with a price that is greater than the tier threshold established by the Centers for Medicare and Medicaid Services for specialty drugs in the Medicare Part D program for a 30-day supply or for a course of treatment lasting fewer than 30 days and is not at least 15 percent lower than the referenced brand name drug when the generic or biosimilar drug is launched, the manufacturer must submit to the commissioner, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the description of the drug, with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

~~(+)~~ (2) the price of the prescription drug;

~~(2)~~ (3) whether the Food and Drug Administration granted the new prescription drug a breakthrough therapy designation or a priority review;

~~(3)~~ (4) the direct costs incurred by the manufacturer that are associated with the prescription drug, listed separately:

- (i) to manufacture the prescription drug;
 - (ii) to market the prescription drug, including advertising costs; and
 - (iii) to distribute the prescription drug; and
- ~~(4)~~ (5) the patent expiration date of the drug if it is under patent.

(b) The manufacturer may submit documentation necessary to support the information reported under this subdivision.

Sec. 11. Minnesota Statutes 2022, section 62J.84, subdivision 6, is amended to read:

Subd. 6. **Public posting of prescription drug price information.** (a) The commissioner shall post on the department's website, or may contract with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the following information:

(1) a list of the prescription drugs reported under subdivisions 3, 4, and ~~5~~, 11 to 14 and the manufacturers of those prescription drugs; and

(2) information reported to the commissioner under subdivisions 3, 4, and ~~5~~ 11 to 14.

(b) The information must be published in an easy-to-read format and in a manner that identifies the information that is disclosed on a per-drug basis and must not be aggregated in a manner that prevents the identification of the prescription drug.

(c) The commissioner shall not post to the department's website or a private entity contracting with the commissioner shall not post any information described in this section if the information is not public data under section 13.02, subdivision 8a; or is trade secret information under section 13.37, subdivision 1, paragraph (b); or is trade secret information pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended. If a ~~manufacturer~~ reporting entity believes information should be withheld from public disclosure pursuant to this paragraph, the ~~manufacturer~~ reporting entity must clearly and specifically identify that information and describe the legal basis in writing when the ~~manufacturer~~ reporting entity submits the information under this section. If the commissioner disagrees with the ~~manufacturer's reporting entity's~~ reporting entity's request to withhold information from public disclosure, the commissioner shall provide the ~~manufacturer~~ reporting entity written notice that the information will be publicly posted 30 days after the date of the notice.

(d) If the commissioner withholds any information from public disclosure pursuant to this subdivision, the commissioner shall post to the department's website a report describing the nature of the information and the commissioner's basis for withholding the information from disclosure.

(e) To the extent the information required to be posted under this subdivision is collected and made available to the public by another state, by the University of Minnesota, or through an online drug pricing reference and analytical tool, the commissioner may reference the availability of this drug price data from another source including, within existing appropriations, creating the ability of the public to access the data from the source for purposes of meeting the reporting requirements of this subdivision.

Sec. 12. Minnesota Statutes 2022, section 62J.84, subdivision 7, is amended to read:

Subd. 7. **Consultation.** (a) The commissioner may consult with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, the University of Minnesota, or the commissioner of commerce, as appropriate, in issuing the form and format of the information reported under this section; in posting information pursuant to subdivision 6; and in taking any other action for the purpose of implementing this section.

(b) The commissioner may consult with representatives of the ~~manufacturers~~ reporting entities to establish a standard format for reporting information under this section and may use existing reporting methodologies to establish a standard format to minimize administrative burdens to the state and ~~manufacturers~~ reporting entities.

Sec. 13. Minnesota Statutes 2022, section 62J.84, subdivision 8, is amended to read:

Subd. 8. **Enforcement and penalties.** (a) A ~~manufacturer~~ reporting entity may be subject to a civil penalty, as provided in paragraph (b), for:

(1) failing to register under subdivision 15;

(~~+~~) (2) failing to submit timely reports or notices as required by this section;

(~~+~~) (3) failing to provide information required under this section; or

(~~+~~) (4) providing inaccurate or incomplete information under this section.

(b) The commissioner shall adopt a schedule of civil penalties, not to exceed \$10,000 per day of violation, based on the severity of each violation.

(c) The commissioner shall impose civil penalties under this section as provided in section 144.99, subdivision 4.

(d) The commissioner may remit or mitigate civil penalties under this section upon terms and conditions the commissioner considers proper and consistent with public health and safety.

(e) Civil penalties collected under this section shall be deposited in the health care access fund.

Sec. 14. Minnesota Statutes 2022, section 62J.84, subdivision 9, is amended to read:

Subd. 9. **Legislative report.** (a) No later than May 15, 2022, and by January 15 of each year thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce and health and human services policy and finance on

the implementation of this section, including but not limited to the effectiveness in addressing the following goals:

- (1) promoting transparency in pharmaceutical pricing for the state and other payers;
- (2) enhancing the understanding on pharmaceutical spending trends; and
- (3) assisting the state and other payers in the management of pharmaceutical costs.

(b) The report must include a summary of the information submitted to the commissioner under subdivisions 3, 4, and ~~5~~ 11 to 14.

Sec. 15. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 10. **Notice of prescription drugs of substantial public interest.** (a) No later than January 31, 2024, and quarterly thereafter, the commissioner shall produce and post on the department's website a list of prescription drugs that the commissioner determines to represent a substantial public interest and for which the commissioner intends to request data under subdivisions 11 to 14, subject to paragraph (c). The commissioner shall base its inclusion of prescription drugs on any information the commissioner determines is relevant to providing greater consumer awareness of the factors contributing to the cost of prescription drugs in the state, and the commissioner shall consider drug product families that include prescription drugs:

(1) that triggered reporting under subdivision 3 or 4 during the previous calendar quarter;

(2) for which average claims paid amounts exceeded 125 percent of the price as of the claim incurred date during the most recent calendar quarter for which claims paid amounts are available;
or

(3) that are identified by members of the public during a public comment process.

(b) Not sooner than 30 days after publicly posting the list of prescription drugs under paragraph (a), the department shall notify, via email, reporting entities registered with the department of the requirement to report under subdivisions 11 to 14.

(c) The commissioner must not designate more than 500 prescription drugs as having a substantial public interest in any one notice.

Sec. 16. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 11. **Manufacturer prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a manufacturer must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the manufacturer by the department under subdivision 10;

(2) which the manufacturer manufactures or repackages;

(3) for which the manufacturer sets the wholesale acquisition cost; and

(4) for which the manufacturer has not submitted data under subdivision 3 during the 120-day period prior to the date of the notification to report.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the price of the drug product on the later of:

(i) the day one year prior to the date of the notification to report;

(ii) the introduced to market date; or

(iii) the acquisition date;

(3) the price of the drug product on the date of the notification to report;

(4) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the date of the notification to report;

(5) the direct costs incurred during the 12-month period prior to the date of the notification to report by the manufacturers that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(6) the number of units of the prescription drug sold during the 12-month period prior to the date of the notification to report;

(7) the total sales revenue for the prescription drug during the 12-month period prior to the date of the notification to report;

(8) the total rebate payable amount accrued for the prescription drug during the 12-month period prior to the date of the notification to report;

(9) the manufacturer's net profit attributable to the prescription drug during the 12-month period prior to the date of the notification to report;

(10) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the 12-month period prior to the date of the notification to report, if applicable;

(11) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

(12) the patent expiration date of the prescription drug if the prescription drug is under patent;

(13) the name and location of the company that manufactured the drug;

(14) if the prescription drug is a brand name prescription drug, the ten countries other than the United States that paid the highest prices for the prescription drug during the previous calendar year and their prices; and

(15) if the prescription drug was acquired by the manufacturer within a 12-month period prior to the date of the notification to report, all of the following information:

(i) the price at acquisition;

(ii) the price in the calendar year prior to acquisition;

(iii) the name of the company from which the drug was acquired;

(iv) the date of acquisition; and

(v) the acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 17. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 12. **Pharmacy prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a pharmacy must submit to the commissioner the information described in paragraph (b) for any prescription drug included in a notification to report issued to the pharmacy by the department under subdivision 10.

(b) For each of the drugs described in paragraph (a), the pharmacy shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of units of the drug acquired during the 12-month period prior to the date of the notification to report;

(3) the total spent before rebates by the pharmacy to acquire the drug during the 12-month period prior to the date of the notification to report;

(4) the total rebate receivable amount accrued by the pharmacy for the drug during the 12-month period prior to the date of the notification to report;

(5) the number of pricing units of the drug dispensed by the pharmacy during the 12-month period prior to the date of the notification to report;

(6) the total payment receivable by the pharmacy for dispensing the drug including ingredient cost, dispensing fee, and administrative fees during the 12-month period prior to the date of the notification to report;

(7) the total rebate payable amount accrued by the pharmacy for the drug during the 12-month period prior to the date of the notification to report; and

(8) the average cash price paid by consumers per pricing unit for prescriptions dispensed where no claim was submitted to a health care service plan or health insurer during the 12-month period prior to the date of the notification to report.

(c) The pharmacy may submit any documentation necessary to support the information reported under this subdivision.

(d) The commissioner may grant extensions, exemptions, or both to compliance with the requirements of paragraphs (a) and (b) by small or independent pharmacies, if compliance with paragraphs (a) and (b) would represent a hardship or undue burden to the pharmacy. The commissioner may establish procedures for small or independent pharmacies to request extensions or exemptions under this paragraph.

Sec. 18. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 13. **PBM prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a PBM must submit to the commissioner the information described in paragraph (b) for any prescription drug included in a notification to report issued to the PBM by the department under subdivision 10.

(b) For each of the drugs described in paragraph (a), the PBM shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of the notification to report;

(3) the total reimbursement amount accrued and payable to pharmacies for pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of the notification to report;

(4) the total reimbursement or administrative fee amount, or both, accrued and receivable from payers for pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of the notification to report;

(5) the total rebate receivable amount accrued by the PBM for the drug product during the 12-month period prior to the date of the notification to report; and

(6) the total rebate payable amount accrued by the PBM for the drug product during the 12-month period prior to the date of the notification to report.

(c) The PBM may submit any documentation necessary to support the information reported under this subdivision.

Sec. 19. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 14. Wholesale drug distributor prescription drug substantial public interest reporting.

(a) Beginning January 1, 2024, a wholesale drug distributor must submit to the commissioner the information described in paragraph (b) for any prescription drug included in a notification to report issued to the wholesale drug distributor by the department under subdivision 10.

(b) For each of the drugs described in paragraph (a), the wholesale drug distributor shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of units of the drug product acquired by the wholesale drug distributor during the 12-month period prior to the date of the notification to report;

(3) the total spent before rebates by the wholesale drug distributor to acquire the drug product during the 12-month period prior to the date of the notification to report;

(4) the total rebate receivable amount accrued by the wholesale drug distributor for the drug product during the 12-month period prior to the date of the notification to report;

(5) the number of units of the drug product sold by the wholesale drug distributor during the 12-month period prior to the date of the notification to report;

(6) gross revenue from sales in the United States generated by the wholesale drug distributor for this drug product during the 12-month period prior to the date of the notification to report; and

(7) total rebate payable amount accrued by the wholesale drug distributor for the drug product during the 12-month period prior to the date of the notification to report.

(c) The wholesale drug distributor may submit any documentation necessary to support the information reported under this subdivision.

Sec. 20. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 15. **Registration requirements.** Beginning January 1, 2024, a reporting entity subject to this chapter shall register with the department in a form and manner prescribed by the commissioner.

Sec. 21. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 16. **Rulemaking.** For the purposes of this section, the commissioner may use the expedited rulemaking process under section 14.389.

Sec. 22. Minnesota Statutes 2022, section 62K.10, subdivision 4, is amended to read:

Subd. 4. **Network adequacy.** (a) Each designated provider network must include a sufficient number and type of providers, including providers that specialize in mental health and substance use disorder services, to ensure that covered services are available to all enrollees without unreasonable delay. In determining network adequacy, the commissioner of health shall consider availability of services, including the following:

(1) primary care physician services are available and accessible 24 hours per day, seven days per week, within the network area;

(2) a sufficient number of primary care physicians have hospital admitting privileges at one or more participating hospitals within the network area so that necessary admissions are made on a timely basis consistent with generally accepted practice parameters;

(3) specialty physician service is available through the network or contract arrangement;

(4) mental health and substance use disorder treatment providers, including but not limited to psychiatric residential treatment facilities, are available and accessible through the network or contract arrangement;

(5) to the extent that primary care services are provided through primary care providers other than physicians, and to the extent permitted under applicable scope of practice in state law for a given provider, these services shall be available and accessible; and

(6) the network has available, either directly or through arrangements, appropriate and sufficient personnel, physical resources, and equipment to meet the projected needs of enrollees for covered health care services.

(b) The commissioner may establish sufficiency by referencing any reasonable criteria, which include but are not limited to:

(1) ratios of providers to enrollees by specialty;

(2) ratios of primary care professionals to enrollees;

(3) geographic accessibility of providers;

(4) waiting times for an appointment with participating providers;

(5) hours of operation;

(6) the ability of the network to meet the needs of enrollees that are:

(i) low-income persons;

(ii) children and adults with serious, chronic, or complex health conditions, physical disabilities, or mental illness; or

(iii) persons with limited English proficiency and persons from underserved communities;

(7) other health care service delivery system options, including telemedicine or telehealth, mobile clinics, centers of excellence, and other ways of delivering care; and

(8) the volume of technological and specialty care services available to serve the needs of enrollees that need technologically advanced or specialty care services.

EFFECTIVE DATE; APPLICATION. Paragraph (a) is effective July 1, 2023. Paragraph (b) is effective January 1, 2025, and applies to health plans offered, issued, or renewed on or after that date. This section supercedes S.F. No. 2744, article 2, section 39, if enacted in the 2023 legislative session.

Sec. 23. Minnesota Statutes 2022, section 62Q.01, is amended by adding a subdivision to read:

Subd. 6b. **No Surprises Act.** "No Surprises Act" means Division BB of the Consolidated Appropriations Act, 2021, which amended Title XXVII of the Public Health Service Act, Public

Law 116-260, and any amendments to and any federal guidance or regulations issued under this act.

Sec. 24. Minnesota Statutes 2022, section 62Q.021, is amended by adding a subdivision to read:

Subd. 3. **Compliance with 2021 federal law.** Each health plan company, health provider, and health facility shall comply with the No Surprises Act, including any federal regulations adopted under the act, to the extent that the act imposes requirements that apply in this state but are not required under the laws of this state. This subdivision does not require compliance with any provision of the No Surprises Act before the effective date provided for that provision in the No Surprises Act. The commissioner shall enforce this subdivision.

Sec. 25. **[62Q.451] UNRESTRICTED ACCESS TO SERVICES FOR THE DIAGNOSIS, MONITORING, AND TREATMENT OF RARE DISEASES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Rare disease or condition" means any disease or condition:

(1) that affects fewer than 200,000 persons in the United States and is chronic, serious, life-altering, or life-threatening;

(2) that affects more than 200,000 persons in the United States and a drug for treatment has been designated as a drug for a rare disease or condition pursuant to United States Code, title 21, section 360bb;

(3) that is labeled as a rare disease or condition on the Genetic and Rare Diseases Information Center list created by the National Institutes of Health; or

(4) for which an enrollee:

(i) has received two or more clinical consultations from a primary care provider or specialty provider that are specific to the presenting complaint;

(ii) has documentation in the enrollee's medical record of a developmental delay through standardized assessment, developmental regression, failure to thrive, or progressive multisystemic involvement; and

(iii) had laboratory or clinical testing that failed to provide a definitive diagnosis or resulted in conflicting diagnoses.

A rare disease or condition does not include an infectious disease that has widely available and known protocols for diagnosis and treatment and that is commonly treated in a primary care setting, even if it affects less than 200,000 persons in the United States.

Subd. 2. **Unrestricted access.** (a) No health plan company may restrict the choice of an enrollee as to where the enrollee receives services from a licensed health care provider related to the diagnosis, monitoring, and treatment of a rare disease or condition, including but not limited to additional

restrictions through any prior authorization, preauthorization, prior approval, precertification process, increased fees, or other methods.

(b) Any services provided by, referred for, or ordered by an out-of-network provider for an enrollee who, before receiving and being notified of a definitive diagnosis, satisfied the requirements in subdivision 1, paragraph (b), clause (4), are governed by paragraph (c), even if the subsequent definitive diagnosis does not meet the definition of rare disease or condition in subdivision 1, paragraph (b), clause (1), (2), or (3). Once the enrollee is definitively diagnosed with a disease or condition that does not meet the definition of rare disease or condition in subdivision 1, paragraph (b), clause (1), (2), or (3), and notification of the diagnosis has been provided to both the health plan and the enrollee, or a parent or guardian of a minor enrollee, any services provided by, referred for, or ordered by an out-of-network provider related to the diagnosis are governed by paragraph (c) for up to 60 days, providing time for care to be transferred to a qualified in-network provider and to schedule needed in-network appointments. After this 60-day period, subsequent services provided by, referred for, or ordered by an out-of-network provider related to the diagnosis are no longer governed by paragraph (c).

(c) Cost-sharing requirements and benefit or services limitations for the diagnosis and treatment of a rare disease or condition must not place a greater financial burden on the enrollee or be more restrictive than those requirements for in-network medical treatment.

(d) A health plan company must provide enrollees with written information on the content and application of this section and must train customer service representatives on the content and application of this section.

Subd. 3. Coverage; prior authorization. (a) Nothing in this section requires a health plan company to provide coverage for a medication, procedure or treatment, or laboratory or clinical testing, that is not covered under the enrollee's health plan.

(b) Coverage for a service must not be denied solely on the basis that it was provided by, referred for, or ordered by an out-of-network provider.

(c) Any prior authorization requirements for a service that is provided by, referred for, or ordered by an out-of-network provider must be the same as any prior authorization requirements for a service that is provided by, referred for, or ordered by an in-network provider.

(d) Subject to the requirements of this section and chapter 62W, a health plan may require use of a specialty pharmacy, as defined in section 62W.02, subdivision 20.

Subd. 4. Payments to out-of-network providers for services provided in this state. (a) If a health plan company has an established contractual payment under a health plan in the commercial insurance market with an out-of-network provider for a service provided in Minnesota related to the diagnosis, monitoring, and treatment of a rare disease or condition, across any of the health plan's networks, then the provider shall accept the established contractual payment for that service as payment in full.

(b) If a health plan company does not have an established contractual payment under a health plan in the commercial insurance market with an out-of-network provider for a service provided in

Minnesota related to the diagnosis, monitoring, and treatment of a rare disease or condition, across any of the health plan's networks, then the provider shall accept:

(1) the provider's established rate for uninsured patients for that service as payment in full; or

(2) if the provider does not have an established rate for uninsured patients for that service, then the average commercial insurance rate the health plan company has paid for that service in this state over the past 12 months as payment in full.

(d) If the payment amount is determined under paragraph (b), clause (2), and the health plan company has not paid for that service in this state within the past 12 months, then the health plan company shall pay the lesser of the following:

(1) the average rate in the commercial insurance market the health plan company paid for that service across all states over the past 12 months; or

(2) the provider's standard charge.

(e) This subdivision does not apply to managed care organizations or county-based purchasing plans when the plan provides coverage to public health care program enrollees under chapters 256B or 256L.

Subd. 5. Payments to out-of-network providers when services are provided outside of the state. (a) If a health plan company has an established contractual payment under a health plan in the commercial insurance market with an out-of-network provider for a service provided in another state related to the diagnosis, monitoring, and treatment of a rare disease or condition, across any of the health plan's networks in the state where the service is provided, then the health plan company shall pay the established contractual payment for that service.

(b) If a health plan company does not have an established contractual payment under a health plan in the commercial insurance market with an out-of-network provider for a service provided in another state related to the diagnosis, monitoring, and treatment of a rare disease or condition, across any of the health plan's networks in the state where the service is provided, then the health plan company shall pay:

(1) the provider's established rate for uninsured patients for that service; or

(2) if the provider does not have an established rate for uninsured patients for that service, then the average commercial insurance rate the health plan company has paid for that service in the state where the service is provided over the past 12 months.

(c) If the payment amount is determined under paragraph (b), clause (2), and the health plan company has not paid for that service in the state where the service is provided within the past 12 months, then the health plan company shall pay the lesser of the following:

(1) the average commercial insurance rate the health plan company has paid for that service across all states over the last 12 months; or

(2) the provider's standard charge.

(d) This subdivision does not apply to managed care organizations or county-based purchasing plans when the plan provides coverage to public health care program enrollees under chapter 256B or 256L.

Subd. 6. **Exclusion.** This section does not apply to medications obtained from a retail pharmacy as defined in section 62W.02, subdivision 18.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 26. **[62Q.473] BIOMARKER TESTING.**

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

(b) "Biomarker" means a characteristic that is objectively measured and evaluated as an indicator of normal biological processes, pathogenic processes, or pharmacologic responses to a specific therapeutic intervention, including but not limited to known gene-drug interactions for medications being considered for use or already being administered. Biomarkers include but are not limited to gene mutations, characteristics of genes, or protein expression.

(c) "Biomarker testing" means the analysis of an individual's tissue, blood, or other biospecimen for the presence of a biomarker. Biomarker testing includes but is not limited to single-analyst tests; multiplex panel tests; protein expression; and whole exome, whole genome, and whole transcriptome sequencing.

(d) "Clinical utility" means a test provides information that is used to formulate a treatment or monitoring strategy that informs a patient's outcome and impacts the clinical decision. The most appropriate test may include information that is actionable and some information that cannot be immediately used to formulate a clinical decision.

(e) "Consensus statement" means a statement that: (1) describes optimal clinical care outcomes, based on the best available evidence, for a specific clinical circumstance; and (2) is developed by an independent, multidisciplinary panel of experts that: (i) uses a rigorous and validated development process that includes a transparent methodology and reporting structure; and (ii) strictly adheres to the panel's conflict of interest policy.

(f) "Nationally recognized clinical practice guideline" means an evidence-based clinical practice guideline that: (1) establishes a standard of care informed by (i) a systematic review of evidence, and (ii) an assessment of the risks and benefits of alternative care options; and (2) is developed by an independent organization or medical professional society that: (i) uses a transparent methodology and reporting structure; and (ii) adheres to a conflict of interest policy. Nationally recognized clinical practice guideline includes recommendations to optimize patient care.

Subd. 2. **Biomarker testing; coverage required.** (a) A health plan must provide coverage for biomarker testing to diagnose, treat, manage, and monitor illness or disease if the test provides clinical utility. For purposes of this section, a test's clinical utility may be demonstrated by medical and scientific evidence, including but not limited to:

(1) nationally recognized clinical practice guidelines as defined in this section;

(2) consensus statements as defined in this section;

(3) labeled indications for a United States Food and Drug Administration (FDA) approved or FDA-cleared test, indicated tests for an FDA-approved drug, or adherence to warnings and precautions on FDA-approved drug labels; or

(4) Centers for Medicare and Medicaid Services national coverage determinations or Medicare Administrative Contractor local coverage determinations.

(b) Coverage under this section must be provided in a manner that limits disruption of care, including the need for multiple biopsies or biospecimen samples.

(c) Nothing in this section prohibits a health plan company from requiring a prior authorization or imposing other utilization controls when approving coverage for biomarker testing.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 27. [62Q.522] COVERAGE OF CONTRACEPTIVE METHODS AND SERVICES.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Closely held for-profit entity" means an entity that:

(1) is not a nonprofit entity;

(2) has more than 50 percent of the value of its ownership interest owned directly or indirectly by five or fewer owners; and

(3) has no publicly traded ownership interest.

For purposes of this paragraph:

(i) ownership interests owned by a corporation, partnership, limited liability company, estate, trust, or similar entity are considered owned by that entity's shareholders, partners, members, or beneficiaries in proportion to their interest held in the corporation, partnership, limited liability company, estate, trust, or similar entity;

(ii) ownership interests owned by a nonprofit entity are considered owned by a single owner;

(iii) ownership interests owned by all individuals in a family are considered held by a single owner. For purposes of this item, "family" means brothers and sisters, including half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

(iv) if an individual or entity holds an option, warrant, or similar right to purchase an ownership interest, the individual or entity is considered to be the owner of those ownership interests.

(c) "Contraceptive method" means a drug, device, or other product approved by the Food and Drug Administration to prevent unintended pregnancy.

(d) "Contraceptive service" means consultation, examination, procedures, and medical services related to the prevention of unintended pregnancy, excluding vasectomies. This includes but is not limited to voluntary sterilization procedures, patient education, counseling on contraceptives, and follow-up services related to contraceptive methods or services, management of side effects, counseling for continued adherence, and device insertion or removal.

(e) "Eligible organization" means an organization that opposes providing coverage for some or all contraceptive methods or services on account of religious objections and that is:

(1) organized as a nonprofit entity and holds itself out to be religious; or

(2) organized and operates as a closely held for-profit entity, and the organization's owners or highest governing body has adopted, under the organization's applicable rules of governance and consistent with state law, a resolution or similar action establishing that the organization objects to covering some or all contraceptive methods or services on account of the owners' sincerely held religious beliefs.

(f) "Exempt organization" means an organization that is organized and operates as a nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.

(g) "Medical necessity" includes but is not limited to considerations such as severity of side effects, difference in permanence and reversibility of a contraceptive method or service, and ability to adhere to the appropriate use of the contraceptive method or service, as determined by the attending provider.

(h) "Therapeutic equivalent version" means a drug, device, or product that can be expected to have the same clinical effect and safety profile when administered to a patient under the conditions specified in the labeling, and that:

(1) is approved as safe and effective;

(2) is a pharmaceutical equivalent: (i) containing identical amounts of the same active drug ingredient in the same dosage form and route of administration; and (ii) meeting compendial or other applicable standards of strength, quality, purity, and identity;

(3) is bioequivalent in that:

(i) the drug, device, or product does not present a known or potential bioequivalence problem and meets an acceptable in vitro standard; or

(ii) if the drug, device, or product does present a known or potential bioequivalence problem, it is shown to meet an appropriate bioequivalence standard;

(4) is adequately labeled; and

(5) is manufactured in compliance with current manufacturing practice regulations.

Subd. 2. **Required coverage; cost sharing prohibited.** (a) A health plan must provide coverage for contraceptive methods and services.

(b) A health plan company must not impose cost-sharing requirements, including co-pays, deductibles, or coinsurance, for contraceptive methods or services.

(c) A health plan company must not impose any referral requirements, restrictions, or delays for contraceptive methods or services.

(d) A health plan must include at least one of each type of Food and Drug Administration approved contraceptive method in its formulary. If more than one therapeutic equivalent version of a contraceptive method is approved, a health plan must include at least one therapeutic equivalent version in its formulary, but is not required to include all therapeutic equivalent versions.

(e) For each health plan, a health plan company must list the contraceptive methods and services that are covered without cost-sharing in a manner that is easily accessible to enrollees, health care providers, and representatives of health care providers. The list for each health plan must be promptly updated to reflect changes to the coverage.

(f) If an enrollee's attending provider recommends a particular contraceptive method or service based on a determination of medical necessity for that enrollee, the health plan must cover that contraceptive method or service without cost-sharing. The health plan company issuing the health plan must defer to the attending provider's determination that the particular contraceptive method or service is medically necessary for the enrollee.

Subd. 3. **Exemption.** (a) An exempt organization is not required to cover contraceptives or contraceptive services if the exempt organization has religious objections to the coverage. An exempt organization that chooses to not provide coverage for some or all contraceptives and contraceptive services must notify employees as part of the hiring process and to all employees at least 30 days before:

- (1) an employee enrolls in the health plan; or
- (2) the effective date of the health plan, whichever occurs first.

(b) If the exempt organization provides coverage for some contraceptive methods or services, the notice required under paragraph (a) must provide a list of the contraceptive methods or services the organization refuses to cover.

Subd. 4. **Accommodation for eligible organizations.** (a) A health plan established or maintained by an eligible organization complies with the requirements of subdivision 2 to provide coverage of contraceptive methods and services, with respect to the contraceptive methods or services identified in the notice under this paragraph, if the eligible organization provides notice to any health plan company the eligible organization contracts with that it is an eligible organization and that the eligible organization has a religious objection to coverage for all or a subset of contraceptive methods or services.

(b) The notice from an eligible organization to a health plan company under paragraph (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to coverage for some or all of contraceptive methods or services, including a list of the contraceptive methods or services the eligible organization objects to, if applicable; and (3) the health plan name. The notice must be executed by a person authorized to provide notice on behalf of the eligible organization.

(c) An eligible organization must provide a copy of the notice under paragraph (a) to prospective employees as part of the hiring process and to all employees at least 30 days before:

- (1) an employee enrolls in the health plan; or
- (2) the effective date of the health plan, whichever occurs first.

(d) A health plan company that receives a copy of the notice under paragraph (a) with respect to a health plan established or maintained by an eligible organization must, for all future enrollments in the health plan:

(1) expressly exclude coverage for those contraceptive methods or services identified in the notice under paragraph (a) from the health plan; and

(2) provide separate payments for any contraceptive methods or services required to be covered under subdivision 2 for enrollees as long as the enrollee remains enrolled in the health plan.

(e) The health plan company must not impose any cost-sharing requirements, including co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or other charge for contraceptive services or methods on the eligible organization, health plan, or enrollee.

(f) On January 1, 2024, and every year thereafter a health plan company must notify the commissioner, in a manner determined by the commissioner, of the number of eligible organizations granted an accommodation under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to coverage offered, sold, issued, or renewed on or after that date.

Sec. 28. [62Q.523] COVERAGE FOR PRESCRIPTION CONTRACEPTIVES; SUPPLY REQUIREMENTS.

Subdivision 1. **Scope of coverage.** Except as otherwise provided in section 62Q.522, subdivisions 3 and 4, all health plans that provide prescription coverage must comply with the requirements of this section.

Subd. 2. **Definition.** For purposes of this section, "prescription contraceptive" means any drug or device that requires a prescription and is approved by the Food and Drug Administration to prevent pregnancy. Prescription contraceptive does not include an emergency contraceptive drug that prevents pregnancy when administered after sexual contact.

Subd. 3. **Required coverage.** Health plan coverage for a prescription contraceptive must provide a 12-month supply for any prescription contraceptive if a 12-month supply is prescribed by the prescribing health care provider. The prescribing health care provider must determine the appropriate duration to prescribe the prescription contraceptives for up to 12 months.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to coverage offered, sold, issued, or renewed on or after that date.

Sec. 29. Minnesota Statutes 2022, section 62Q.55, subdivision 5, is amended to read:

Subd. 5. **Coverage restrictions or limitations.** If emergency services are provided by a nonparticipating provider, with or without prior authorization, the health plan company shall not impose coverage restrictions or limitations that are more restrictive than apply to emergency services received from a participating provider. Cost-sharing requirements that apply to emergency services received out-of-network must be the same as the cost-sharing requirements that apply to services received in-network and shall count toward the in-network deductible. All coverage and charges for emergency services must comply with the No Surprises Act.

Sec. 30. Minnesota Statutes 2022, section 62Q.556, is amended to read:

62Q.556 UNAUTHORIZED PROVIDER SERVICES CONSUMER PROTECTIONS AGAINST BALANCE BILLING.

Subdivision 1. ~~Unauthorized provider services~~ **Nonparticipating provider balance billing prohibition.** (a) Except as provided in paragraph (e), ~~unauthorized provider services occur~~ (b), balance billing is prohibited when an enrollee receives services from:

(1) ~~from a nonparticipating provider at a participating hospital or ambulatory surgical center, when the services are rendered;~~ as described by the No Surprises Act, including any federal regulations adopted under that act;

(i) ~~due to the unavailability of a participating provider;~~

(ii) ~~by a nonparticipating provider without the enrollee's knowledge; or~~

(iii) ~~due to the need for unforeseen services arising at the time the services are being rendered;~~
or

(2) ~~from a participating provider that sends a specimen taken from the enrollee in the participating provider's practice setting to a nonparticipating laboratory, pathologist, or other medical testing facility;~~ or

(3) a nonparticipating provider or facility providing emergency services as defined in section 62Q.55, subdivision 3, and other services as described in the requirements of the No Surprises Act.

~~(b) Unauthorized provider services do not include emergency services as defined in section 62Q.55, subdivision 3.~~

~~(e) (b) The services described in paragraph (a), clause (2) clauses (1), (2), and (3), as defined in the No Surprises Act, and any federal regulations adopted under that act, are not unauthorized provider services subject to balance billing if the enrollee gives advance written provides informed consent to prior to receiving services from the nonparticipating provider acknowledging that the use of a provider, or the services to be rendered, may result in costs not covered by the health plan. The informed consent must comply with all requirements of the No Surprises Act, including any federal regulations adopted under that act.~~

Subd. 2. ~~Prohibition~~ **Cost-sharing requirements and independent dispute resolution.** (a) An enrollee's financial responsibility for the ~~unauthorized nonparticipating provider services~~ described in subdivision 1, paragraph (a), shall be the same cost-sharing requirements, including co-payments,

deductibles, coinsurance, coverage restrictions, and coverage limitations, as those applicable to services received by the enrollee from a participating provider. A health plan company must apply any enrollee cost sharing requirements, including co-payments, deductibles, and coinsurance, for ~~unauthorized nonparticipating~~ provider services to the enrollee's annual out-of-pocket limit to the same extent payments to a participating provider would be applied.

(b) A health plan company must attempt to negotiate the reimbursement, less any applicable enrollee cost sharing under paragraph (a), for the ~~unauthorized nonparticipating~~ provider services with the nonparticipating provider. ~~If a health plan company's and nonparticipating provider's attempts the attempt to negotiate reimbursement for the health care nonparticipating provider services do does not result in a resolution, the health plan company or provider may elect to refer the matter for binding arbitration, chosen in accordance with paragraph (c). A nondisclosure agreement must be executed by both parties prior to engaging an arbitrator in accordance with this section. The cost of arbitration must be shared equally between the parties. either party may initiate the federal independent dispute resolution process pursuant to the No Surprises Act, including any federal regulations adopted under that act.~~

~~(c) The commissioner of health, in consultation with the commissioner of the Bureau of Mediation Services, must develop a list of professionals qualified in arbitration, for the purpose of resolving disputes between a health plan company and nonparticipating provider arising from the payment for unauthorized provider services. The commissioner of health shall publish the list on the Department of Health website, and update the list as appropriate.~~

~~(d) The arbitrator must consider relevant information, including the health plan company's payments to other nonparticipating providers for the same services, the circumstances and complexity of the particular case, and the usual and customary rate for the service based on information available in a database in a national, independent, not-for-profit corporation, and similar fees received by the provider for the same services from other health plans in which the provider is nonparticipating, in reaching a decision.~~

Subd. 3. **Annual data reporting.** (a) Beginning April 1, 2024, a health plan company must report annually to the commissioner of health:

(1) the total number of claims and total billed and paid amounts for nonparticipating provider services, by service and provider type, submitted to the health plan in the prior calendar year; and

(2) the total number of enrollee complaints received regarding the rights and protections established by the No Surprises Act in the prior calendar year.

(b) The commissioners of commerce and health shall develop the form and manner for health plan companies to comply with paragraph (a).

Subd. 4. **Enforcement.** (a) Any provider or facility, including a health care provider or facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that is subject to the relevant provisions of the No Surprises Act is subject to the requirements of this section and section 62J.811.

(b) The commissioner of commerce or health shall enforce this section.

(c) If a health-related licensing board has cause to believe that a provider has violated this section, it may further investigate and enforce the provisions of this section pursuant to chapter 214.

Sec. 31. Minnesota Statutes 2022, section 62Q.56, subdivision 2, is amended to read:

Subd. 2. **Change in health plans.** (a) If an enrollee is subject to a change in health plans, the enrollee's new health plan company must provide, upon request, authorization to receive services that are otherwise covered under the terms of the new health plan through the enrollee's current provider:

(1) for up to 120 days if the enrollee is engaged in a current course of treatment for one or more of the following conditions:

- (i) an acute condition;
- (ii) a life-threatening mental or physical illness;
- (iii) pregnancy ~~beyond the first trimester of pregnancy~~;

(iv) a physical or mental disability defined as an inability to engage in one or more major life activities, provided that the disability has lasted or can be expected to last for at least one year, or can be expected to result in death; or

- (v) a disabling or chronic condition that is in an acute phase; or

(2) for the rest of the enrollee's life if a physician certifies that the enrollee has an expected lifetime of 180 days or less.

For all requests for authorization under this paragraph, the health plan company must grant the request for authorization unless the enrollee does not meet the criteria provided in this paragraph.

(b) The health plan company shall prepare a written plan that provides a process for coverage determinations regarding continuity of care of up to 120 days for new enrollees who request continuity of care with their former provider, if the new enrollee:

(1) is receiving culturally appropriate services and the health plan company does not have a provider in its preferred provider network with special expertise in the delivery of those culturally appropriate services within the time and distance requirements of section 62D.124, subdivision 1; or

(2) does not speak English and the health plan company does not have a provider in its preferred provider network who can communicate with the enrollee, either directly or through an interpreter, within the time and distance requirements of section 62D.124, subdivision 1.

The written plan must explain the criteria that will be used to determine whether a need for continuity of care exists and how it will be provided.

(c) This subdivision applies only to group coverage and continuation and conversion coverage, and applies only to changes in health plans made by the employer.

Sec. 32. Minnesota Statutes 2022, section 62Q.73, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "adverse determination" means:

(1) for individual health plans, a complaint decision relating to a health care service or claim that is partially or wholly adverse to the complainant;

(2) an individual health plan that is grandfathered plan coverage may instead apply the definition of adverse determination for group coverage in clause (3);

(3) for group health plans, a complaint decision relating to a health care service or claim that has been appealed in accordance with section 62Q.70 and the appeal decision is partially or wholly adverse to the complainant;

(4) any adverse determination, as defined in section 62M.02, subdivision 1a, that has been appealed in accordance with section 62M.06 and the appeal did not reverse the adverse determination;

(5) a decision relating to a health care service made by a health plan company licensed under chapter 60A that denies the service on the basis that the service was not medically necessary; ~~or~~

(6) the enrollee has met the requirements of subdivision 6, paragraph (e); or

(7) a decision relating to a health plan's coverage of nonparticipating provider services as described in and subject to section 62Q.556, subdivision 1, paragraph (a).

An adverse determination does not include complaints relating to fraudulent marketing practices or agent misrepresentation.

Sec. 33. Minnesota Statutes 2022, section 62Q.73, subdivision 7, is amended to read:

Subd. 7. **Standards of review.** (a) For an external review of any issue in an adverse determination that does not require a medical necessity determination, the external review must be based on whether the adverse determination was in compliance with the enrollee's health benefit plan or section 62Q.556, subdivision 1, paragraph (a).

(b) For an external review of any issue in an adverse determination by a health plan company licensed under chapter 62D that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in Minnesota Rules, part 4685.0100, subpart 9b.

(c) For an external review of any issue in an adverse determination by a health plan company, other than a health plan company licensed under chapter 62D, that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in section 62Q.53, subdivision 2.

(d) For an external review of an adverse determination involving experimental or investigational treatment, the external review entity must base its decision on all documents submitted by the health plan company and enrollee, including:

(1) medical records;

(2) the recommendation of the attending physician, advanced practice registered nurse, physician assistant, or health care professional;

(3) consulting reports from health care professionals;

(4) the terms of coverage;

(5) federal Food and Drug Administration approval; and

(6) medical or scientific evidence or evidence-based standards.

Sec. 34. Minnesota Statutes 2022, section 62U.01, is amended by adding a subdivision to read:

Subd. 5a. **Dental organization.** "Dental organization" has the meaning given in section 62Q.76, subdivision 7.

Sec. 35. Minnesota Statutes 2022, section 62U.04, subdivision 4, is amended to read:

Subd. 4. **Encounter data.** (a) All health plan companies, dental organizations, and third-party administrators shall submit encounter data on a monthly basis to a private entity designated by the commissioner of health. The data shall be submitted in a form and manner specified by the commissioner subject to the following requirements:

(1) the data must be de-identified data as described under the Code of Federal Regulations, title 45, section 164.514;

(2) the data for each encounter must include an identifier for the patient's health care home if the patient has selected a health care home, data on contractual value-based payments, and, for claims incurred on or after January 1, 2019, data deemed necessary by the commissioner to uniquely identify claims in the individual health insurance market; and

(3) the data must include enrollee race and ethnicity, to the extent available, for claims incurred on or after January 1, 2023; and

(4) except for the identifier data described in clause clauses (2) and (3), the data must not include information that is not included in a health care claim, dental care claim, or equivalent encounter information transaction that is required under section 62J.536.

(b) The commissioner or the commissioner's designee shall only use the data submitted under paragraph (a) to carry out the commissioner's responsibilities in this section, including supplying the data to providers so they can verify their results of the peer grouping process consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d), and adopted by the commissioner and, if necessary, submit comments to the commissioner or initiate an appeal.

(c) Data on providers collected under this subdivision are private data on individuals or nonpublic data, as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. Notwithstanding the data classifications in this paragraph, data on providers collected under this subdivision may be released or published as authorized in subdivision 11. The commissioner or the

commissioner's designee shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

(d) The commissioner or the commissioner's designee shall not publish analyses or reports that identify, or could potentially identify, individual patients.

(e) The commissioner shall compile summary information on the data submitted under this subdivision. The commissioner shall work with its vendors to assess the data submitted in terms of compliance with the data submission requirements and the completeness of the data submitted by comparing the data with summary information compiled by the commissioner and with established and emerging data quality standards to ensure data quality.

Sec. 36. Minnesota Statutes 2022, section 62U.04, subdivision 5, is amended to read:

Subd. 5. **Pricing data.** (a) All health plan companies, dental organizations, and third-party administrators shall submit, on a monthly basis, data on their contracted prices with health care providers and dental care providers to a private entity designated by the commissioner of health for the purposes of performing the analyses required under this subdivision. Data on contracted prices submitted under this paragraph must include data on supplemental contractual value-based payments paid to health care providers. The data shall be submitted in the form and manner specified by the commissioner of health.

(b) The commissioner or the commissioner's designee shall only use the data submitted under this subdivision to carry out the commissioner's responsibilities under this section, including supplying the data to providers so they can verify their results of the peer grouping process consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d), and adopted by the commissioner and, if necessary, submit comments to the commissioner or initiate an appeal.

(c) Data collected under this subdivision are private data on individuals or nonpublic data as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this section may be derived from nonpublic data. Notwithstanding the data classifications in this paragraph, data on providers collected under this subdivision may be released or published as authorized in subdivision 11. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

Sec. 37. Minnesota Statutes 2022, section 62U.04, subdivision 5a, is amended to read:

Subd. 5a. **Self-insurers.** (a) The commissioner shall not require a self-insurer governed by the federal Employee Retirement Income Security Act of 1974 (ERISA) to comply with this section.

(b) A third-party administrator must annually notify the self-insurers whose health plans are administered by the third-party administrator that the self-insurer may elect to have the third-party administrator submit encounter data, data on contracted prices, and data on nonclaims-based payments under subdivisions 4, 5, and 5b, from the self-insurer's health plan for the upcoming plan year. This notice must be provided in a form and manner specified by the commissioner. After receiving responses from self-insurers, a third-party administrator must, in a form and manner specified by the commissioner, report to the commissioner:

(1) the number of self-insured clients that elected to have the third-party administrator submit encounter data, data on contracted prices, and data on nonclaims-based payments from the self-insurer's health plan for the upcoming plan year, along with the number of covered lives, claims volume, and aggregated claim value;

(2) the number of self-insured clients that declined to have the third-party administrator submit encounter data, data on contracted prices, and data on nonclaims-based payments from the self-insurer's health plan for the upcoming plan year, along with the number of covered lives, claims volume, and aggregated claim value; and

(3) data deemed necessary by the commissioner to assure the quality of the submitted data.

(c) Data collected under this subdivision are private data on individuals or nonpublic data as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data maintained by the commissioner.

Sec. 38. Minnesota Statutes 2022, section 62U.04, is amended by adding a subdivision to read:

Subd. 5b. **Nonclaims-based payments.** (a) Beginning January 1, 2025, all health plan companies and third-party administrators shall submit to a private entity designated by the commissioner of health all nonclaims-based payments made to health care providers. The data shall be submitted in a form, manner, and frequency specified by the commissioner. Nonclaims-based payments are payments to health care providers designed to pay for value of health care services over volume of health care services and include alternative payment models or incentives, payments for infrastructure expenditures or investments, and payments for workforce expenditures or investments. Nonclaims-based payments submitted under this subdivision must, to the extent possible, be attributed to a health care provider in the same manner in which claims-based data are attributed to a health care provider and, where appropriate, must be combined with data collected under subdivisions 4 to 5a in analyses of health care spending.

(b) Data collected under this subdivision are private data on individuals or nonpublic data as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data maintained by the commissioner.

(c) The commissioner shall consult with health plan companies, hospitals, health care providers, and the commissioner of human services in developing the data reported under this subdivision and standardized reporting forms.

Sec. 39. Minnesota Statutes 2022, section 62U.04, subdivision 11, is amended to read:

Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's designee shall only use the data submitted under subdivisions 4 ~~and~~, 5, 5a, and 5b for the following purposes authorized in this subdivision and in subdivision 13:

(1) to evaluate the performance of the health care home program as authorized under section 62U.03, subdivision 7;

(2) to study, in collaboration with the reducing avoidable readmissions effectively (RARE) campaign, hospital readmission trends and rates;

(3) to analyze variations in health care costs, quality, utilization, and illness burden based on geographical areas or populations;

(4) to evaluate the state innovation model (SIM) testing grant received by the Departments of Health and Human Services, including the analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities; and

(5) to compile one or more public use files of summary data or tables that must:

(i) be available to the public for no or minimal cost by March 1, 2016, and available by web-based electronic data download by June 30, 2019;

(ii) not identify individual patients, payers, or providers but that may identify the rendering or billing hospital, clinic, or medical practice so long as no individual health professionals are identified and the commissioner finds the data to be accurate, valid, and suitable for publication for such use;

(iii) be updated by the commissioner, at least annually, with the most current data available; and

(iv) contain clear and conspicuous explanations of the characteristics of the data, such as the dates of the data contained in the files, the absence of costs of care for uninsured patients or nonresidents, and other disclaimers that provide appropriate context; and

~~(v) not lead to the collection of additional data elements beyond what is authorized under this section as of June 30, 2015.~~

(b) The commissioner may publish the results of the authorized uses identified in paragraph (a) so long as the data released publicly do not contain information or descriptions in which the identity of individual hospitals, clinics, or other providers may be discerned. The data published under this paragraph may identify hospitals, clinics, and medical practices so long as no individual health professionals are identified and the commissioner finds the data to be accurate, valid, and suitable for publication for such use.

~~(c) Nothing in this subdivision shall be construed to prohibit the commissioner from using the data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.~~

~~(d) The commissioner or the commissioner's designee may use the data submitted under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1, 2023.~~

~~(e) The commissioner shall consult with the all-payer claims database work group established under subdivision 12 regarding the technical considerations necessary to create the public use files of summary data described in paragraph (a), clause (5).~~

Sec. 40. Minnesota Statutes 2022, section 62U.04, is amended by adding a subdivision to read:

Subd. 13. **Expanded access to and use of the all-payer claims data.** (a) The commissioner or the commissioner's designee shall make the data submitted under subdivisions 4, 5, 5a, and 5b, including data classified as private or nonpublic, available to individuals and organizations engaged in research on, or efforts to effect transformation in, health care outcomes, access, quality, disparities, or spending, provided the use of the data serves a public benefit. Data made available under this subdivision may not be used to:

(1) create an unfair market advantage for any participant in the health care market in Minnesota, including health plan companies, payers, and providers;

(2) reidentify or attempt to reidentify an individual in the data; or

(3) publicly report contract details between a health plan company and provider and derived from the data.

(b) To implement paragraph (a), the commissioner shall:

(1) establish detailed requirements for data access; a process for data users to apply to access and use the data; legally enforceable data use agreements to which data users must consent; a clear and robust oversight process for data access and use, including a data management plan, that ensures compliance with state and federal data privacy laws; agreements for state agencies and the University of Minnesota to ensure proper and efficient use and security of data; and technical assistance for users of the data and for stakeholders;

(2) develop a fee schedule to support the cost of expanded access to and use of the data, provided the fees charged under the schedule do not create a barrier to access or use for those most affected by disparities; and

(3) create a research advisory group to advise the commissioner on applications for data use under this subdivision, including an examination of the rigor of the research approach, the technical capabilities of the proposed user, and the ability of the proposed user to successfully safeguard the data.

Sec. 41. **REPORT ON TRANSPARENCY OF HEALTH CARE PAYMENTS.**

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of health.

(c) "Nonclaims-based payments" means payments to health care providers designed to support and reward value of health care services over volume of health care services and includes alternative payment models or incentives, payments for infrastructure expenditures or investments, and payments for workforce expenditures or investments.

(d) "Nonpublic data" has the meaning given in Minnesota Statutes, section 13.02, subdivision 9.

(e) "Primary care services" means integrated, accessible health care services provided by clinicians who are accountable for addressing a large majority of personal health care needs, developing a sustained partnership with patients, and practicing in the context of family and community. Primary care services include but are not limited to preventive services, office visits, administration of vaccines, annual physicals, pre-operative physicals, assessments, care coordination, development of treatment plans, management of chronic conditions, and diagnostic tests.

Subd. 2. **Report.** (a) To provide the legislature with information needed to meet the evolving health care needs of Minnesotans, the commissioner shall report to the legislature by February 15, 2024, on the volume and distribution of health care spending across payment models used by health plan companies and third-party administrators, with a particular focus on value-based care models and primary care spending.

(b) The report must include specific health plan and third-party administrator estimates of health care spending for claims-based payments and nonclaims-based payments for the most recent available year, reported separately for Minnesotans enrolled in state health care programs, Medicare Advantage, and commercial health insurance. The report must also include recommendations on changes needed to gather better data from health plan companies and third-party administrators on the use of value-based payments that pay for value of health care services provided over volume of services provided, promote the health of all Minnesotans, reduce health disparities, and support the provision of primary care services and preventive services.

(c) In preparing the report, the commissioner shall:

(1) describe the form, manner, and timeline for submission of data by health plan companies and third-party administrators to produce estimates as specified in paragraph (b);

(2) collect summary data that permits the computation of:

(i) the percentage of total payments that are nonclaims-based payments; and

(ii) the percentage of payments in item (i) that are for primary care services;

(3) where data was not directly derived, specify the methods used to estimate data elements;

(4) notwithstanding Minnesota Statutes, section 62U.04, subdivision 11, conduct analyses of the magnitude of primary care payments using data collected by the commissioner under Minnesota Statutes, section 62U.04; and

(5) conduct interviews with health plan companies and third-party administrators to better understand the types of nonclaims-based payments and models in use, the purposes or goals of each, the criteria for health care providers to qualify for these payments, and the timing and structure of health plan companies or third-party administrators making these payments to health care provider organizations.

(d) Health plan companies and third-party administrators must comply with data requests from the commissioner under this section within 60 days after receiving the request.

(e) Data collected under this section is nonpublic data. Notwithstanding the definition of summary data in Minnesota Statutes, section 13.02, subdivision 19, summary data prepared under this section may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data maintained by the commissioner.

Sec. 42. **STATEWIDE HEALTH CARE PROVIDER DIRECTORY.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Health care provider" means a practicing provider that accepts reimbursement from a group purchaser.

(c) "Health care provider directory" means an electronic catalog and index that supports the management of health care provider information, both individual and organizational, in a directory structure for public use to find available providers and networks and support state agency responsibilities.

(d) "Group purchaser" has the meaning given in Minnesota Statutes, section 62J.03, subdivision 6.

Subd. 2. **Health care provider directory.** The commissioner shall assess the feasibility and stakeholder commitment to develop, manage, and maintain a statewide electronic directory of health care providers. The assessment must take into consideration consumer information needs, state agency applications, stakeholder needs, technical requirements, alignment with national standards, governance, operations, legal and policy considerations, and existing directories. The commissioner shall conduct this assessment in consultation with stakeholders, including but not limited to consumers, group purchasers, health care providers, community health boards, and state agencies.

Sec. 43. **REPEALER.**

Minnesota Statutes 2022, section 62J.84, subdivision 5, is repealed.

ARTICLE 3

DEPARTMENT OF HEALTH POLICY

Section 1. Minnesota Statutes 2022, section 62J.17, subdivision 5a, is amended to read:

Subd. 5a. **Retrospective review.** (a) The commissioner shall retrospectively review each major spending commitment and ~~notify the provider of the results of the review. The commissioner shall~~ determine whether the major spending commitment was appropriate. In making the determination, the commissioner may consider the following criteria: the major spending commitment's impact on the cost, access, and quality of health care; the clinical effectiveness and cost-effectiveness of the major spending commitment; and the alternatives available to the provider. If the major expenditure is determined to not be appropriate, the commissioner shall notify the provider.

(b) The commissioner may not prevent or prohibit a major spending commitment subject to retrospective review. However, if the provider fails the retrospective review, any major spending

commitments by that provider for the five-year period following the commissioner's decision are subject to prospective review under subdivision 6a.

Sec. 2. Minnesota Statutes 2022, section 62Q.675, is amended to read:

62Q.675 HEARING AIDS; ~~PERSONS 18 OR YOUNGER.~~

A health plan must cover hearing aids for all individuals ~~18 years of age or younger~~ for hearing loss that is not correctable by other covered procedures. Coverage required under this section is limited to one hearing aid in each ear every three years. No special deductible, coinsurance, co-payment, or other limitation on the coverage under this section that is not generally applicable to other coverages under the plan may be imposed.

Sec. 3. Minnesota Statutes 2022, section 144.1481, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** The commissioner of health shall establish a ~~16 member~~ Rural Health Advisory Committee. The committee shall consist of the following 22 members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathic medicine licensed under chapter 147;

(7) a dentist licensed under chapter 150A;

(8) (9) an allied dental personnel as defined in Minnesota Rules, part 3100.0100, subpart 5;

~~(8) (9) a midlevel practitioner~~ an advanced practice professional;

~~(9) (10)~~ a registered nurse or licensed practical nurse;

~~(10) (11)~~ a licensed health care professional from an occupation not otherwise represented on the committee;

~~(11) (12)~~ a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and

(13) a member of a Tribal Nation;

(14) a representative of a local public health agency or community health board;

(15) a health professional or advocate with experience working with people with mental illness;

(16) a representative of a community organization that works with individuals experiencing health disparities;

(17) an individual with expertise in economic development, or an employer working outside the seven-county metropolitan area;

~~(12) three~~ (18) two consumers, at least one of whom must be ~~an advocate for persons who are mentally ill or developmentally disabled~~ from a community experiencing health disparities; and

(19) one consumer who is an advocate for persons who are developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The advisory committee is governed by section 15.059, except that the members do not receive per diem compensation.

Sec. 4. Minnesota Statutes 2022, section 144.2151, is amended to read:

144.2151 FETAL DEATH RECORD AND CERTIFICATE OF BIRTH RESULTING IN STILLBIRTH.

Subdivision 1. **Filing Registration.** ~~A fetal death record of birth for each birth resulting in a stillbirth in this state, on or after August 1, 2005, must be established for which a each fetal death report is required reported and registered under section 144.222, subdivision 1, shall be filed with the state registrar within five days after the birth if the parent or parents of the stillbirth request to have a record of birth resulting in stillbirth prepared.~~

Subd. 2. **Information to parents.** The party responsible for filing a fetal death report under section 144.222, subdivision 1, shall advise the parent or parents of a stillbirth:

~~(1) that they may request preparation of a record of birth resulting in stillbirth;~~

~~(2) that preparation of the record is optional; and~~

~~(3) how to obtain a certified copy of the record if one is requested and prepared.~~

(1) that the parent or parents may choose to provide a full name or provide only a last name for the record;

(2) that the parent or parents may request a certificate of birth resulting in stillbirth after the fetal death record is established;

(3) that the parent who gave birth may request an informational copy of the fetal death record; and

(4) that the parent or parents named on the fetal death record and the party responsible for reporting the fetal death may correct or amend the record to protect the integrity and accuracy of vital records.

Subd. 3. **Preparation Responsibilities of the state registrar.** ~~(a) Within five days after delivery of a stillbirth, the parent or parents of the stillbirth may prepare and file the record with the state registrar if the parent or parents of the stillbirth, after being advised as provided in subdivision 2, request to have a record of birth resulting in stillbirth prepared.~~

~~(b) If the parent or parents of the stillbirth do not choose to provide a full name for the stillbirth, the parent or parents may choose to file only a last name.~~

~~(c) Either parent of the stillbirth or, if neither parent is available, another person with knowledge of the facts of the stillbirth shall attest to the accuracy of the personal data entered on the record in time to permit the filing of the record within five days after delivery.~~

The state registrar shall:

(1) prescribe the process to:

(i) register a fetal death;

(ii) request the certificate of birth resulting in stillbirth; and

(iii) request the informational copy of a fetal death record;

(2) prescribe a standardized format for the certificate of birth resulting in stillbirth, which shall integrate security features and be as similar as possible to a birth certificate;

(3) issue a certificate of birth resulting in stillbirth or a statement of no vital record found to the parent or parents named on the fetal death record upon the parent's proper completion of an attestation provided by the commissioner and payment of the required fee;

(4) correct or amend the fetal death record upon a request from the parent who gave birth, parents, or the person who registered the fetal death or filed the report; and

(5) refuse to amend or correct the fetal death record when an applicant does not submit the minimum documentation required to amend the record or when the state registrar has cause to question the validity or completeness of the applicant's statements or any documentary evidence and the deficiencies are not corrected. The state registrar shall advise the applicant of the reason for this action and shall further advise the applicant of the right of appeal to a court with competent jurisdiction over the Department of Health.

Subd. 4. **Retroactive application Delayed registration.** ~~Notwithstanding subdivisions 1 to 3, If a ~~birth that~~ fetal death occurred in this state at any time ~~resulted in a stillbirth~~ for which a fetal death report was required under section 144.222, subdivision 1, but a ~~record of birth resulting in stillbirth~~ was not prepared under subdivision 3, a parent of the stillbirth may submit to the state registrar, on or after August 1, 2005, a written request for preparation of a record of birth resulting in stillbirth and evidence of the facts of the stillbirth in the form and manner specified by the state registrar. The state registrar shall prepare and file the record of birth resulting in stillbirth within 30~~

~~days after receiving satisfactory evidence of the facts of the stillbirth. fetal death was not registered and a record was not established, a person responsible for registering the fetal death, the medical examiner or coroner with jurisdiction, or a parent may submit to the state registrar a written request to register the fetal death and submit the evidence to support the request.~~

~~Subd. 5. **Responsibilities of state registrar.** The state registrar shall:~~

~~(1) prescribe the form of and information to be included on a record of birth resulting in stillbirth, which shall be as similar as possible to the form of and information included on a record of birth;~~

~~(2) prescribe the form of and information to be provided by the parent of a stillbirth requesting a record of birth resulting in stillbirth under subdivisions 3 and 4 and make this form available on the Department of Health's website;~~

~~(3) issue a certified copy of a record of birth resulting in stillbirth to a parent of the stillbirth that is the subject of the record if:~~

~~(i) a record of birth resulting in stillbirth has been prepared and filed under subdivision 3 or 4; and~~

~~(ii) the parent requesting a certified copy of the record submits the request in writing; and~~

~~(4) create and implement a process for entering, preparing, and handling stillbirth records identical or as close as possible to the processes for birth and fetal death records when feasible, but no later than the date on which the next reprogramming of the Department of Health's database for vital records is completed.~~

Sec. 5. Minnesota Statutes 2022, section 144.222, is amended to read:

144.222 FETAL DEATH REPORTS OF FETAL OR INFANT DEATH AND REGISTRATION.

Subdivision 1. **Fetal death report required.** A fetal death ~~report~~ must be ~~filed~~ registered or reported within five days of the death of a fetus for whom 20 or more weeks of gestation have elapsed, except for abortions defined under section 145.4241. A fetal death ~~report must be prepared~~ must be registered or reported in a format prescribed by the state registrar and filed in accordance with Minnesota Rules, parts 4601.0100 to 4601.2600 by:

(1) a person in charge of an institution or that person's authorized designee if a fetus is delivered in the institution or en route to the institution;

(2) a physician, certified nurse midwife, or other licensed medical personnel in attendance at or immediately after the delivery if a fetus is delivered outside an institution; or

(3) a parent or other person in charge of the disposition of the remains if a fetal death occurred without medical attendance at or immediately after the delivery.

~~Subd. 2. **Sudden infant death.** Each infant death which is diagnosed as sudden infant death syndrome shall be reported within five days to the state registrar.~~

Sec. 6. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 2a. **Connector.** "Connector" means gooseneck, pigtail, and other service line connectors. A connector is typically a short section of piping not exceeding two feet that can be bent and used for connections between rigid service piping.

Sec. 7. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3a. **Galvanized requiring replacement.** "Galvanized requiring replacement" means a galvanized service line that is or was at any time connected to a lead service line or lead status unknown service line, or is currently or was previously affixed to a lead connector. The majority of galvanized service lines fall under this category.

Sec. 8. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3b. **Galvanized service line.** "Galvanized service line" means a service line made of iron or piping that has been dipped in zinc to prevent corrosion and rusting.

Sec. 9. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3c. **Lead connector.** "Lead connector" means a connector made of lead.

Sec. 10. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3d. **Lead service line.** "Lead service line" means a portion of pipe that is made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, by the property owner, or both.

Sec. 11. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3e. **Lead status unknown service line or unknown service line.** "Lead status unknown service line" or "unknown service line" means a service line that has not been demonstrated to meet or does not meet the definition of lead free in section 1417 of the Safe Drinking Water Act.

Sec. 12. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3f. **Nonlead service line.** "Nonlead service line" means a service line determined through an evidence-based record, method, or technique not to be a lead service line or galvanized service line requiring replacement. Most nonlead service lines are made of copper or plastic.

Sec. 13. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 4a. **Service line.** "Service line" means a portion of pipe that connects the water main to the building inlet. A service line may be owned by the water system, by the property owner, or both. A service line may be made of many materials, such as lead, copper, galvanized steel, or plastic.

Sec. 14. [144.3853] **CLASSIFICATION OF SERVICE LINES.**

Subdivision 1. **Classification of lead status of service line.** (a) A water system may classify the actual material of a service line, such as copper or plastic, as an alternative to classifying the service line as a nonlead service line, for the purpose of the lead service line inventory.

(b) It is not necessary to physically verify the material composition, such as copper or plastic, of a service line for its lead status to be identified. For example, if records demonstrate the service line was installed after a municipal, state, or federal ban on the installation of lead service lines, the service line may be classified as a nonlead service line.

Subd. 2. **Lead connector.** For the purposes of the lead service line inventory and lead service line replacement plan, if a service line has a lead connector, the service line shall be classified as a lead service line or a galvanized service line requiring replacement.

Subd. 3. **Galvanized service line.** A galvanized service line may only be classified as a nonlead service line if there is documentation verifying it was never connected to a lead service line or lead connector. Rarely will a galvanized service line be considered a nonlead service line.

Sec. 15. Minnesota Statutes 2022, section 144.55, subdivision 3, is amended to read:

Subd. 3. **Standards for licensure.** (a) Notwithstanding the provisions of section 144.56, for the purpose of hospital licensure, the commissioner of health shall use as minimum standards the hospital certification regulations promulgated pursuant to title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq. The commissioner may use as minimum standards changes in the federal hospital certification regulations promulgated after May 7, 1981, if the commissioner finds that such changes are reasonably necessary to protect public health and safety. ~~The commissioner shall also promulgate in rules additional minimum standards for new construction.~~

(b) Hospitals must meet the applicable provisions of the 2022 edition of the Facility Guidelines Institute *Guidelines for Design and Construction of Hospitals*. This minimum design standard must be met for all new licenses, new construction, change of use, or change of occupancy for which plan review packages are received on or after January 1, 2024. For the purposes of this subdivision, "Facility Guidelines Institute *Guidelines for Design and Construction of Hospitals*" does not include any appendices to the guidelines.

(c) The commissioner shall review each new edition of the guidelines to determine if they will be updated. If the commissioner decides to update the edition of the guidelines specified in paragraph (b) for purposes of this subdivision, the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over health care and public safety of the planned update by January 15 of the year in which the new edition will become effective. Following notice from the commissioner, the new edition shall become effective for hospitals beginning August 1 of that year, unless otherwise provided in law. The commissioner shall, by publication in the State Register, specify a date by which hospitals must comply with the updated edition. The date by which hospitals must comply shall not be sooner than 12 months after publication of the commissioner's notice in the State Register and applies only to plan review submissions received on or after that date.

(d) Hospitals shall be in compliance with all applicable state and local governing laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning requirements. The commissioner shall develop guidance to outline how the commissioner will resolve conflicts between

the guidelines and other applicable state and local governing laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning. Guidance must be made publicly available at the time a new edition of the guidelines becomes effective and shall be periodically updated.

(b) (e) Each hospital and outpatient surgical center shall establish policies and procedures to prevent the transmission of human immunodeficiency virus and hepatitis B virus to patients and within the health care setting. The policies and procedures shall be developed in conformance with the most recent recommendations issued by the United States Department of Health and Human Services, Public Health Service, Centers for Disease Control. The commissioner of health shall evaluate a hospital's compliance with the policies and procedures according to subdivision 4.

(e) (f) An outpatient surgical center must establish and maintain a comprehensive tuberculosis infection control program according to the most current tuberculosis infection control guidelines issued by the United States Centers for Disease Control and Prevention (CDC), Division of Tuberculosis Elimination, as published in CDC's Morbidity and Mortality Weekly Report (MMWR). This program must include a tuberculosis infection control plan that covers all paid and unpaid employees, contractors, students, and volunteers. The Department of Health shall provide technical assistance regarding implementation of the guidelines.

(d) (g) Written compliance with this subdivision must be maintained by the outpatient surgical center.

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

Sec. 16. Minnesota Statutes 2022, section 144.6535, subdivision 1, is amended to read:

Subdivision 1. **Request for variance or waiver.** A hospital may request that the commissioner grant a variance or waiver from the provisions of ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3, paragraph (b). A request for a variance or waiver must be submitted to the commissioner in writing. Each request must contain:

- (1) the specific ~~rule or rules~~ requirement for which the variance or waiver is requested;
- (2) the reasons for the request;
- (3) the alternative measures that will be taken if a variance or waiver is granted;
- (4) the length of time for which the variance or waiver is requested; and
- (5) other relevant information deemed necessary by the commissioner to properly evaluate the request for the variance or waiver.

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

Sec. 17. Minnesota Statutes 2022, section 144.6535, subdivision 2, is amended to read:

Subd. 2. **Criteria for evaluation.** The decision to grant or deny a variance or waiver must be based on the commissioner's evaluation of the following criteria:

(1) whether the variance or waiver will adversely affect the health, treatment, comfort, safety, or well-being of a patient;

(2) whether the alternative measures to be taken, if any, are equivalent to or superior to those prescribed in ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3, paragraph (b); and

(3) whether compliance with the ~~rule or rules~~ requirements would impose an undue burden upon the applicant.

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

Sec. 18. Minnesota Statutes 2022, section 144.6535, subdivision 4, is amended to read:

Subd. 4. **Effect of alternative measures or conditions.** (a) Alternative measures or conditions attached to a variance or waiver have the same force and effect as the ~~rules requirement~~ under ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3, paragraph (b), and are subject to the issuance of correction orders and penalty assessments in accordance with section 144.55.

(b) Fines for a violation of this section shall be in the same amount as that specified for the particular ~~rule~~ requirement for which the variance or waiver was requested.

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

Sec. 19. Minnesota Statutes 2022, section 144.69, is amended to read:

144.69 CLASSIFICATION OF DATA ON INDIVIDUALS.

Subdivision 1. Data collected by the cancer reporting system. Notwithstanding any law to the contrary, including section 13.05, subdivision 9, data collected on individuals by the cancer ~~surveillance reporting~~ reporting system, including the names and personal identifiers of persons required in section 144.68 to report, shall be private and may only be used for the purposes set forth in this section and sections 144.671, 144.672, and 144.68. Any disclosure other than is provided for in this section and sections 144.671, 144.672, and 144.68, is declared to be a misdemeanor and punishable as such. Except as provided by rule, and as part of an epidemiologic investigation, an officer or employee of the commissioner of health may interview patients named in any such report, or relatives of any such patient, only after ~~the consent of~~ notifying the attending physician, advanced practice registered nurse, physician assistant, or surgeon ~~is obtained~~. Research protections for patients must be consistent with section 13.04, subdivision 2, and Code of Federal Regulations, title 45, part 46.

Subd. 2. Transfers of information to state cancer registries and federal government agencies. (a) Information containing personal identifiers of a non-Minnesota resident collected by the cancer reporting system may be provided to the statewide cancer registry of the nonresident's home state solely for the purposes consistent with this section and sections 144.671, 144.672, and 144.68, provided that the other state agrees to maintain the classification of the information as provided under subdivision 1.

(b) Information, excluding direct identifiers such as name, Social Security number, telephone number, and street address, collected by the cancer reporting system may be provided to the Centers

for Disease Control and Prevention's National Program of Cancer Registries and the National Cancer Institute's Surveillance, Epidemiology, and End Results Program registry.

Sec. 20. Minnesota Statutes 2022, section 144.9501, subdivision 17, is amended to read:

Subd. 17. **Lead hazard reduction.** (a) "Lead hazard reduction" means abatement, swab team services, or interim controls undertaken to make a residence, child care facility, school, playground, or other location where lead hazards are identified lead-safe by complying with the lead standards and methods adopted under section 144.9508.

(b) Lead hazard reduction does not include renovation activity that is primarily intended to remodel, repair, or restore a given structure or dwelling rather than abate or control lead-based paint hazards.

(c) Lead hazard reduction does not include activities that disturb painted surfaces that total:

(1) less than 20 square feet (two square meters) on exterior surfaces; or

(2) less than two square feet (0.2 square meters) in an interior room.

Sec. 21. Minnesota Statutes 2022, section 144.9501, subdivision 26a, is amended to read:

Subd. 26a. **Regulated lead work.** ~~(a)~~ "Regulated lead work" means:

(1) abatement;

(2) interim controls;

(3) a clearance inspection;

(4) a lead hazard screen;

(5) a lead inspection;

(6) a lead risk assessment;

(7) lead project designer services;

(8) lead sampling technician services;

(9) swab team services;

(10) renovation activities; ~~or~~

(11) lead hazard reduction; or

~~(12)~~ (12) activities performed to comply with lead orders issued by a community health board an assessing agency.

~~(b) Regulated lead work does not include abatement, interim controls, swab team services, or renovation activities that disturb painted surfaces that total no more than:~~

~~(1) 20 square feet (two square meters) on exterior surfaces; or~~

~~(2) six square feet (0.6 square meters) in an interior room.~~

Sec. 22. Minnesota Statutes 2022, section 144.9501, subdivision 26b, is amended to read:

Subd. 26b. **Renovation.** (a) "Renovation" means the modification of any pre-1978 affected property for compensation that results in the disturbance of known or presumed lead-containing painted surfaces defined under section 144.9508, unless that activity is performed as lead hazard reduction. A renovation performed for the purpose of converting a building or part of a building into an affected property is a renovation under this subdivision.

(b) Renovation does not include minor repair and maintenance activities described in this paragraph. All activities that disturb painted surfaces and are performed within 30 days of other activities that disturb painted surfaces in the same room must be considered a single project when applying the criteria below. Unless the activity involves window replacement or demolition of a painted surface, building component, or portion of a structure, for purposes of this paragraph, "minor repair and maintenance" means activities that disturb painted surfaces totaling:

(1) less than 20 square feet (two square meters) on exterior surfaces; or

(2) less than six square feet (0.6 square meters) in an interior room.

(c) Renovation does not include total demolition of a freestanding structure. For purposes of this paragraph, "total demolition" means demolition and disposal of all interior and exterior painted surfaces, including windows. Unpainted foundation building components remaining after total demolition may be reused.

Sec. 23. Minnesota Statutes 2022, section 144.9501, is amended by adding a subdivision to read:

Subd. 33. **Compensation.** "Compensation" means money or other mutually agreed upon form of payment given or received for regulated lead work, including rental payments, rental income, or salaries derived from rental payments.

Sec. 24. Minnesota Statutes 2022, section 144.9501, is amended by adding a subdivision to read:

Subd. 34. **Individual.** "Individual" means a natural person.

Sec. 25. Minnesota Statutes 2022, section 144.9505, subdivision 1, is amended to read:

Subdivision 1. **Licensing, certification, and permitting.** (a) Fees collected under this section shall be deposited into the state treasury and credited to the state government special revenue fund.

(b) Persons shall not advertise or otherwise present themselves as lead supervisors, lead workers, lead inspectors, lead risk assessors, lead sampling technicians, lead project designers, renovation firms, or lead firms unless they have licenses or certificates issued by the commissioner under this section.

(c) The fees required in this section for inspectors, risk assessors, and certified lead firms are waived for state or local government employees performing services for or as an assessing agency.

~~(d) An individual who is the owner of property on which regulated lead work is to be performed or an adult individual who is related to the property owner, as defined under section 245A.02, subdivision 13, is exempt from the requirements to obtain a license and pay a fee according to this section. Individual residential property owners or an adult individual who is related to the property owner who performs regulated lead work on the residence are exempt from the licensure and firm certification requirements of this section. Notwithstanding the provisions of paragraphs (a) to (c), this exemption does not apply when the regulated lead work is a renovation performed for compensation, when a child with an elevated blood level has been identified in the residence or the building in which the residence is located, or when the residence is occupied by one or more individuals who are not related to the property owner, as defined under section 245A.02, subdivision 13.~~

~~(e) A person that employs individuals to perform regulated lead work outside of the person's property must obtain certification as a certified lead firm. An individual who performs lead hazard reduction, lead hazard screens, lead inspections, lead risk assessments, clearance inspections, lead project designer services, lead sampling technician services, swab team services, and activities performed to comply with lead orders must be employed by a certified lead firm, unless the individual is a sole proprietor and does not employ any other individuals, the individual is employed by a person that does not perform regulated lead work outside of the person's property, or the individual is employed by an assessing agency.~~

Sec. 26. Minnesota Statutes 2022, section 144.9505, subdivision 1g, is amended to read:

Subd. 1g. **Certified lead firm.** A person who performs or employs individuals to perform regulated lead work, with the exception of renovation, ~~outside of the person's property~~ must obtain certification as a lead firm. The certificate must be in writing, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. A lead firm certificate is valid for one year. The certification fee is \$100, is nonrefundable, and must be submitted with each application. The lead firm certificate or a copy of the certificate must be readily available at the worksite for review by the contracting entity, the commissioner, and other public health officials charged with the health, safety, and welfare of the state's citizens.

Sec. 27. Minnesota Statutes 2022, section 144.9505, subdivision 1h, is amended to read:

Subd. 1h. **Certified renovation firm.** A person who performs or employs individuals to perform renovation activities outside of the person's property for compensation must obtain certification as a renovation firm. The certificate must be in writing, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. A renovation firm certificate is valid for two years. The certification fee is \$100, is nonrefundable, and must be submitted with each application. The renovation firm certificate or a copy of the certificate must be readily available at the worksite for review by the contracting entity, the commissioner, and other public health officials charged with the health, safety, and welfare of the state's citizens.

Sec. 28. Minnesota Statutes 2022, section 144.9508, subdivision 2, is amended to read:

Subd. 2. **Regulated lead work standards and methods.** (a) The commissioner shall adopt rules establishing regulated lead work standards and methods in accordance with the provisions of this section, for lead in paint, dust, drinking water, and soil in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose, child care facilities, playgrounds, and schools.

(b) In the rules required by this section, the commissioner shall require lead hazard reduction of intact paint only if the commissioner finds that the intact paint is on a chewable or lead-dust producing surface that is a known source of actual lead exposure to a specific individual. The commissioner shall prohibit methods that disperse lead dust into the air that could accumulate to a level that would exceed the lead dust standard specified under this section. The commissioner shall work cooperatively with the commissioner of administration to determine which lead hazard reduction methods adopted under this section may be used for lead-safe practices including prohibited practices, preparation, disposal, and cleanup. The commissioner shall work cooperatively with the commissioner of the Pollution Control Agency to develop disposal procedures. In adopting rules under this section, the commissioner shall require the best available technology for regulated lead work methods, paint stabilization, and repainting.

(c) The commissioner of health shall adopt regulated lead work standards and methods for lead in bare soil in a manner to protect public health and the environment. The commissioner shall adopt a maximum standard of 100 parts of lead per million in bare soil. The commissioner shall set a soil replacement standard not to exceed 25 parts of lead per million. Soil lead hazard reduction methods shall focus on erosion control and covering of bare soil.

(d) The commissioner shall adopt regulated lead work standards and methods for lead in dust in a manner to protect the public health and environment. Dust standards shall use a weight of lead per area measure and include dust on the floor, on the window sills, and on window wells. Lead hazard reduction methods for dust shall focus on dust removal and other practices which minimize the formation of lead dust from paint, soil, or other sources.

(e) The commissioner shall adopt lead hazard reduction standards and methods for lead in drinking water both at the tap and public water supply system or private well in a manner to protect the public health and the environment. The commissioner may adopt the rules for controlling lead in drinking water as contained in Code of Federal Regulations, title 40, part 141. Drinking water lead hazard reduction methods may include an educational approach of minimizing lead exposure from lead in drinking water.

(f) The commissioner of the Pollution Control Agency shall adopt rules to ensure that removal of exterior lead-based coatings from residences and steel structures by abrasive blasting methods is conducted in a manner that protects health and the environment.

(g) All regulated lead work standards shall provide reasonable margins of safety that are consistent with more than a summary review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous.

(h) No unit of local government shall have an ordinance or regulation governing regulated lead work standards or methods for lead in paint, dust, drinking water, or soil that require a different regulated lead work standard or method than the standards or methods established under this section.

(i) Notwithstanding paragraph (h), the commissioner may approve the use by a unit of local government of an innovative lead hazard reduction method which is consistent in approach with methods established under this section.

(j) The commissioner shall adopt rules for issuing lead orders required under section 144.9504, rules for notification of abatement or interim control activities requirements, and other rules necessary to implement sections 144.9501 to 144.9512.

(k) The commissioner shall adopt rules consistent with section 402(c)(3) of the Toxic Substances Control Act and all regulations adopted thereunder to ensure that renovation in a pre-1978 affected property ~~where a child or pregnant female resides~~ is conducted in a manner that protects health and the environment. Notwithstanding sections 14.125 and 14.128, the authority to adopt these rules does not expire.

(l) The commissioner shall adopt rules consistent with sections 406(a) and 406(b) of the Toxic Substances Control Act. Notwithstanding sections 14.125 and 14.128, the authority to adopt these rules does not expire.

Sec. 29. Minnesota Statutes 2022, section 144A.06, subdivision 2, is amended to read:

Subd. 2. **New license required; change of ownership.** (a) The commissioner of health by rule shall prescribe procedures for licensure under this section.

(b) A new license is required and the prospective licensee must apply for a license prior to operating a currently licensed nursing home. The licensee must change whenever one of the following events occur:

(1) the form of the licensee's legal entity structure is converted or changed to a different type of legal entity structure;

(2) the licensee dissolves, consolidates, or merges with another legal organization and the licensee's legal organization does not survive;

(3) within the previous 24 months, 50 percent or more of the licensee's ownership interest is transferred, whether by a single transaction or multiple transactions to:

(i) a different person or multiple different persons; or

(ii) a person or multiple persons who had less than a five percent ownership interest in the facility at the time of the first transaction; or

(4) any other event or combination of events that results in a substitution, elimination, or withdrawal of the licensee's responsibility for the facility.

Sec. 30. Minnesota Statutes 2022, section 144A.071, subdivision 2, is amended to read:

Subd. 2. **Moratorium.** (a) The commissioner of health, in coordination with the commissioner of human services, shall deny each request for new licensed or certified nursing home or certified boarding care beds except as provided in subdivision 3 or 4a, or section 144A.073. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the

purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq. Certified beds in facilities which do not allow medical assistance intake shall be deemed to be decertified for purposes of this section only.

(b) The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under section 252.28 and chapter 245A to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount.

(c) In addition, the commissioner of health must not approve any construction project whose cost exceeds \$1,000,000, unless:

~~(a)~~ (1) any construction costs exceeding \$1,000,000 are not added to the facility's appraised value and are not included in the facility's payment rate for reimbursement under the medical assistance program; or

~~(b)~~ (2) the project:

~~(1)~~ (i) has been approved through the process described in section 144A.073;

~~(2)~~ (ii) meets an exception in subdivision 3 or 4a;

~~(3)~~ (iii) is necessary to correct violations of state or federal law issued by the commissioner of health;

~~(4)~~ (iv) is necessary to repair or replace a portion of the facility that was damaged by fire, lightning, ground shifts, or other such hazards, including environmental hazards, provided that the provisions of subdivision 4a, clause (a), are met; or

~~(5)~~ (v) is being proposed by a licensed nursing facility that is not certified to participate in the medical assistance program and will not result in new licensed or certified beds.

(d) Prior to the final plan approval of any construction project, the commissioners of health and human services shall be provided with an itemized cost estimate for the project construction costs. If a construction project is anticipated to be completed in phases, the total estimated cost of all phases of the project shall be submitted to the commissioners and shall be considered as one construction project. Once the construction project is completed and prior to the final clearance by the commissioners, the total project construction costs for the construction project shall be submitted to the commissioners. If the final project construction cost exceeds the dollar threshold in this subdivision, the commissioner of human services shall not recognize any of the project construction costs or the related financing costs in excess of this threshold in establishing the facility's property-related payment rate.

(e) The dollar thresholds for construction projects are as follows: for construction projects other than those authorized in ~~clauses (1) to (6)~~ paragraph (c), clause (2), items (i) to (v), the dollar threshold is \$1,000,000. For projects authorized after July 1, 1993, under ~~clause (1)~~ paragraph (c), clause (2), item (i), the dollar threshold is the cost estimate submitted with a proposal for an exception under section 144A.073, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a). For projects authorized under ~~clauses (2) to (4)~~ paragraph (c), clause (2), items (ii)

to (iv), the dollar threshold is the itemized estimate project construction costs submitted to the commissioner of health at the time of final plan approval, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a).

(f) The commissioner of health shall adopt rules to implement this section or to amend the emergency rules for granting exceptions to the moratorium on nursing homes under section 144A.073.

(g) All construction projects approved through section 144A.073, subdivision 3, after March 1, 2020, are subject to the fair rental value property rate as described in section 256R.26.

EFFECTIVE DATE. This section is effective retroactively from March 1, 2020.

Sec. 31. Minnesota Statutes 2022, section 144A.073, subdivision 3b, is amended to read:

Subd. 3b. **Amendments to approved projects.** (a) Nursing facilities that have received approval ~~on or after July 1, 1993,~~ for exceptions to the moratorium on nursing homes through the process described in this section may request amendments to the designs of the projects by writing the commissioner within 15 months of receiving approval. Applicants shall submit supporting materials that demonstrate how the amended projects meet the criteria described in paragraph (b).

(b) The commissioner shall approve requests for amendments for projects approved ~~on or after July 1, 1993,~~ according to the following criteria:

(1) the amended project designs must provide solutions to all of the problems addressed by the original application that are at least as effective as the original solutions;

(2) the amended project designs may not reduce the space in each resident's living area or in the total amount of common space devoted to resident and family uses by more than five percent;

(3) the costs ~~recognized for reimbursement~~ of amended project designs shall be ~~the threshold amount of the original proposal as identified according to section 144A.071, subdivision 2~~ the cost estimate associated with the project as originally approved, except under conditions described in clause (4); and

(4) ~~total costs up to ten percent greater than the cost identified in clause (3) may be recognized for reimbursement if~~ total costs up to ten percent greater than the cost identified in clause (3) may be recognized for reimbursement if of the amendment are no greater than ten percent of the cost estimate associated with the project as initially approved if the proposer can document that one of the following circumstances is true:

(i) changes are needed due to a natural disaster;

(ii) conditions that affect the safety or durability of the project that could not have reasonably been known prior to approval are discovered;

(iii) state or federal law require changes in project design; or

(iv) documentable circumstances occur that are beyond the control of the owner and require changes in the design.

(c) Approval of a request for an amendment does not alter the expiration of approval of the project according to subdivision 3.

(d) Reimbursement for amendments to approved projects is independent of the actual construction costs and based on the allowable appraised value of the completed project. An approved project may not be amended to reduce the scope of an approved project.

EFFECTIVE DATE. This section is effective retroactively from March 1, 2020.

Sec. 32. Minnesota Statutes 2022, section 144A.474, subdivision 3, is amended to read:

Subd. 3. **Survey process.** The survey process for core surveys shall include the following as applicable to the particular licensee and setting surveyed:

(1) presurvey review of pertinent documents and notification to the ombudsman for long-term care;

(2) an entrance conference with available staff;

(3) communication with managerial officials or the registered nurse in charge, if available, and ongoing communication with key staff throughout the survey regarding information needed by the surveyor, clarifications regarding home care requirements, and applicable standards of practice;

(4) presentation of written contact information to the provider about the survey staff conducting the survey, the supervisor, and the process for requesting a reconsideration of the survey results;

(5) a brief tour of ~~a sample of the housing with services establishments~~ establishment in which the provider is providing home care services;

(6) a sample selection of home care clients;

(7) information-gathering through client and staff observations, client and staff interviews, and reviews of records, policies, procedures, practices, and other agency information;

(8) interviews of clients' family members, if available, with clients' consent when the client can legally give consent;

(9) except for complaint surveys conducted by the Office of Health Facilities Complaints, an ~~on-site~~ exit conference, with preliminary findings ~~shared and~~ discussed with the provider within one business day after completion of survey activities, ~~documentation that an exit conference occurred,~~ and with written information provided on the process for requesting a reconsideration of the survey results; and

(10) postsurvey analysis of findings and formulation of survey results, including correction orders when applicable.

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

Sec. 33. Minnesota Statutes 2022, section 144A.474, subdivision 9, is amended to read:

Subd. 9. **Follow-up surveys.** For providers that have Level 3 or Level 4 violations under subdivision 11, ~~or any violations determined to be widespread,~~ the department shall conduct a follow-up survey within 90 calendar days of the survey. When conducting a follow-up survey, the surveyor will focus on whether the previous violations have been corrected and may also address any new violations that are observed while evaluating the corrections that have been made.

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

Sec. 34. Minnesota Statutes 2022, section 144A.474, subdivision 12, is amended to read:

Subd. 12. **Reconsideration.** (a) The commissioner shall make available to home care providers a correction order reconsideration process. This process may be used to challenge the correction order issued, including the level and scope described in subdivision 11, and any fine assessed. During the correction order reconsideration request, the issuance for the correction orders under reconsideration are not stayed, but the department shall post information on the website with the correction order that the licensee has requested a reconsideration and that the review is pending.

(b) A licensed home care provider may request from the commissioner, in writing, a correction order reconsideration regarding any correction order issued to the provider. The written request for reconsideration must be received by the commissioner within 15 ~~calendar~~ business days of the correction order receipt date. The correction order reconsideration shall not be reviewed by any surveyor, investigator, or supervisor that participated in the writing or reviewing of the correction order being disputed. The correction order reconsiderations may be conducted in person, by telephone, by another electronic form, or in writing, as determined by the commissioner. The commissioner shall respond in writing to the request from a home care provider for a correction order reconsideration within 60 days of the date the provider requests a reconsideration. The commissioner's response shall identify the commissioner's decision regarding each citation challenged by the home care provider.

(c) The findings of a correction order reconsideration process shall be one or more of the following:

(1) supported in full, the correction order is supported in full, with no deletion of findings to the citation;

(2) supported in substance, the correction order is supported, but one or more findings are deleted or modified without any change in the citation;

(3) correction order cited an incorrect home care licensing requirement, the correction order is amended by changing the correction order to the appropriate statutory reference;

(4) correction order was issued under an incorrect citation, the correction order is amended to be issued under the more appropriate correction order citation;

(5) the correction order is rescinded;

(6) fine is amended, it is determined that the fine assigned to the correction order was applied incorrectly; or

(7) the level or scope of the citation is modified based on the reconsideration.

(d) If the correction order findings are changed by the commissioner, the commissioner shall update the correction order website.

(e) This subdivision does not apply to temporary licensees.

Sec. 35. Minnesota Statutes 2022, section 144A.4791, subdivision 10, is amended to read:

Subd. 10. **Termination of service plan.** (a) If a home care provider terminates a service plan with a client, and the client continues to need home care services, the home care provider shall provide the client and the client's representative, if any, with a written notice of termination which includes the following information:

(1) the effective date of termination;

(2) the reason for termination;

(3) for clients age 18 or older, a statement that the client may contact the Office of Ombudsman for Long-Term Care to request an advocate to assist regarding the termination and contact information for the office, including the office's central telephone number;

~~(3)~~ (4) a list of known licensed home care providers in the client's immediate geographic area;

~~(4)~~ (5) a statement that the home care provider will participate in a coordinated transfer of care of the client to another home care provider, health care provider, or caregiver, as required by the home care bill of rights, section 144A.44, subdivision 1, clause (17);

~~(5)~~ (6) the name and contact information of a person employed by the home care provider with whom the client may discuss the notice of termination; and

~~(6)~~ (7) if applicable, a statement that the notice of termination of home care services does not constitute notice of termination of ~~the housing with services contract with a housing with services establishment~~ any housing contract.

(b) When the home care provider voluntarily discontinues services to all clients, the home care provider must notify the commissioner, lead agencies, and ombudsman for long-term care about its clients and comply with the requirements in this subdivision.

Sec. 36. Minnesota Statutes 2022, section 148.512, subdivision 10a, is amended to read:

Subd. 10a. **Hearing aid.** "Hearing aid" means ~~an instrument~~ a prescribed aid, or any of its parts, worn in the ear canal and designed to or represented as being able to aid or enhance human hearing. "Hearing aid" includes the aid's parts, attachments, or accessories, including, but not limited to, ear molds and behind the ear (BTE) devices with or without an ear mold. Batteries and cords are not parts, attachments, or accessories of a hearing aid. Surgically implanted hearing aids, and assistive listening devices not worn within the ear canal, are not hearing aids.

Sec. 37. Minnesota Statutes 2022, section 148.512, subdivision 10b, is amended to read:

Subd. 10b. **Hearing aid dispensing.** "Hearing aid dispensing" means making ear mold impressions, prescribing, ~~or recommending~~ a hearing aid, assisting the consumer in prescription aid selection, selling hearing aids at retail, or testing human hearing in connection with these activities regardless of whether the person conducting these activities has a monetary interest in the dispensing of prescription hearing aids to the consumer. Hearing aid dispensing does not include selling over-the-counter hearing aids.

Sec. 38. Minnesota Statutes 2022, section 148.512, is amended by adding a subdivision to read:

Subd. 10c. **Over-the-counter hearing aid or OTC hearing aid.** "Over-the-counter hearing aid" or "OTC hearing aid" has the meaning given to that term in Code of Federal Regulations, title 21, section 800.30(b).

Sec. 39. Minnesota Statutes 2022, section 148.512, is amended by adding a subdivision to read:

Subd. 13a. **Prescription hearing aid.** "Prescription hearing aid" means a hearing aid requiring a prescription from a certified hearing aid dispenser or licensed audiologist that is not an OTC hearing aid.

Sec. 40. Minnesota Statutes 2022, section 148.513, is amended by adding a subdivision to read:

Subd. 4. **Over-the-counter hearing aids.** Nothing in sections 148.511 to 148.5198 shall preclude licensed audiologists from dispensing or selling over-the-counter hearing aids.

Sec. 41. Minnesota Statutes 2022, section 148.515, subdivision 6, is amended to read:

Subd. 6. **Dispensing audiologist examination requirements.** (a) Audiologists are exempt from the written examination requirement in section 153A.14, subdivision 2h, paragraph (a), clause (1).

(b) After July 31, 2005, all applicants for audiologist licensure under sections 148.512 to 148.5198 must achieve a passing score on the practical tests of proficiency described in section 153A.14, subdivision 2h, paragraph (a), clause (2), within the time period described in section 153A.14, subdivision 2h, paragraph (c).

(c) In order to dispense prescription hearing aids as a sole proprietor, member of a partnership, or for a limited liability company, corporation, or any other entity organized for profit, a licensee who obtained audiologist licensure under sections 148.512 to 148.5198, before August 1, 2005, and who is not certified to dispense prescription hearing aids under chapter 153A, must achieve a passing score on the practical tests of proficiency described in section 153A.14, subdivision 2h, paragraph (a), clause (2), within the time period described in section 153A.14, subdivision 2h, paragraph (c). All other audiologist licensees who obtained licensure before August 1, 2005, are exempt from the practical tests.

(d) An applicant for an audiology license who obtains a temporary license under section 148.5175 may dispense prescription hearing aids only under supervision of a licensed audiologist who dispenses prescription hearing aids.

Sec. 42. Minnesota Statutes 2022, section 148.5175, is amended to read:

148.5175 TEMPORARY LICENSURE.

(a) The commissioner shall issue temporary licensure as a speech-language pathologist, an audiologist, or both, to an applicant who:

(1) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 148.5195, subdivision 3; and

(2) either:

(i) provides a copy of a current credential as a speech-language pathologist, an audiologist, or both, held in the District of Columbia or a state or territory of the United States; or

(ii) provides a copy of a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or board certification in audiology by the American Board of Audiology.

(b) A temporary license issued to a person under this subdivision expires 90 days after it is issued or on the date the commissioner grants or denies licensure, whichever occurs first.

(c) Upon application, a temporary license shall be renewed twice to a person who is able to demonstrate good cause for failure to meet the requirements for licensure within the initial temporary licensure period and who is not the subject of a disciplinary action or disqualified on the basis of section 148.5195, subdivision 3. Good cause includes but is not limited to inability to take and complete the required practical exam for dispensing prescription hearing instruments aids.

(d) Upon application, a temporary license shall be issued to a person who meets the requirements of section 148.515, subdivisions 2a and 4, but has not completed the requirement in section 148.515, subdivision 6.

Sec. 43. Minnesota Statutes 2022, section 148.5195, subdivision 3, is amended to read:

Subd. 3. **Grounds for disciplinary action by commissioner.** The commissioner may take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

(1) intentionally submitted false or misleading information to the commissioner or the advisory council;

(2) failed, within 30 days, to provide information in response to a written request by the commissioner or advisory council;

(3) performed services of a speech-language pathologist or audiologist in an incompetent or negligent manner;

(4) violated sections 148.511 to 148.5198;

(5) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(6) violated any state or federal law, rule, or regulation, and the violation is a felony or misdemeanor, an essential element of which is dishonesty, or which relates directly or indirectly to

the practice of speech-language pathology or audiology. Conviction for violating any state or federal law which relates to speech-language pathology or audiology is necessarily considered to constitute a violation, except as provided in chapter 364;

(7) aided or abetted another person in violating any provision of sections 148.511 to 148.5198;

(8) been or is being disciplined by another jurisdiction, if any of the grounds for the discipline is the same or substantially equivalent to those under sections 148.511 to 148.5198;

(9) not cooperated with the commissioner or advisory council in an investigation conducted according to subdivision 1;

(10) advertised in a manner that is false or misleading;

(11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated a willful or careless disregard for the health, welfare, or safety of a client;

(12) failed to disclose to the consumer any fee splitting or any promise to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(13) engaged in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(14) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(15) performed services for a client who had no possibility of benefiting from the services;

(16) failed to refer a client for medical evaluation or to other health care professionals when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

(17) had the certification required by chapter 153A denied, suspended, or revoked according to chapter 153A;

(18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or SLPD without having obtained the degree from an institution accredited by the North Central Association of Colleges and Secondary Schools, the Council on Academic Accreditation in Audiology and Speech-Language Pathology, the United States Department of Education, or an equivalent;

(19) failed to comply with the requirements of section 148.5192 regarding supervision of speech-language pathology assistants; or

(20) if the individual is an audiologist or certified prescription hearing instrument aid dispenser:

(i) prescribed ~~or otherwise recommended~~ to a consumer or potential consumer the use of a prescription hearing instrument aid, unless the prescription from a physician ~~or recommendation from~~ an audiologist, or a certified dispenser is in writing, is based on an audiogram that is delivered to the consumer or potential consumer when the prescription ~~or recommendation~~ is made, and bears the following information in all capital letters of 12-point or larger boldface type: "THIS

PRESCRIPTION ~~OR RECOMMENDATION~~ MAY BE FILLED BY, AND PRESCRIPTION HEARING INSTRUMENTS AIDS MAY BE PURCHASED FROM, THE LICENSED AUDIOLOGIST OR CERTIFIED DISPENSER OF YOUR CHOICE";

(ii) failed to give a copy of the audiogram, upon which the prescription ~~or recommendation~~ is based, to the consumer when the consumer requests a copy;

(iii) failed to provide the consumer rights brochure required by section 148.5197, subdivision 3;

(iv) failed to comply with restrictions on sales of prescription hearing instruments aids in sections 148.5197, subdivision 3, and 148.5198;

(v) failed to return a consumer's prescription hearing instrument aid used as a trade-in or for a discount in the price of a new prescription hearing instrument aid when requested by the consumer upon cancellation of the purchase agreement;

(vi) failed to follow Food and Drug Administration or Federal Trade Commission regulations relating to dispensing prescription hearing instruments aids;

(vii) failed to dispense a prescription hearing instrument aid in a competent manner or without appropriate training;

(viii) delegated prescription hearing instrument aid dispensing authority to a person not authorized to dispense a prescription hearing instrument aid under this chapter or chapter 153A;

(ix) failed to comply with the requirements of an employer or supervisor of a prescription hearing instrument aid dispenser trainee;

(x) violated a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the individual's prescription hearing instrument aid dispensing; or

(xi) failed to include on the audiogram the practitioner's printed name, credential type, credential number, signature, and date.

Sec. 44. Minnesota Statutes 2022, section 148.5196, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner shall appoint 12 persons to a Speech-Language Pathologist and Audiologist Advisory Council. The 12 persons must include:

(1) three public members, as defined in section 214.02. Two of the public members shall be either persons receiving services of a speech-language pathologist or audiologist, or family members of or caregivers to such persons, and at least one of the public members shall be either a hearing instrument aid user or an advocate of one;

(2) three speech-language pathologists licensed under sections 148.511 to 148.5198, one of whom is currently and has been, for the five years immediately preceding the appointment, engaged in the practice of speech-language pathology in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, and government agencies;

(3) one speech-language pathologist licensed under sections 148.511 to 148.5198, who is currently and has been, for the five years immediately preceding the appointment, employed by a Minnesota public school district or a Minnesota public school district consortium that is authorized by Minnesota Statutes and who is licensed in speech-language pathology by the Professional Educator Licensing and Standards Board;

(4) three audiologists licensed under sections 148.511 to 148.5198, two of whom are currently and have been, for the five years immediately preceding the appointment, engaged in the practice of audiology and the dispensing of prescription hearing instruments aids in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, industry, and government agencies;

(5) one nonaudiologist prescription hearing instrument aid dispenser recommended by a professional association representing prescription hearing instrument aid dispensers; and

(6) one physician licensed under chapter 147 and certified by the American Board of Otolaryngology, Head and Neck Surgery.

Sec. 45. Minnesota Statutes 2022, section 148.5197, is amended to read:

148.5197 HEARING AID DISPENSING.

Subdivision 1. **Content of contracts.** Oral statements made by an audiologist or certified dispenser regarding the provision of warranties, refunds, and service on the prescription hearing aid or aids dispensed must be written on, and become part of, the contract of sale, specify the item or items covered, and indicate the person or business entity obligated to provide the warranty, refund, or service.

Subd. 2. **Required use of license number.** The audiologist's license number or certified dispenser's certificate number must appear on all contracts, bills of sale, and receipts used in the sale of prescription hearing aids.

Subd. 3. **Consumer rights information.** An audiologist or certified dispenser shall, at the time of the ~~recommendation~~ or prescription, give a consumer rights brochure, prepared by the commissioner and containing information about legal requirements pertaining to dispensing of prescription hearing aids, to each potential consumer of a prescription hearing aid. The brochure must contain information about the consumer information center described in section 153A.18. A contract for a prescription hearing aid must note the receipt of the brochure by the consumer, along with the consumer's signature or initials.

Subd. 4. **Liability for contracts.** Owners of entities in the business of dispensing prescription hearing aids, employers of audiologists or persons who dispense prescription hearing aids, supervisors of trainees or audiology students, and hearing aid dispensers conducting the transaction at issue are liable for satisfying all terms of contracts, written or oral, made by their agents, employees, assignees, affiliates, or trainees, including terms relating to products, repairs, warranties, service, and refunds. The commissioner may enforce the terms of prescription hearing aid contracts against the principal, employer, supervisor, or dispenser who conducted the transaction and may impose any remedy provided for in this chapter.

Sec. 46. Minnesota Statutes 2022, section 148.5198, is amended to read:

148.5198 RESTRICTION ON SALE OF PRESCRIPTION HEARING AIDS.

Subdivision 1. **45-calendar-day guarantee and buyer right to cancel.** (a) An audiologist or certified dispenser dispensing a prescription hearing aid in this state must comply with paragraphs (b) and (c).

(b) The audiologist or certified dispenser must provide the buyer with a 45-calendar-day written money-back guarantee. The guarantee must permit the buyer to cancel the purchase for any reason within 45 calendar days after receiving the prescription hearing aid by giving or mailing written notice of cancellation to the audiologist or certified dispenser. If the buyer mails the notice of cancellation, the 45-calendar-day period is counted using the postmark date, to the date of receipt by the audiologist or certified dispenser. If the prescription hearing aid must be repaired, remade, or adjusted during the 45-calendar-day money-back guarantee period, the running of the 45-calendar-day period is suspended one day for each 24-hour period that the prescription hearing aid is not in the buyer's possession. A repaired, remade, or adjusted prescription hearing aid must be claimed by the buyer within three business days after notification of availability, after which time the running of the 45-calendar-day period resumes. The guarantee must entitle the buyer, upon cancellation, to receive a refund of payment within 30 days of return of the prescription hearing aid to the audiologist or certified dispenser. The audiologist or certified dispenser may retain as a cancellation fee no more than \$250 of the buyer's total purchase price of the prescription hearing aid.

(c) The audiologist or certified dispenser shall provide the buyer with a contract written in plain English, that contains uniform language and provisions that meet the requirements under the Plain Language Contract Act, sections 325G.29 to 325G.36. The contract must include, but is not limited to, the following: in immediate proximity to the space reserved for the signature of the buyer, or on the first page if there is no space reserved for the signature of the buyer, a clear and conspicuous disclosure of the following specific statement in all capital letters of no less than 12-point boldface type: "MINNESOTA STATE LAW GIVES THE BUYER THE RIGHT TO CANCEL THIS PURCHASE FOR ANY REASON AT ANY TIME PRIOR TO MIDNIGHT OF THE 45TH CALENDAR DAY AFTER RECEIPT OF THE PRESCRIPTION HEARING AID(S). THIS CANCELLATION MUST BE IN WRITING AND MUST BE GIVEN OR MAILED TO THE AUDIOLOGIST OR CERTIFIED DISPENSER. IF THE BUYER DECIDES TO RETURN THE PRESCRIPTION HEARING AID(S) WITHIN THIS 45-CALENDAR-DAY PERIOD, THE BUYER WILL RECEIVE A REFUND OF THE TOTAL PURCHASE PRICE OF THE AID(S) FROM WHICH THE AUDIOLOGIST OR CERTIFIED DISPENSER MAY RETAIN AS A CANCELLATION FEE NO MORE THAN \$250."

Subd. 2. **Itemized repair bill.** Any audiologist, certified dispenser, or company who agrees to repair a prescription hearing aid must provide the owner of the prescription hearing aid, or the owner's representative, with a bill that describes the repair and services rendered. The bill must also include the repairing audiologist's, certified dispenser's, or company's name, address, and telephone number.

This subdivision does not apply to an audiologist, certified dispenser, or company that repairs a prescription hearing aid pursuant to an express warranty covering the entire prescription hearing aid and the warranty covers the entire cost, both parts and labor, of the repair.

Subd. 3. **Repair warranty.** Any guarantee of prescription hearing aid repairs must be in writing and delivered to the owner of the prescription hearing aid, or the owner's representative, stating the repairing audiologist's, certified dispenser's, or company's name, address, telephone number, length of guarantee, model, and serial number of the prescription hearing aid and all other terms and conditions of the guarantee.

Subd. 4. **Misdemeanor.** A person found to have violated this section is guilty of a misdemeanor.

Subd. 5. **Additional.** In addition to the penalty provided in subdivision 4, a person found to have violated this section is subject to the penalties and remedies provided in section 325F.69, subdivision 1.

Subd. 6. **Estimates.** Upon the request of the owner of a prescription hearing aid or the owner's representative for a written estimate and prior to the commencement of repairs, a repairing audiologist, certified dispenser, or company shall provide the customer with a written estimate of the price of repairs. If a repairing audiologist, certified dispenser, or company provides a written estimate of the price of repairs, it must not charge more than the total price stated in the estimate for the repairs. If the repairing audiologist, certified dispenser, or company after commencing repairs determines that additional work is necessary to accomplish repairs that are the subject of a written estimate and if the repairing audiologist, certified dispenser, or company did not unreasonably fail to disclose the possible need for the additional work when the estimate was made, the repairing audiologist, certified dispenser, or company may charge more than the estimate for the repairs if the repairing audiologist, certified dispenser, or company immediately provides the owner or owner's representative a revised written estimate pursuant to this section and receives authorization to continue with the repairs. If continuation of the repairs is not authorized, the repairing audiologist, certified dispenser, or company shall return the prescription hearing aid as close as possible to its former condition and shall release the prescription hearing aid to the owner or owner's representative upon payment of charges for repairs actually performed and not in excess of the original estimate.

Sec. 47. Minnesota Statutes 2022, section 151.37, subdivision 12, is amended to read:

Subd. 12. **Administration of opiate antagonists for drug overdose.** (a) A licensed physician, a licensed advanced practice registered nurse authorized to prescribe drugs pursuant to section 148.235, or a licensed physician assistant may authorize the following individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

- (1) an emergency medical responder registered pursuant to section 144E.27;
- (2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d);
- (3) correctional employees of a state or local political subdivision;
- (4) staff of community-based health disease prevention or social service programs;
- (5) a volunteer firefighter; and

(6) a ~~licensed school nurse or certified public health nurse~~ any other personnel employed by, or under contract with, a ~~school board under section 121A.21~~ charter, public, or private school.

(b) For the purposes of this subdivision, opiate antagonists may be administered by one of these individuals only if:

(1) the licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has issued a standing order to, or entered into a protocol with, the individual; and

(2) the individual has training in the recognition of signs of opiate overdose and the use of opiate antagonists as part of the emergency response to opiate overdose.

(c) Nothing in this section prohibits the possession and administration of naloxone pursuant to section 604A.04.

(d) Notwithstanding section 148.235, subdivisions 8 and 9, a licensed practical nurse is authorized to possess and administer according to this subdivision an opiate antagonist in a school setting.

Sec. 48. Minnesota Statutes 2022, section 152.28, subdivision 1, is amended to read:

Subdivision 1. **Health care practitioner duties.** (a) Prior to a patient's enrollment in the registry program, a health care practitioner shall:

(1) determine, in the health care practitioner's medical judgment, whether a patient suffers from a qualifying medical condition, and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, or spouses who are acting as caregivers of the existence of any nonprofit patient support groups or organizations;

(3) provide explanatory information from the commissioner to patients with qualifying medical conditions, including disclosure to all patients about the experimental nature of therapeutic use of medical cannabis; the possible risks, benefits, and side effects of the proposed treatment; the application and other materials from the commissioner; and provide patients with the Tennessee warning as required by section 13.04, subdivision 2; and

(4) agree to continue treatment of the patient's qualifying medical condition and report medical findings to the commissioner.

(b) Upon notification from the commissioner of the patient's enrollment in the registry program, the health care practitioner shall:

(1) participate in the patient registry reporting system under the guidance and supervision of the commissioner;

(2) report health records of the patient throughout the ongoing treatment of the patient to the commissioner in a manner determined by the commissioner and in accordance with subdivision 2;

(3) determine, on a yearly basis, if the patient continues to suffer from a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis; and

(4) otherwise comply with all requirements developed by the commissioner.

(c) A health care practitioner may ~~conduct a patient assessment to issue a recertification as required under paragraph (b), clause (3), via~~ utilize telehealth, as defined in section 62A.673, subdivision 2, for certifications and recertifications.

(d) Nothing in this section requires a health care practitioner to participate in the registry program.

Sec. 49. Minnesota Statutes 2022, section 152.29, subdivision 3a, is amended to read:

Subd. 3a. **Transportation of medical cannabis; transport staffing.** (a) A medical cannabis manufacturer may staff a transport motor vehicle with only one employee if the medical cannabis manufacturer is transporting medical cannabis to either a certified laboratory for the purpose of testing or a facility for the purpose of disposal. If the medical cannabis manufacturer is transporting medical cannabis for any other purpose or destination, the transport motor vehicle must be staffed with a minimum of two employees as required by rules adopted by the commissioner.

(b) Notwithstanding paragraph (a), a medical cannabis manufacturer that is only transporting hemp for any purpose may staff the transport motor vehicle with only one employee.

(c) A medical cannabis manufacturer may contract with a third party for armored car services for deliveries of medical cannabis from its production facility to distribution facilities. A medical cannabis manufacturer that contracts for armored car services remains responsible for the transportation manifest and inventory tracking requirements in rules adopted by the commissioner.

(d) Department of Health staff may transport medical cannabis for the purposes of delivering medical cannabis and other samples to a laboratory for testing under rules adopted by the commissioner and in cases of special investigations when the commissioner has determined there is a potential threat to public health. The transport motor vehicle must be staffed with a minimum of two Department of Health employees. The employees must carry with them their Department of Health identification card and a transport manifest.

Sec. 50. Minnesota Statutes 2022, section 153A.13, subdivision 3, is amended to read:

Subd. 3. **Hearing instrument aid.** ~~"Hearing instrument aid" means an instrument, or any of its parts, worn in the ear canal and designed to or represented as being able to aid or enhance human hearing. "Hearing instrument" includes the instrument's parts, attachments, or accessories, including, but not limited to, ear molds and behind the ear (BTE) devices with or without an ear mold. Batteries and cords are not parts, attachments, or accessories of a hearing instrument. Surgically implanted hearing instruments, and assistive listening devices not worn within the ear canal, are not hearing instruments.~~ as defined in section 148.512, subdivision 10a.

Sec. 51. Minnesota Statutes 2022, section 153A.13, subdivision 4, is amended to read:

Subd. 4. **Hearing instrument aid dispensing.** ~~"Hearing instrument aid dispensing" means making ear mold impressions, prescribing, or recommending a hearing instrument, assisting the consumer in instrument selection, selling hearing instruments at retail, or testing human hearing in connection with these activities regardless of whether the person conducting these activities has a~~

~~monetary interest in the sale of hearing instruments to the consumer.~~ has the meaning given in section 148.512, subdivision 10b.

Sec. 52. Minnesota Statutes 2022, section 153A.13, subdivision 5, is amended to read:

Subd. 5. **Dispenser of hearing instruments aids.** "Dispenser of hearing ~~instruments aids~~" means a natural person who engages in prescription hearing instrument aid dispensing, whether or not certified by the commissioner of health or licensed by an existing health-related board, except that a person described as follows is not a dispenser of prescription hearing instruments aids:

(1) a student participating in supervised field work that is necessary to meet requirements of an accredited educational program if the student is designated by a title which clearly indicates the student's status as a student trainee; or

(2) a person who helps a dispenser of prescription hearing instruments aids in an administrative or clerical manner and does not engage in prescription hearing instrument aid dispensing.

A person who offers to dispense a prescription hearing instrument aid, or a person who advertises, holds out to the public, or otherwise represents that the person is authorized to dispense prescription hearing instruments aids, must be certified by the commissioner except when the person is an audiologist as defined in section 148.512.

Sec. 53. Minnesota Statutes 2022, section 153A.13, subdivision 6, is amended to read:

Subd. 6. **Advisory council.** "Advisory council" means the Minnesota Hearing ~~Instrument Aid~~ Dispenser Advisory Council, or a committee of ~~it~~ the council, established under section 153A.20.

Sec. 54. Minnesota Statutes 2022, section 153A.13, subdivision 7, is amended to read:

Subd. 7. **ANSI.** "ANSI" means ~~ANSI S3.6-1989, American National Standard Specification for Audiometers from the American National Standards Institute. This document is available through the Minitex interlibrary loan system~~ as defined in the United States Food and Drug Administration, Code of Federal Regulations, title 21, section 874.1050.

Sec. 55. Minnesota Statutes 2022, section 153A.13, subdivision 9, is amended to read:

Subd. 9. **Supervision.** "Supervision" means monitoring activities of, and accepting responsibility for, the prescription hearing instrument aid dispensing activities of a trainee.

Sec. 56. Minnesota Statutes 2022, section 153A.13, subdivision 10, is amended to read:

Subd. 10. **Direct supervision or directly supervised.** "Direct supervision" or "directly supervised" means the on-site and contemporaneous location of a supervisor and trainee, when the supervisor observes the trainee engaging in prescription hearing instrument aid dispensing with a consumer.

Sec. 57. Minnesota Statutes 2022, section 153A.13, subdivision 11, is amended to read:

Subd. 11. **Indirect supervision or indirectly supervised.** "Indirect supervision" or "indirectly supervised" means the remote and independent performance of prescription hearing instrument aid dispensing by a trainee when authorized under section 153A.14, subdivision 4a, paragraph (b).

Sec. 58. Minnesota Statutes 2022, section 153A.13, is amended by adding a subdivision to read:

Subd. 12. **Over-the-counter hearing aid or OTC hearing aid.** "Over-the-counter hearing aid" or "OTC hearing aid" has the meaning given in section 148.512, subdivision 10c.

Sec. 59. Minnesota Statutes 2022, section 153A.13, is amended by adding a subdivision to read:

Subd. 13. **Prescription hearing aid.** "Prescription hearing aid" has the meaning given in section 148.512, subdivision 13a.

Sec. 60. Minnesota Statutes 2022, section 153A.14, subdivision 1, is amended to read:

Subdivision 1. **Application for certificate.** An applicant must:

- (1) be 21 years of age or older;
- (2) apply to the commissioner for a certificate to dispense prescription hearing instruments aids on application forms provided by the commissioner;
- (3) at a minimum, provide the applicant's name, Social Security number, business address and phone number, employer, and information about the applicant's education, training, and experience in testing human hearing and fitting prescription hearing instruments aids;
- (4) include with the application a statement that the statements in the application are true and correct to the best of the applicant's knowledge and belief;
- (5) include with the application a written and signed authorization that authorizes the commissioner to make inquiries to appropriate regulatory agencies in this or any other state where the applicant has sold prescription hearing instruments aids;
- (6) submit certification to the commissioner that the applicant's audiometric equipment has been calibrated to meet current ANSI standards within 12 months of the date of the application;
- (7) submit evidence of continuing education credits, if required;
- (8) submit all fees as required under section 153A.17; and
- (9) consent to a fingerprint-based criminal history records check required under section 144.0572, pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal background check if more than one year has elapsed since the applicant last applied for a license.

Sec. 61. Minnesota Statutes 2022, section 153A.14, subdivision 2, is amended to read:

Subd. 2. **Issuance of certificate.** (a) The commissioner shall issue a certificate to each dispenser of prescription hearing instruments aids who applies under subdivision 1 if the commissioner

determines that the applicant is in compliance with this chapter, has passed an examination administered by the commissioner, has met the continuing education requirements, if required, and has paid the fee set by the commissioner. The commissioner may reject or deny an application for a certificate if there is evidence of a violation or failure to comply with this chapter.

(b) The commissioner shall not issue a certificate to an applicant who refuses to consent to a criminal history background check as required by section 144.0572 within 90 days after submission of an application or fails to submit fingerprints to the Department of Human Services. Any fees paid by the applicant to the Department of Health shall be forfeited if the applicant refuses to consent to the background study.

Sec. 62. Minnesota Statutes 2022, section 153A.14, subdivision 2h, is amended to read:

Subd. 2h. **Certification by examination.** An applicant must achieve a passing score, as determined by the commissioner, on an examination according to paragraphs (a) to (c).

(a) The examination must include, but is not limited to:

(1) A written examination approved by the commissioner covering the following areas as they pertain to prescription hearing instrument aid selling:

(i) basic physics of sound;

(ii) the anatomy and physiology of the ear;

(iii) the function of prescription hearing instruments aids; and

(iv) the principles of prescription hearing instrument aid selection.

(2) Practical tests of proficiency in the following techniques as they pertain to prescription hearing instrument aid selling:

(i) pure tone audiometry, including air conduction testing and bone conduction testing;

(ii) live voice or recorded voice speech audiometry including speech recognition (discrimination) testing, most comfortable loudness level, and uncomfortable loudness measurements of tolerance thresholds;

(iii) masking when indicated;

(iv) recording and evaluation of audiograms and speech audiometry to determine proper selection and fitting of a prescription hearing instrument aid;

(v) taking ear mold impressions;

(vi) using an otoscope for the visual observation of the entire ear canal; and

(vii) state and federal laws, rules, and regulations.

(b) The practical examination shall be administered by the commissioner at least twice a year.

(c) An applicant must achieve a passing score on all portions of the examination within a two-year period. An applicant who does not achieve a passing score on all portions of the examination within a two-year period must retake the entire examination and achieve a passing score on each portion of the examination. An applicant who does not apply for certification within one year of successful completion of the examination must retake the examination and achieve a passing score on each portion of the examination. An applicant may not take any part of the practical examination more than three times in a two-year period.

Sec. 63. Minnesota Statutes 2022, section 153A.14, subdivision 2i, is amended to read:

Subd. 2i. **Continuing education requirement.** On forms provided by the commissioner, each certified dispenser must submit with the application for renewal of certification evidence of completion of ten course hours of continuing education earned within the 12-month period of November 1 to October 31, between the effective and expiration dates of certification. Continuing education courses must be directly related to prescription hearing instrument aid dispensing and approved by the International Hearing Society, the American Speech-Language-Hearing Association, or the American Academy of Audiology. Evidence of completion of the ten course hours of continuing education must be submitted by December 1 of each year. This requirement does not apply to dispensers certified for less than one year.

Sec. 64. Minnesota Statutes 2022, section 153A.14, subdivision 2j, is amended to read:

Subd. 2j. **Required use of certification number.** The certification holder must use the certification number on all contracts, bills of sale, and receipts used in the sale of prescription hearing instruments aids.

Sec. 65. Minnesota Statutes 2022, section 153A.14, subdivision 4, is amended to read:

Subd. 4. **Dispensing of prescription hearing instruments aids without certificate.** Except as provided in subdivisions 4a and 4c, and in sections 148.512 to 148.5198, it is unlawful for any person not holding a valid certificate to dispense a prescription hearing instrument aid as defined in section 153A.13, subdivision 3. A person who dispenses a prescription hearing instrument aid without the certificate required by this section is guilty of a gross misdemeanor.

Sec. 66. Minnesota Statutes 2022, section 153A.14, subdivision 4a, is amended to read:

Subd. 4a. **Trainees.** (a) A person who is not certified under this section may dispense prescription hearing instruments aids as a trainee for a period not to exceed 12 months if the person:

- (1) submits an application on forms provided by the commissioner;
- (2) is under the supervision of a certified dispenser meeting the requirements of this subdivision;
- (3) meets all requirements for certification except passage of the examination required by this section; and
- (4) uses the title "dispenser trainee" in contacts with the patients, clients, or consumers.

(b) A certified prescription hearing instrument aid dispenser may not supervise more than two trainees at the same time and may not directly supervise more than one trainee at a time. The certified

dispenser is responsible for all actions or omissions of a trainee in connection with the dispensing of prescription hearing instruments aids. A certified dispenser may not supervise a trainee if there are any commissioner, court, or other orders, currently in effect or issued within the last five years, that were issued with respect to an action or omission of a certified dispenser or a trainee under the certified dispenser's supervision.

Until taking and passing the practical examination testing the techniques described in subdivision 2h, paragraph (a), clause (2), trainees must be directly supervised in all areas described in subdivision 4b, and the activities tested by the practical examination. Thereafter, trainees may dispense prescription hearing instruments aids under indirect supervision until expiration of the trainee period. Under indirect supervision, the trainee must complete two monitored activities a week. Monitored activities may be executed by correspondence, telephone, or other telephonic devices, and include, but are not limited to, evaluation of audiograms, written reports, and contracts. The time spent in supervision must be recorded and the record retained by the supervisor.

Sec. 67. Minnesota Statutes 2022, section 153A.14, subdivision 4b, is amended to read:

Subd. 4b. **Prescription hearing testing protocol.** A dispenser when conducting a hearing test for the purpose of prescription hearing instrument aid dispensing must:

(1) comply with the United States Food and Drug Administration warning regarding potential medical conditions required by Code of Federal Regulations, title 21, section ~~801.420~~ 801.422;

(2) complete a case history of the client's hearing;

(3) inspect the client's ears with an otoscope; and

(4) conduct the following tests on both ears of the client and document the results, and if for any reason one of the following tests cannot be performed pursuant to the United States Food and Drug Administration guidelines, an audiologist shall evaluate the hearing and the need for a prescription hearing instrument aid:

(i) air conduction at 250, 500, 1,000, 2,000, 4,000, and 8,000 Hertz. When a difference of 20 dB or more occurs between adjacent octave frequencies the interoctave frequency must be tested;

(ii) bone conduction at 500, 1,000, 2,000, and 4,000 Hertz for any frequency where the air conduction threshold is greater than 15 dB HL;

(iii) monaural word recognition (discrimination), with a minimum of 25 words presented for each ear; and

(iv) loudness discomfort level, monaural, for setting a prescription hearing instrument's aid's maximum power output; and

(5) include masking in all tests whenever necessary to ensure accurate results.

Sec. 68. Minnesota Statutes 2022, section 153A.14, subdivision 4c, is amended to read:

Subd. 4c. **Reciprocity.** (a) A person who has dispensed prescription hearing instruments aids in another jurisdiction may dispense prescription hearing instruments aids as a trainee under indirect supervision if the person:

(1) satisfies the provisions of subdivision 4a, paragraph (a);

(2) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 153A.15, subdivision 1; and

(3) provides a copy of a current credential as a prescription hearing instrument aid dispenser held in the District of Columbia or a state or territory of the United States.

(b) A person becoming a trainee under this subdivision who fails to take and pass the practical examination described in subdivision 2h, paragraph (a), clause (2), when next offered must cease dispensing prescription hearing instruments aids unless under direct supervision.

Sec. 69. Minnesota Statutes 2022, section 153A.14, subdivision 4e, is amended to read:

Subd. 4e. **Prescription hearing aids; enforcement.** Costs incurred by the Minnesota Department of Health for conducting investigations of unlicensed prescription hearing aid dispensers dispensing shall be apportioned between all licensed or credentialed professions that dispense prescription hearing aids.

Sec. 70. Minnesota Statutes 2022, section 153A.14, subdivision 6, is amended to read:

Subd. 6. **Prescription hearing instruments aids to comply with federal and state requirements.** The commissioner shall ensure that prescription hearing instruments aids are dispensed in compliance with state requirements and the requirements of the United States Food and Drug Administration. Failure to comply with state or federal regulations may be grounds for enforcement actions under section 153A.15, subdivision 2.

Sec. 71. Minnesota Statutes 2022, section 153A.14, subdivision 9, is amended to read:

Subd. 9. **Consumer rights.** A prescription hearing instrument aid dispenser shall comply with the requirements of sections 148.5195, subdivision 3, clause (20); 148.5197; and 148.5198.

Sec. 72. Minnesota Statutes 2022, section 153A.14, subdivision 11, is amended to read:

Subd. 11. **Requirement to maintain current information.** A dispenser must notify the commissioner in writing within 30 days of the occurrence of any of the following:

(1) a change of name, address, home or business telephone number, or business name;

(2) the occurrence of conduct prohibited by section 153A.15;

(3) a settlement, conciliation court judgment, or award based on negligence, intentional acts, or contractual violations committed in the dispensing of prescription hearing instruments aids by the dispenser; and

(4) the cessation of prescription hearing instrument aid dispensing activities as an individual or a business.

Sec. 73. Minnesota Statutes 2022, section 153A.14, is amended by adding a subdivision to read:

Subd. 12. **Over-the-counter hearing aids.** Nothing in this chapter shall preclude certified hearing aid dispensers from dispensing or selling over-the-counter hearing aids.

Sec. 74. Minnesota Statutes 2022, section 153A.15, subdivision 1, is amended to read:

Subdivision 1. **Prohibited acts.** The commissioner may take enforcement action as provided under subdivision 2 against a dispenser of prescription hearing instruments aids for the following acts and conduct:

(1) dispensing a prescription hearing instrument aid to a minor person 18 years or younger unless evaluated by an audiologist for hearing evaluation and prescription hearing aid evaluation;

(2) being disciplined through a revocation, suspension, restriction, or limitation by another state for conduct subject to action under this chapter;

(3) presenting advertising that is false or misleading;

(4) providing the commissioner with false or misleading statements of credentials, training, or experience;

(5) engaging in conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a consumer;

(6) splitting fees or promising to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(7) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(8) obtaining money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(9) performing the services of a certified hearing instrument aid dispenser in an incompetent or negligent manner;

(10) failing to comply with the requirements of this chapter as an employer, supervisor, or trainee;

(11) failing to provide information in a timely manner in response to a request by the commissioner, commissioner's designee, or the advisory council;

(12) being convicted within the past five years of violating any laws of the United States, or any state or territory of the United States, and the violation is a felony, gross misdemeanor, or misdemeanor, an essential element of which relates to prescription hearing instrument aid dispensing, except as provided in chapter 364;

(13) failing to cooperate with the commissioner, the commissioner's designee, or the advisory council in any investigation;

(14) failing to perform prescription hearing instrument aid dispensing with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(15) failing to fully disclose actions taken against the applicant or the applicant's legal authorization to dispense prescription hearing instruments aids in this or another state;

(16) violating a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the applicant in prescription hearing instrument aid dispensing;

(17) having been or being disciplined by the commissioner of the Department of Health, or other authority, in this or another jurisdiction, if any of the grounds for the discipline are the same or substantially equivalent to those in sections 153A.13 to 153A.18;

(18) misrepresenting the purpose of hearing tests, or in any way communicating that the hearing test or hearing test protocol required by section 153A.14, subdivision 4b, is a medical evaluation, a diagnostic hearing evaluation conducted by an audiologist, or is other than a test to select a prescription hearing instrument aid, except that the prescription hearing instrument aid dispenser can determine the need for or recommend the consumer obtain a medical evaluation consistent with requirements of the United States Food and Drug Administration;

(19) violating any of the provisions of sections 148.5195, subdivision 3, clause (20); 148.5197; 148.5198; and 153A.13 to 153A.18; and

(20) aiding or abetting another person in violating any of the provisions of sections 148.5195, subdivision 3, clause (20); 148.5197; 148.5198; and 153A.13 to 153A.18.

Sec. 75. Minnesota Statutes 2022, section 153A.15, subdivision 2, is amended to read:

Subd. 2. **Enforcement actions.** When the commissioner finds that a dispenser of prescription hearing instruments aids has violated one or more provisions of this chapter, the commissioner may do one or more of the following:

(1) deny or reject the application for a certificate;

(2) revoke the certificate;

(3) suspend the certificate;

(4) impose, for each violation, a civil penalty that deprives the dispenser of any economic advantage gained by the violation and that reimburses the Department of Health for costs of the investigation and proceeding resulting in disciplinary action, including the amount paid for services of the Office of Administrative Hearings, the amount paid for services of the Office of the Attorney General, attorney fees, court reporters, witnesses, reproduction of records, advisory council members' per diem compensation, department staff time, and expenses incurred by advisory council members and department staff;

(5) censure or reprimand the dispenser;

- (6) revoke or suspend the right to supervise trainees;
- (7) revoke or suspend the right to be a trainee;
- (8) impose a civil penalty not to exceed \$10,000 for each separate violation; or
- (9) any other action reasonably justified by the individual case.

Sec. 76. Minnesota Statutes 2022, section 153A.15, subdivision 4, is amended to read:

Subd. 4. **Penalties.** Except as provided in section 153A.14, subdivision 4, a person violating this chapter is guilty of a misdemeanor. The commissioner may impose an automatic civil penalty equal to one-fourth the renewal fee on each prescription hearing instrument seller aid dispenser who fails to renew the certificate required in section 153A.14 by the renewal deadline.

Sec. 77. Minnesota Statutes 2022, section 153A.17, is amended to read:

153A.17 EXPENSES; FEES.

(a) The expenses for administering the certification requirements, including the complaint handling system for prescription hearing aid dispensers in sections 153A.14 and 153A.15, and the Consumer Information Center under section 153A.18, must be paid from initial application and examination fees, renewal fees, penalties, and fines. The commissioner shall only use fees collected under this section for the purposes of administering this chapter. The legislature must not transfer money generated by these fees from the state government special revenue fund to the general fund. ~~Surcharges collected by the commissioner of health under section 16E.22 are not subject to this paragraph.~~

(b) The fees are as follows:

- (1) the initial certification application fee is \$772.50;
- (2) the annual renewal certification application fee is \$750;
- (3) the initial examination fee for the practical portion is \$1,200, and \$600 for each time it is taken, thereafter; for individuals meeting the requirements of section 148.515, subdivision 2, the fee for the practical portion of the prescription hearing instrument aid dispensing examination is \$600 each time it is taken;
- (4) the trainee application fee is \$230;
- (5) the penalty fee for late submission of a renewal application is \$260; and
- (6) the fee for verification of certification to other jurisdictions or entities is \$25.

(c) The commissioner may prorate the certification fee for new applicants based on the number of quarters remaining in the annual certification period.

(d) All fees are nonrefundable. All fees, penalties, and fines received must be deposited in the state government special revenue fund.

(e) Hearing instrument dispensers who were certified before January 1, 2018, shall pay a onetime surcharge of \$22.50 to renew their certification when it expires after October 31, 2020. The surcharge shall cover the commissioner's costs associated with criminal background checks.

Sec. 78. Minnesota Statutes 2022, section 153A.175, is amended to read:

153A.175 PENALTY FEES.

(a) The penalty fee for holding oneself out as a hearing ~~instrument~~ aid dispenser without a current certificate after the credential has expired and before it is renewed is one-half the amount of the certificate renewal fee for any part of the first day, plus one-half the certificate renewal fee for any part of any subsequent days up to 30 days.

(b) The penalty fee for applicants who hold themselves out as hearing ~~instrument~~ aid dispensers after expiration of the trainee period and before being issued a certificate is one-half the amount of the certificate application fee for any part of the first day, plus one-half the certificate application fee for any part of any subsequent days up to 30 days. This paragraph does not apply to applicants not qualifying for a certificate who hold themselves out as hearing ~~instrument~~ aid dispensers.

(c) The penalty fee for practicing prescription hearing ~~instrument~~ aid dispensing and failing to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is \$200 plus \$200 for each missing clock hour. "Missing" means not obtained between the effective and expiration dates of the certificate, the one-month period following the certificate expiration date, or the 30 days following notice of a penalty fee for failing to report all continuing education hours. The certificate holder must obtain the missing number of continuing education hours by the next reporting due date.

(d) Civil penalties and discipline incurred by certificate holders prior to August 1, 2005, for conduct described in paragraph (a), (b), or (c) shall be recorded as nondisciplinary penalty fees. Payment of a penalty fee does not preclude any disciplinary action reasonably justified by the individual case.

Sec. 79. Minnesota Statutes 2022, section 153A.18, is amended to read:

153A.18 CONSUMER INFORMATION CENTER.

The commissioner shall establish a Consumer Information Center to assist actual and potential purchasers of prescription hearing aids by providing them with information regarding prescription hearing ~~instrument~~ aid sales. The Consumer Information Center shall disseminate information about consumers' legal rights related to prescription hearing ~~instrument~~ aid sales, provide information relating to complaints about dispensers of prescription hearing ~~instruments~~ aids, and provide information about outreach and advocacy services for consumers of prescription hearing ~~instruments~~ aids. In establishing the center and developing the information, the commissioner shall consult with representatives of prescription hearing ~~instrument~~ aid dispensers, audiologists, physicians, and consumers.

Sec. 80. Minnesota Statutes 2022, section 153A.20, is amended to read:

153A.20 HEARING INSTRUMENT AID DISPENSER ADVISORY COUNCIL.

Subdivision 1. **Membership.** (a) The commissioner shall appoint seven persons to a Hearing ~~Instrument~~ Aid Dispenser Advisory Council.

(b) The seven persons must include:

(1) three public members, as defined in section 214.02. At least one of the public members shall be a prescription hearing instrument aid user and one of the public members shall be either a prescription hearing instrument aid user or an advocate of one;

(2) three hearing instrument aid dispensers certified under sections 153A.14 to 153A.20, each of whom is currently, and has been for the five years immediately preceding their appointment, engaged in prescription hearing instrument aid dispensing in Minnesota and who represent the occupation of prescription hearing instrument aid dispensing and who are not audiologists; and

(3) one audiologist licensed as an audiologist under chapter 148 who dispenses prescription hearing instruments aids, recommended by a professional association representing audiologists and speech-language pathologists.

(c) The factors the commissioner may consider when appointing advisory council members include, but are not limited to, professional affiliation, geographical location, and type of practice.

(d) No two members of the advisory council shall be employees of, or have binding contracts requiring sales exclusively for, the same prescription hearing instrument aid manufacturer or the same employer.

Subd. 2. **Organization.** The advisory council shall be organized and administered according to section 15.059. The council may form committees to carry out its duties.

Subd. 3. **Duties.** At the commissioner's request, the advisory council shall:

(1) advise the commissioner regarding hearing instrument aid dispenser certification standards;

(2) provide for distribution of information regarding hearing instrument aid dispenser certification standards;

(3) review investigation summaries of competency violations and make recommendations to the commissioner as to whether the allegations of incompetency are substantiated; and

(4) perform other duties as directed by the commissioner.

Sec. 81. Minnesota Statutes 2022, section 256B.434, subdivision 4f, is amended to read:

Subd. 4f. **Construction project rate adjustments effective October 1, 2006.** (a) Effective October 1, 2006, facilities reimbursed under this section may receive a property rate adjustment for construction projects exceeding the threshold in section 256B.431, subdivision 16, and below the threshold in section 144A.071, subdivision 2, ~~clause (a) paragraph (c), clause (1)~~. For these projects, capital assets purchased shall be counted as construction project costs for a rate adjustment request made by a facility if they are: (1) purchased within 24 months of the completion of the construction project; (2) purchased after the completion date of any prior construction project; and (3) are not purchased prior to July 14, 2005. Except as otherwise provided in this subdivision, the definitions,

rate calculation methods, and principles in sections 144A.071 and 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, shall be used to calculate rate adjustments for allowable construction projects under this subdivision and section 144A.073. Facilities completing construction projects between October 1, 2005, and October 1, 2006, are eligible to have a property rate adjustment effective October 1, 2006. Facilities completing projects after October 1, 2006, are eligible for a property rate adjustment effective on the first day of the month following the completion date. Facilities completing projects after January 1, 2018, are eligible for a property rate adjustment effective on the first day of the month of January or July, whichever occurs immediately following the completion date.

(b) Notwithstanding subdivision 18, as of July 14, 2005, facilities with rates set under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, that commenced a construction project on or after October 1, 2004, and do not have a contract under subdivision 3 by September 30, 2006, are eligible to request a rate adjustment under section 256B.431, subdivision 10, through September 30, 2006. If the request results in the commissioner determining a rate adjustment is allowable, the rate adjustment is effective on the first of the month following project completion. These facilities shall be allowed to accumulate construction project costs for the period October 1, 2004, to September 30, 2006.

(c) Facilities shall be allowed construction project rate adjustments no sooner than 12 months after completing a previous construction project. Facilities must request the rate adjustment according to section 256B.431, subdivision 10.

(d) Capacity days shall be computed according to Minnesota Rules, part 9549.0060, subpart 11. For rate calculations under this section, the number of licensed beds in the nursing facility shall be the number existing after the construction project is completed and the number of days in the nursing facility's reporting period shall be 365.

(e) The value of assets to be recognized for a total replacement project as defined in section 256B.431, subdivision 17d, shall be computed as described in clause (1). The value of assets to be recognized for all other projects shall be computed as described in clause (2).

(1) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation. If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under section 144A.073, the assets to be used in the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit under section 144A.071, subdivision 2, paragraph ~~(a)~~ (c), clause (1). Applicable credits must be deducted from the cost of the construction project.

(2)(i) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under section 256B.431, subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation.

(ii) The value of a facility's assets to be compared to the amount in item (i) begins with the total appraised value from the last rate notice a facility received when its rates were set under section

256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080. This value shall be indexed by the factor in section 256B.431, subdivision 3f, paragraph (a), for each rate year the facility received an inflation factor on its property-related rate when its rates were set under this section. The value of assets listed as previous capital additions, capital additions, and special projects on the facility's base year rate notice and the value of assets related to a construction project for which the facility received a rate adjustment when its rates were determined under this section shall be added to the indexed appraised value.

(iii) The maximum amount of assets to be recognized in computing a facility's rate adjustment after a project is completed is the lesser of the aggregate replacement-cost-new limit computed in (i) minus the assets recognized in (ii) or the actual allowable costs of the construction project.

(iv) If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under section 144A.073, the assets to be added to the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit stated in section 144A.071, subdivision 2, paragraph ~~(a)~~ (c), clause (1). Assets disposed of as a result of a construction project and applicable credits must be deducted from the cost of the construction project.

(f) For construction projects approved under section 144A.073, allowable debt may never exceed the lesser of the cost of the assets purchased, the threshold limit in section 144A.071, subdivision 2, or the replacement-cost-new limit less previously existing capital debt.

(g) For construction projects that were not approved under section 144A.073, allowable debt is limited to the lesser of the threshold in section 144A.071, subdivision 2, for such construction projects or the applicable limit in paragraph (e), clause (1) or (2), less previously existing capital debt. Amounts of debt taken out that exceed the costs of a construction project shall not be allowed regardless of the use of the funds.

For all construction projects being recognized, interest expense and average debt shall be computed based on the first 12 months following project completion. "Previously existing capital debt" means capital debt recognized on the last rate determined under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, and the amount of debt recognized for a construction project for which the facility received a rate adjustment when its rates were determined under this section.

For a total replacement project as defined in section 256B.431, subdivision 17d, the value of previously existing capital debt shall be zero.

(h) In addition to the interest expense allowed from the application of paragraph (f), the amounts allowed under section 256B.431, subdivision 17a, paragraph (a), clauses (2) and (3), will be added to interest expense.

(i) The equity portion of the construction project shall be computed as the allowable assets in paragraph (e), less the average debt in paragraph (f). The equity portion must be multiplied by 5.66 percent and the allowable interest expense in paragraph (f) must be added. This sum must be divided by 95 percent of capacity days to compute the construction project rate adjustment.

(j) For projects that are not a total replacement of a nursing facility, the amount in paragraph (i) is adjusted for nonreimbursable areas and then added to the current property payment rate of the facility.

(k) For projects that are a total replacement of a nursing facility, the amount in paragraph (i) becomes the new property payment rate after being adjusted for nonreimbursable areas. Any amounts existing in a facility's rate before the effective date of the construction project for equity incentives under section 256B.431, subdivision 16; capital repairs and replacements under section 256B.431, subdivision 15; or refinancing incentives under section 256B.431, subdivision 19, shall be removed from the facility's rates.

(l) No additional equipment allowance is allowed under Minnesota Rules, part 9549.0060, subpart 10, as the result of construction projects under this section. Allowable equipment shall be included in the construction project costs.

(m) Capital assets purchased after the completion date of a construction project shall be counted as construction project costs for any future rate adjustment request made by a facility under section 144A.071, subdivision 2, ~~clause (a) paragraph (c), clause (1)~~, if they are purchased within 24 months of the completion of the future construction project.

(n) In subsequent rate years, the property payment rate for a facility that results from the application of this subdivision shall be the amount inflated in subdivision 4.

(o) Construction projects are eligible for an equity incentive under section 256B.431, subdivision 16. When computing the equity incentive for a construction project under this subdivision, only the allowable costs and allowable debt related to the construction project shall be used. The equity incentive shall not be a part of the property payment rate and not inflated under subdivision 4. Effective October 1, 2006, all equity incentives for nursing facilities reimbursed under this section shall be allowed for a duration determined under section 256B.431, subdivision 16, paragraph (c).

Sec. 82. EFFECTIVE DATE CHANGE.

The effective date for 2023 H.F. 100, article 6, section 24, if enacted during the 2023 regular legislative session, is July 1, 2023. This section prevails over any contrary effective date for H.F. 100, article 6, section 24, enacted during the 2023 regular legislative session, regardless of order of enactment.

Sec. 83. REPEALER.

(a) Minnesota Statutes 2022, section 144.9505, subdivision 3, is repealed.

(b) Minnesota Statutes 2022, section 153A.14, subdivision 5, is repealed.

(c) Minnesota Rules, parts 4640.1500; 4640.1600; 4640.1700; 4640.1800; 4640.1900; 4640.2000; 4640.2100; 4640.2200; 4640.2300; 4640.2400; 4640.2500; 4640.2600; 4640.2700; 4640.2800; 4640.2900; 4640.3000; 4640.3100; 4640.3200; 4640.3300; 4640.3400; 4640.3500; 4640.3600; 4640.3700; 4640.3800; 4640.3900; 4640.4000; 4640.4100; 4640.4200; 4640.4300; 4640.6100; 4640.6200; 4640.6300; 4640.6400; 4645.0300; 4645.0400; 4645.0500; 4645.0600; 4645.0700; 4645.0800; 4645.0900; 4645.1000; 4645.1100; 4645.1200; 4645.1300; 4645.1400; 4645.1500;

4645.1600; 4645.1700; 4645.1800; 4645.1900; 4645.2000; 4645.2100; 4645.2200; 4645.2300; 4645.2400; 4645.2500; 4645.2600; 4645.2700; 4645.2800; 4645.2900; 4645.3000; 4645.3100; 4645.3200; 4645.3300; 4645.3400; 4645.3500; 4645.3600; 4645.3700; 4645.3800; 4645.3805; 4645.3900; 4645.4000; 4645.4100; 4645.4200; 4645.4300; 4645.4400; 4645.4500; 4645.4600; 4645.4700; 4645.4800; 4645.4900; 4645.5100; and 4645.5200, are repealed effective January 1, 2024.

ARTICLE 4

DEPARTMENT OF HEALTH

Section 1. Minnesota Statutes 2022, section 12A.08, subdivision 3, is amended to read:

Subd. 3. **Implementation.** To implement the requirements of this section, the commissioner may cooperate with private health care providers and facilities, Tribal nations, and community health boards as defined in section 145A.02_; provide grants to assist community health boards; and Tribal nations; use volunteer services of individuals qualified to provide public health services_; and enter into cooperative or mutual aid agreements to provide public health services.

Sec. 2. Minnesota Statutes 2022, section 13.10, subdivision 5, is amended to read:

Subd. 5. **Adoption records.** Notwithstanding any provision of this or any other chapter, adoption records shall be treated as provided in sections 259.53, 259.61, 259.79, and 259.83 to ~~259.89~~ 259.88.

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

Sec. 3. Minnesota Statutes 2022, section 13.465, subdivision 8, is amended to read:

Subd. 8. **Adoption records.** Various adoption records are classified under section 259.53, subdivision 1. Access to the original birth record of a person who has been adopted is governed by section ~~259.89~~ 144.2252.

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

Sec. 4. Minnesota Statutes 2022, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in the settlement account established in the opiate epidemic response fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor, the commissioner shall deposit any money received into the settlement account established within the opiate epidemic response fund under section 256.042, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph (d).

(h) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of electronic nicotine delivery systems in this state or other alleged illegal actions that contributed to the exacerbation of youth nicotine use, must be deposited in the tobacco use prevention account under section 144.398. This paragraph does not apply to: (1) attorney fees and costs awarded or paid to the state or the Attorney General's Office; (2) contract attorneys hired by the state or Attorney General's Office; or (3) other state agency attorneys. The commissioner of management and budget must transfer to the tobacco use prevention account, any money subject to this paragraph that is received by the state before the enactment of this paragraph.

EFFECTIVE DATE. This section is effective retroactively from April 1, 2023, and applies to settlement agreements or assurances of discontinuance entered into, or court orders issued, on or after that date.

Sec. 5. Minnesota Statutes 2022, section 1031.005, subdivision 17a, is amended to read:

Subd. 17a. ~~Temporary boring~~ **Submerged closed loop heat exchanger.** ~~"Temporary boring"~~ "Submerged closed loop heat exchanger" means an excavation that is 15 feet or more in depth, is sealed within 72 hours of the time of construction, and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to a heating and cooling device that:

(1) conduct physical, chemical, or biological testing of groundwater, including groundwater quality monitoring is installed in a water supply well;

(2) monitor or measure physical, chemical, radiological, or biological parameters of earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or resistancee utilizes the convective flow of groundwater as the primary medium of heat exchange;

(3) measure groundwater levels, including use of a piezometer contains water as the heat transfer fluid; and

(4) determine groundwater flow direction or velocity operates using a nonconsumptive recirculation.

A submerged closed loop heat exchanger includes other necessary appurtenances such as submersible pumps, a heat exchanger, and piping.

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

Sec. 6. Minnesota Statutes 2022, section 103I.005, is amended by adding a subdivision to read:

Subd. 17b. **Temporary boring.** "Temporary boring" means an excavation that is 15 feet or more in depth, is sealed within 72 hours of the time of construction, and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:

(1) conduct physical, chemical, or biological testing of groundwater, including groundwater quality monitoring;

(2) monitor or measure physical, chemical, radiological, or biological parameters of earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or resistance;

(3) measure groundwater levels, including use of a piezometer; and

(4) determine groundwater flow direction or velocity.

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

Sec. 7. Minnesota Statutes 2022, section 103I.005, subdivision 20a, is amended to read:

Subd. 20a. **Water supply well.** "Water supply well" means a well that is not a dewatering well or environmental well and includes wells used:

(1) for potable water supply;

(2) for irrigation;

(3) for agricultural, commercial, or industrial water supply;

(4) for heating or cooling; ~~and~~

(5) for containing a submerged closed loop heat exchanger; and

(6) for testing water yield for irrigation, commercial or industrial uses, residential supply, or public water supply.

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

Sec. 8. Minnesota Statutes 2022, section 103I.208, subdivision 2, is amended to read:

Subd. 2. **Permit fee.** The permit fee to be paid by a property owner is:

(1) for a water supply well that is not in use under a maintenance permit, \$175 annually;

(2) for an environmental well that is unsealed under a maintenance permit, \$175 annually except no fee is required for an environmental well owned by a federal agency, state agency, or local unit of government that is unsealed under a maintenance permit. "Local unit of government" means a statutory or home rule charter city, town, county, or soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, a community health board, or other special purpose district or authority with local jurisdiction in water and related land resources management;

(3) for environmental wells that are unsealed under a maintenance permit, \$175 annually per site regardless of the number of environmental wells located on site;

(4) for a groundwater thermal exchange device, in addition to the notification fee for water supply wells, \$275, which includes the state core function fee;

(5) for a bored geothermal heat exchanger with less than ten tons of heating/cooling capacity, \$275;

(6) for a bored geothermal heat exchanger with ten to 50 tons of heating/cooling capacity, \$515;

(7) for a bored geothermal heat exchanger with greater than 50 tons of heating/cooling capacity, \$740;

(8) for a dewatering well that is unsealed under a maintenance permit, \$175 annually for each dewatering well, except a dewatering project comprising more than five dewatering wells shall be issued a single permit for \$875 annually for dewatering wells recorded on the permit; ~~and~~

(9) for an elevator boring, \$275 for each boring; and

(10) for a submerged closed loop heat exchanger system, in addition to the notification fee for water supply wells, \$3,250, which includes the state core function fee.

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

Sec. 9. Minnesota Statutes 2022, section 103I.208, is amended by adding a subdivision to read:

Subd. 3. **Rules.** The commissioner shall adopt rules to implement requirements for the permitting and installation of submerged closed loop heat exchangers according to chapter 14. The commissioner may use the monitoring data required by section 107, to amend rules governing the installation of submerged closed loop heat exchanger systems. Rules for which notice is published in the State Register before December 31, 2025, may be adopted using the expedited rulemaking process in section 14.389, subdivision 5.

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

Sec. 10. **[103I.209] SUBMERGED CLOSED LOOP HEAT EXCHANGER SYSTEM; REQUIREMENTS.**

Subdivision 1. **Permit required.** After the effective date of this section, a person must not install a submerged closed loop heat exchanger in a water supply well without a permit granted by the commissioner. A submerged closed loop heat exchanger system approved by a variance granted by the commissioner prior to the effective date of this section may continue to operate without obtaining a permit under this section or section 103I.210.

Subd. 2. **Construction.** (a) A water supply well constructed to house a submerged closed loop heat exchanger must be constructed by a licensed well contractor and the submerged closed loop heat exchanger must be installed by a licensed well contractor.

(b) The commissioner may consider a variance under Minnesota Rules, part 4725.0410, to the screen configuration requirements under Minnesota Rules, part 4725.2750, to allow any combination of screen, casing, leader, riser, sump, or other piping so long as the screen configuration does not interconnect aquifers or extend through a confining layer. The commissioner must consider rules for these screen configurations during the expedited rulemaking process authorized by section 103I.208, subdivision 3.

(c) A water supply well used for a submerged closed loop heat exchanger must comply with the requirements of this chapter and Minnesota Rules, chapter 4725.

Subd. 3. **Heat transfer fluid.** Water used as heat transfer fluid must be sourced from a potable supply. The heat transfer fluid may be amended with additives to inhibit corrosion or microbial activity. Any additive used must be ANSI/NSF-60 certified.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on December 31 of the year that the permanent rules are adopted pursuant to section 103I.208, subdivision 3.

Sec. 11. **[103I.210] SUBMERGED CLOSED LOOP HEAT EXCHANGER SYSTEM; TEMPORARY PERMITS.**

Subdivision 1. **Definition.** For purposes of this section, "permit holder" means persons who receive a permit under this section and includes the property owner and licensed well contractor.

Subd. 2. **Permit; limitations.** (a) The commissioner must issue a permit for the installation of a submerged closed loop heat exchanger system as provided in this section. The property owner or the property owner's agent must submit to the commissioner a permit application on a form provided

by the commissioner, or in a format approved by the commissioner. The application must be legible and must contain:

(1) the name, license number, and signature of the well contractor installing the submerged closed loop heat exchanger;

(2) the name, address, and signature of the owner of the submerged closed loop heat exchanger system, and property owner, if different;

(3) the township number, range number, section, and one quartile, and the property street address if assigned, of the proposed submerged closed loop heat exchanger system;

(4) a description of existing wells to be utilized or any wells proposed to be constructed including the unique well numbers, locations, well depth, diameters of bore holes and casing, depth of casing, grouting methods and materials, and dates of construction;

(5) the specifications for piping including the materials to be used for piping, the closed loop water treatment protocol, and the provisions for pressure testing the system;

(6) a diagram of the proposed system; and

(7) any additional information the commissioner deems necessary to protect the public health and safety of the groundwater.

(b) The fees collected under this subdivision must be deposited in the state government special revenue fund.

(c) Permit holders must allow for the inspection of the submerged closed loop heat exchanger system by the commissioner during working hours.

(d) The commissioner must not limit the number of permits available for submerged closed loop heat exchanger systems or the size of systems. A system may consist of more than one submerged closed loop heat exchanger. A variance is not required to install or operate a submerged closed loop heat exchanger in the water supply well.

(e) Permit holders must comply with this section, this chapter, and Minnesota Rules, chapter 4725.

(f) A permit holder must inform the Minnesota Duty Officer of the failure or leak of a submerged closed loop heat exchanger.

(g) A water supply well containing a submerged closed loop heat exchanger must meet the isolation distance requirements under Minnesota Rules, part 4725.4450. The commissioner may consider a variance under Minnesota Rules, part 4725.0410, to the isolation distance requirements under Minnesota Rules, part 4725.4450, for a water supply well containing a submerged closed loop heat exchanger for the sole purpose of heating and cooling if the property on which the water supply well will be located has limited space and a water supply well cannot be constructed to meet isolation distance requirements. The commissioner shall consider including isolation distance requirements during the expedited rulemaking process authorized by section 103I.208, subdivision 3.

Subd. 3. **Permit conditions.** Permit holders must construct, install, operate, maintain, and report on the submerged closed loop heat exchanger system to comply with permit conditions identified by the commissioner, which must address:

- (1) notification to the commissioner at intervals specified in the permit conditions;
- (2) material and design specifications and standards;
- (3) heat exchange fluid requirements;
- (4) signage requirements;
- (5) backflow prevention requirements;
- (6) pressure tests of the system;
- (7) documentation of the system construction;
- (8) requirements for maintenance and repair of the system;
- (9) removal of the system upon termination of use or failure;
- (10) disclosure of the system at the time of property transfer;
- (11) requirement to obtain approval from the commissioner prior to deviation of the approved plans and conditions; and
- (12) any additional information the commissioner deems necessary to protect public health and safety of the groundwater.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on December 31 of the year that the permanent rules are adopted pursuant to section 103I.208, subdivision 3.

Sec. 12. **[115.7411] ADVISORY COUNCIL ON WATER SUPPLY SYSTEMS AND WASTEWATER TREATMENT FACILITIES.**

Subdivision 1. **Purpose; membership.** The Advisory Council on Water Supply Systems and Wastewater Treatment Facilities shall advise the commissioners of health and the Pollution Control Agency regarding classification of water supply systems and wastewater treatment facilities, qualifications and competency evaluation of water supply system operators and wastewater treatment facility operators, and additional laws, rules, and procedures that may be desirable for regulating the operation of water supply systems and of wastewater treatment facilities. The advisory council is composed of 11 voting members, of whom:

- (1) one member must be from the Department of Health, Division of Environmental Health, appointed by the commissioner of health;
- (2) one member must be from the Pollution Control Agency appointed by the commissioner of the Pollution Control Agency;

(3) three members must be certified water supply system operators, appointed by the commissioner of health, one of whom must represent a nonmunicipal community or nontransient noncommunity water supply system;

(4) three members must be certified wastewater treatment facility operators, appointed by the commissioner of the Pollution Control Agency;

(5) one member must be a representative from an organization representing municipalities, appointed by the commissioner of health with the concurrence of the commissioner of the Pollution Control Agency; and

(6) two members must be members of the public who are not associated with water supply systems or wastewater treatment facilities. One must be appointed by the commissioner of health and the other by the commissioner of the Pollution Control Agency. Consideration should be given to one of these members being a representative of academia knowledgeable in water or wastewater matters.

Subd. 2. **Geographic representation.** At least one of the water supply system operators and at least one of the wastewater treatment facility operators must be from outside the seven-county metropolitan area and one wastewater treatment facility operator must be from the Metropolitan Council.

Subd. 3. **Terms; compensation.** The terms of the appointed members and the compensation and removal of all members are governed by section 15.059.

Subd. 4. **Officers.** When new members are appointed to the council, a chair must be elected at the next council meeting. The Department of Health representative shall serve as secretary of the council.

Sec. 13. Minnesota Statutes 2022, section 121A.335, is amended to read:

121A.335 LEAD IN SCHOOL DRINKING WATER.

Subdivision 1. **Model plan.** The commissioners of health and education shall jointly develop a model plan to require school districts to accurately and efficiently test for the presence of lead in water in public school buildings serving students in kindergarten through grade 12. To the extent possible, the commissioners shall base the plan on the standards established by the United States Environmental Protection Agency. The plan may be based on the technical guidance in the Department of Health's document, "Reducing Lead in Drinking Water: A Technical Guidance for Minnesota's School and Child Care Facilities." The plan must include recommendations for remediation efforts when testing reveals the presence of lead at or above five parts per billion.

Subd. 2. **School plans.** (a) By July 1, 2018, the board of each school district or charter school must adopt the commissioners' model plan or develop and adopt an alternative plan to accurately and efficiently test for the presence of lead in water in school buildings serving prekindergarten students and students in kindergarten through grade 12.

(b) By July 1, 2024, a school district or charter school must revise its plan to include its policies and procedures for ensuring consistent water quality throughout the district's or charter school's

facilities. The plan must document the routine water management strategies and procedures used in each building or facility to maintain water quality and reduce exposure to lead. A district or charter school must base the plan on the United States Environmental Protection Agency's "Ensuring Drinking Water Quality in Schools During and After Extended Closures" fact sheet and the United States Environmental Protection Agency's "3Ts Toolkit for Reducing Lead in Drinking Water in Schools and Child Care Facilities" manual. A district or charter school's plan must be publicly available upon request.

Subd. 3. **Frequency of testing.** (a) The plan under subdivision 2 must include a testing schedule for every building serving prekindergarten through grade 12 students. The schedule must require that each building be tested at least once every five years. A school district or charter school must begin testing school buildings by July 1, 2018, and complete testing of all buildings that serve students within five years.

(b) A school district or charter school that finds lead at a specific location providing cooking or drinking water within a facility must formulate, make publicly available, and implement a plan that is consistent with established guidelines and recommendations to ensure that student exposure to lead is ~~minimized~~ reduced to below five parts per billion as verified by a retest. This includes, when a school district or charter school finds the presence of lead ~~at a level where action should be taken as set by the guidance~~ at or above five parts per billion in any water ~~source~~ fixture that can provide cooking or drinking water, immediately shutting off the water ~~source~~ fixture or making it unavailable until the hazard has been ~~minimized~~ remediated as verified by a retest.

(c) A school district or charter school must test for the presence of lead after completing remediation activities required under this section to confirm that the water contains lead at a level below five parts per billion.

Subd. 4. **Ten-year facilities plan.** A school district may include lead testing and remediation as a part of its ten-year facilities plan under section 123B.595.

Subd. 5. **Reporting.** ~~(a) A school district or charter school that has tested its buildings for the presence of lead shall make the results of the testing available to the public for review and must notify parents of the availability of the information. School districts and charter schools must follow the actions outlined in guidance from the commissioners of health and education.~~ must send parents an annual notice that includes the district's or charter school's annual testing and remediation plan, information about how to find test results, and a description of remediation efforts on the district website. The district or charter school must update the lead testing and remediation information on its website at least annually. In addition to the annual notice, the district or charter school must include in an official school handbook or official school policy guide information on how parents may find the test results and a description of remediation efforts on the district or charter school website and how often this information is updated.

(b) If a test conducted under subdivision 3, paragraph (a), reveals the presence of lead at or above ~~a level where action should be taken as set by the guidance~~ five parts per billion, the school district or charter school must, within 30 days of receiving the test result, either remediate the presence of lead to below ~~the level set in guidance~~ five parts per billion, verified by retest, or directly notify parents of the test result. ~~The school district or charter school must make the water source unavailable until the hazard has been minimized.~~

(c) Starting July 1, 2024, school districts and charter schools must report their test results and remediation activities to the commissioner of health in the form and manner determined by the commissioner in consultation with school districts and charter schools, by July 1 of each year. The commissioner of health must post and annually update the test results and remediation efforts on the department website by school site.

(d) A district or charter school must maintain a record of lead testing results and remediation activities for at least 15 years.

Subd. 6. Public water systems. (a) A district or charter school is not financially responsible for remediation of documented elevated lead levels in drinking water caused by the presence of lead infrastructure owned by a public water supply utility providing water to the school facility, such as lead service lines, meters, galvanized service lines downstream of lead, or lead connectors. The district or charter school must communicate with the public water system regarding its documented significant contribution to lead contamination in school drinking water and request from the public water system a plan for reducing the lead contamination.

(b) If the infrastructure is jointly owned by a district or charter school and a public water supply utility, the district or charter school must attempt to coordinate any needed replacements of lead service lines with the public water supply utility.

(c) A district or charter school may defer its remediation activities under this section until after the elevated lead level in the public water system's infrastructure is remediated and postremediation testing does not detect an elevated lead level in the drinking water that passes through that infrastructure. A district or charter school may also defer its remediation activities if the public water supply exceeds the federal Safe Drinking Water Act lead action level or is in violation of the Safe Drinking Water Act Lead and Copper Rule.

Subd. 7. Commissioner recommendations. By January 1, 2026, and every five years thereafter, the commissioner of health must report to the legislative committees having jurisdiction over health and kindergarten through grade 12 education any recommended changes to this section. The recommendations must be based on currently available scientific evidence regarding the effects of lead in drinking water.

Sec. 14. [144.0526] MINNESOTA ONE HEALTH ANTIMICROBIAL STEWARDSHIP COLLABORATIVE.

Subdivision 1. Establishment. The commissioner of health shall establish the Minnesota One Health Antimicrobial Stewardship Collaborative. The commissioner shall appoint a director to execute operations, conduct health education, and provide technical assistance.

Subd. 2. Commissioner's duties. The commissioner of health shall oversee a program to:

(1) maintain the position of director of One Health Antimicrobial Stewardship to lead state antimicrobial stewardship initiatives across human, animal, and environmental health;

(2) communicate to professionals and the public the interconnectedness of human, animal, and environmental health, especially related to preserving the efficacy of antibiotic medications, which are a shared resource;

(3) leverage new and existing partnerships. The commissioner of health shall consult and collaborate with academic institutions, industry and community organizations, and organizations and agencies in fields including but not limited to health care, veterinary medicine, and animal agriculture to inform strategies for education, practice improvement, and research in all settings where antimicrobial products are used;

(4) ensure that veterinary settings have education and strategies needed to practice appropriate antibiotic prescribing, implement clinical antimicrobial stewardship programs, and prevent transmission of antimicrobial-resistant microbes; and

(5) support collaborative research and programmatic initiatives to improve the understanding of the impact of antimicrobial use and resistance in the natural environment.

Subd. 3. **Biennial report.** By January 15, 2025, and every two years thereafter, the commissioner of health shall report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over health policy and finance on the work accomplished by the commissioner under this section and the collaborative research conducted in the previous two years and on program goals for the upcoming two years.

Sec. 15. [144.0528] COMPREHENSIVE DRUG OVERDOSE AND MORBIDITY PREVENTION ACT.

Subdivision 1. **Definition.** For the purpose of this section, "drug overdose and morbidity" means health problems that people experience after inhaling, ingesting, or injecting medicines in quantities that exceed prescription status; medicines taken that are prescribed to a different person; medicines that have been adulterated or adjusted by contaminants intentionally or unintentionally; or nonprescription drugs in amounts that result in morbidity or mortality.

Subd. 2. **Establishment.** The commissioner of health shall establish a comprehensive drug overdose and morbidity program to conduct comprehensive drug overdose and morbidity prevention activities, epidemiologic investigations and surveillance, and evaluation to monitor, address, and prevent drug overdoses statewide through integrated strategies that include the following:

(1) advance access to evidence-based nonnarcotic pain management services;

(2) implement culturally specific interventions and prevention programs with population and community groups in greatest need, including those who are pregnant and their infants;

(3) enhance overdose prevention and supportive services for people experiencing homelessness. This strategy includes funding for emergency and short-term housing subsidies through the homeless overdose prevention hub and expanding support for syringe services programs serving people experiencing homelessness statewide;

(4) equip employers to promote health and well-being of employees by addressing substance misuse and drug overdose;

(5) improve outbreak detection and identification of substances involved in overdoses through the expansion of the Minnesota Drug Overdose and Substance Use Surveillance Activity (MNDOSA);

(6) implement Tackling Overdose With Networks (TOWN) community prevention programs;

(7) identify, address, and respond to drug overdose and morbidity in those who are pregnant or have just given birth through multitiered approaches that may:

(i) promote medication-assisted treatment options;

(ii) support programs that provide services in accord with evidence-based care models for mental health and substance abuse disorder;

(iii) collaborate with interdisciplinary and professional organizations that focus on quality improvement initiatives related to substance use disorder; and

(iv) implement substance use disorder-related recommendations from the maternal mortality review committee, as appropriate; and

(8) design a system to assess, address, and prevent the impacts of drug overdose and morbidity on those who are pregnant, their infants, and children. Specifically, the commissioner of health may:

(i) inform health care providers and the public of the prevalence, risks, conditions, and treatments associated with substance use disorders involving or affecting pregnancies, infants, and children; and

(ii) identify communities, families, infants, and children affected by substance use disorder in order to recommend focused interventions, prevention, and services.

Subd. 3. **Partnerships.** The commissioner of health may consult with sovereign Tribal nations, the Minnesota Departments of Human Services, Corrections, Public Safety, and Education, local public health agencies, care providers and insurers, community organizations that focus on substance abuse risks and recovery, individuals affected by substance use disorders, and any other individuals, entities, and organizations as necessary to carry out the goals of this section.

Subd. 4. **Grants authorized.** (a) The commissioner of health may award grants, as funding allows, to entities and organizations focused on addressing and preventing the negative impacts of drug overdose and morbidity. Examples of activities the commissioner may consider for these grant awards include:

(1) developing, implementing, or promoting drug overdose and morbidity prevention programs and activities;

(2) community outreach and other efforts addressing the root causes of drug overdose and morbidity;

(3) identifying risk and protective factors relating to drug overdose and morbidity that contribute to identification, development, or improvement of prevention strategies and community outreach;

(4) developing or providing trauma-informed drug overdose and morbidity prevention and services;

(5) developing or providing culturally and linguistically appropriate drug overdose and morbidity prevention and services, and programs that target and serve historically underserved communities;

(6) working collaboratively with educational institutions, including school districts, to implement drug overdose and morbidity prevention strategies for students, teachers, and administrators;

(7) working collaboratively with sovereign Tribal nations, care providers, nonprofit organizations, for-profit organizations, government entities, community-based organizations, and other entities to implement substance misuse and drug overdose prevention strategies within their communities; and

(8) creating or implementing quality improvement initiatives to improve drug overdose and morbidity treatment and outcomes.

(b) Any organization or government entity receiving grant money under this section must collect and make available to the commissioner of health aggregate data related to the activity funded by the program under this section. The commissioner of health shall use the information and data from the program evaluation to inform the administration of existing Department of Health programming and the development of Department of Health policies, programs, and procedures.

Subd. 5. **Promotion; administration.** In fiscal years 2026 and beyond, the commissioner may spend up to 25 percent of the total funding appropriated for the comprehensive drug overdose and morbidity program in each fiscal year to promote, administer, support, and evaluate the programs authorized under this section and to provide technical assistance to program grantees.

Subd. 6. **External contributions.** The commissioner may accept contributions from governmental and nongovernmental sources and may apply for grants to supplement state appropriations for the programs authorized under this section. Contributions and grants received from the sources identified in this subdivision to advance the purpose of this section are appropriated to the commissioner for the comprehensive drug overdose and morbidity program.

Subd. 7. **Program evaluation.** Beginning February 28, 2024, the commissioner of health shall report every even-numbered year to the legislative committees with jurisdiction over health detailing the expenditures of funds authorized under this section. The commissioner shall use the data to evaluate the effectiveness of the program. The commissioner must include in the report:

(1) the number of organizations receiving grant money under this section;

(2) the number of individuals served by the grant programs;

(3) a description and analysis of the practices implemented by program grantees; and

(4) best practices recommendations to prevent drug overdose and morbidity, including culturally relevant best practices and recommendations focused on historically underserved communities.

Subd. 8. **Measurement.** Notwithstanding any law to the contrary, the commissioner of health shall assess and evaluate grants and contracts awarded using available data sources, including but not limited to the Minnesota All Payer Claims Database (MN APCD), the Minnesota Behavioral Risk Factor Surveillance System (BRFSS), the Minnesota Student Survey, vital records, hospitalization data, syndromic surveillance, and the Minnesota Electronic Health Record Consortium.

Sec. 16. [144.0752] CULTURAL COMMUNICATIONS.

Subdivision 1. **Establishment.** The commissioner of health shall establish:

(1) a cultural communications program that advances culturally and linguistically appropriate communication services for communities most impacted by health disparities that include limited English proficient (LEP) populations, refugees, immigrant communities, American Indians, populations of color, LGBTQ+ populations, persons who are deaf, deafblind, or hard of hearing and who use American Sign Language, and people living with disabilities; and

(2) a position that works with department and division leadership to ensure that the department follows the National Standards for Culturally and Linguistically Appropriate Services (CLAS) Standards.

Subd. 2. **Commissioner's duties.** The commissioner of health shall oversee a program to:

(1) align the department services, policies, procedures, and governance with the National CLAS Standards, establish culturally and linguistically appropriate goals, policies, and management accountability, and apply them throughout the organization's planning and operations;

(2) ensure the department services respond to the cultural and linguistic diversity of Minnesotans and that the department partners with the community to design, implement, and evaluate policies, practices, and services that are aligned with the national cultural and linguistic appropriateness standard; and

(3) ensure the department leadership, workforce, and partners embed culturally and linguistically appropriate policies and practices into leadership and public health program planning, intervention, evaluation, and dissemination.

Subd. 3. **Eligible contractors.** The commissioner may enter into contracts to implement this section. Organizations eligible to receive contract funding under this section include:

(1) master contractors that are selected through the state to provide language and communication services; and

(2) organizations that are able to provide services for languages that master contractors are unable to cover.

Sec. 17. [144.0754] OFFICE OF AFRICAN AMERICAN HEALTH; DUTIES.

(a) The commissioner shall establish the Office of African American Health to address the unique public health needs of African American Minnesotans. The office must work to develop solutions and systems to address identified health disparities of African American Minnesotans arising from a context of cumulative and historical discrimination and disadvantages in multiple systems, including but not limited to housing, education, employment, gun violence, incarceration, environmental factors, and health care discrimination. The office shall:

(1) convene the African American Health State Advisory Council under section 144.0755 to advise the commissioner on issues and to develop specific, targeted policy solutions to improve the health of African American Minnesotans, with a focus on United States born African Americans;

(2) based upon input from and collaboration with the African American Health State Advisory Council, health indicators, and identified disparities, conduct analysis and develop policy and program recommendations and solutions targeted at improving African American health outcomes;

(3) coordinate and conduct community engagement across multiple systems, sectors, and communities to address racial disparities in labor force participation, educational achievement, and involvement with the criminal justice system that impact African American health and well-being;

(4) conduct data analysis and research to support policy goals and solutions;

(5) award and administer African American health special emphasis grants to health and community-based organizations to plan and develop programs targeted at improving African American health outcomes, based upon needs identified by the council, health indicators, and identified disparities and addressing historical trauma and systems of United States born African American Minnesotans; and

(6) develop and administer Department of Health immersion experiences for students in secondary education and community colleges to improve diversity of the public health workforce and introduce career pathways that contribute to reducing health disparities.

(b) By January 15, 2025, and every two years thereafter, the commissioner of health shall report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over health policy and finance on the work accomplished by the Office of African American Health during the previous two years and on goals of the office for the upcoming two years.

Sec. 18. [144.0755] AFRICAN AMERICAN HEALTH STATE ADVISORY COUNCIL.

Subdivision 1. **Establishment; members.** (a) The commissioner of health shall establish and administer the African American Health State Advisory Council. The African American Health State Advisory Council shall include no fewer than 12 or more than 20 members from any of the following groups:

(1) representatives of community-based organizations serving or advocating for African American citizens;

(2) at-large community leaders or elders, as nominated by other council members;

(3) African American individuals who provide and receive health care services;

(4) African American secondary or college students;

(5) health or human service professionals serving African American communities or clients;

(6) representatives with research or academic expertise in racial equity; and

(7) other members that the commissioner deems appropriate to facilitate the goals and duties of the council.

(b) The commissioner shall make recommendations for council membership and, after considering recommendations from the council, shall appoint a chair or chairs of the council. Council members shall be appointed by the governor.

Subd. 2. **Terms.** A term shall be for two years and appointees may be reappointed to serve two additional terms. The commissioner shall recommend appointments to replace members vacating their positions in a timely manner, no more than three months after the council reviews panel recommendations.

Subd. 3. **Duties of commissioner.** The commissioner or commissioner's designee shall:

(1) maintain and actively engage with the council established in this section;

(2) based on recommendations of the council, review identified department or other related policies or practices that maintain health inequities and disparities that particularly affect African Americans in Minnesota;

(3) in partnership with the council, recommend or implement action plans and resources necessary to address identified disparities and advance African American health equity;

(4) support interagency collaboration to advance African American health equity; and

(5) support member participation in the council, including participation in educational and community engagement events across Minnesota that specifically address African American health equity.

Subd. 4. **Duties of council.** The council shall:

(1) identify health disparities found in African American communities and contributing factors;

(2) recommend to the commissioner for review any statutes, rules, or administrative policies or practices that would address African American health disparities;

(3) recommend policies and strategies to the commissioner of health to address disparities specifically affecting African American health;

(4) form work groups of council members who are persons who provide and receive services and representatives of advocacy groups;

(5) provide the work groups with clear guidelines, standardized parameters, and tasks for the work groups to accomplish; and

(6) annually submit to the commissioner a report that summarizes the activities of the council, identifies disparities specially affecting the health of African American Minnesotans, and makes recommendations to address identified disparities.

Subd. 5. **Duties of council members.** The members of the council shall:

(1) attend scheduled meetings with no more than three absences per year, participate in scheduled meetings, and prepare for meetings by reviewing meeting notes;

- (2) maintain open communication channels with respective constituencies;
- (3) identify and communicate issues and risks that may impact the timely completion of tasks;
- (4) participate in any activities the council or commissioner deems appropriate and necessary to facilitate the goals and duties of the council; and
- (5) participate in work groups to carry out council duties.

Subd. 6. **Staffing; office space; equipment.** The commissioner shall provide the advisory council with staff support, office space, and access to office equipment and services.

Subd. 7. **Reimbursement.** Compensation and reimbursement for travel and expenses incurred for council activities are governed by section 15.059, subdivision 3.

Sec. 19. **[144.0756] AFRICAN AMERICAN HEALTH SPECIAL EMPHASIS GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health shall establish the African American health special emphasis grant program administered by the Office of African American Health. The purposes of the program are to:

- (1) identify disparities impacting African American health arising from cumulative and historical discrimination and disadvantages in multiple systems, including but not limited to housing, education, employment, gun violence, incarceration, environmental factors, and health care discrimination; and
- (2) develop community-based solutions that incorporate a multisector approach to addressing identified disparities impacting African American health.

Subd. 2. **Requests for proposals; accountability; data collection.** As directed by the commissioner of health, the Office of African American Health shall:

- (1) develop a request for proposals for an African American health special emphasis grant program in consultation with community stakeholders;
- (2) provide outreach, technical assistance, and program development guidance to potential qualifying organizations or entities;
- (3) review responses to requests for proposals in consultation with community stakeholders and award grants under this section;
- (4) establish a transparent and objective accountability process in consultation with community stakeholders, focused on outcomes that grantees agree to achieve;
- (5) provide grantees with access to summary and other public data to assist grantees in establishing and implementing effective community-led solutions; and
- (6) collect and maintain data on outcomes reported by grantees.

Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this section include nonprofit organizations or entities that work with African American communities or are focused on addressing disparities impacting the health of African American communities.

Subd. 4. **Strategic consideration and priority of proposals; grant awards.** In developing the requests for proposals and awarding the grants, the commissioner and the Office of African American Health shall consider building upon the existing capacity of communities and on developing capacity where it is lacking. Proposals shall focus on addressing health equity issues specific to United States-born African American communities; addressing the health impact of historical trauma; reducing health disparities experienced by United States-born African American communities; and incorporating a multisector approach to addressing identified disparities.

Subd. 5. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to timelines established by the commissioner.

Sec. 20. **[144.0757] OFFICE OF AMERICAN INDIAN HEALTH.**

Subdivision 1. **Duties.** The Office of American Indian Health is established to address unique public health needs of American Indian Tribal communities in Minnesota. The office shall:

(1) coordinate with Minnesota's Tribal Nations and urban American Indian community-based organizations to identify underlying causes of health disparities, address unique health needs of Minnesota's Tribal communities, and develop public health approaches to achieve health equity;

(2) strengthen capacity of American Indian and community-based organizations and Tribal Nations to address identified health disparities and needs;

(3) administer state and federal grant funding opportunities targeted to improve the health of American Indians;

(4) provide overall leadership for targeted development of holistic health and wellness strategies to improve health and to support Tribal and urban American Indian public health leadership and self-sufficiency;

(5) provide technical assistance to Tribal and American Indian urban community leaders to develop culturally appropriate activities to address public health emergencies;

(6) develop and administer the department immersion experiences for American Indian students in secondary education and community colleges to improve diversity of the public health workforce and introduce career pathways that contribute to reducing health disparities; and

(7) identify and promote workforce development strategies for Department of Health staff to work with the American Indian population and Tribal Nations more effectively in Minnesota.

Subd. 2. **Grants and contracts.** To carry out these duties, the office may contract with or provide grants to qualifying entities.

Subd. 3. **Reporting.** By January 15, 2025, and every two years thereafter, the commissioner of health shall report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over health policy and finance on the work accomplished by the Office of

American Indian Health during the previous two years and on goals of the office for the upcoming two years.

Sec. 21. **[144.0758] AMERICAN INDIAN HEALTH SPECIAL EMPHASIS GRANTS.**

Subdivision 1. **Establishment.** The commissioner of health shall establish the American Indian health special emphasis grant program. The purposes of the program are to:

(1) plan and develop programs targeted to address continuing and persistent health disparities of Minnesota's American Indian population and improve American Indian health outcomes based upon needs identified by health indicators and identified disparities;

(2) identify disparities in American Indian health arising from cumulative and historical discrimination; and

(3) plan and develop community-based solutions with a multisector approach to addressing identified disparities in American Indian health.

Subd. 2. **Commissioner's duties.** The commissioner of health shall:

(1) develop a request for proposals for an American Indian health special emphasis grant program in consultation with Minnesota's Tribal Nations and urban American Indian community-based organizations based upon needs identified by the community, health indicators, and identified disparities;

(2) provide outreach, technical assistance, and program development guidance to potential qualifying organizations or entities;

(3) review responses to requests for proposals in consultation with community stakeholders and award grants under this section;

(4) establish a transparent and objective accountability process in consultation with community stakeholders focused on outcomes that grantees agree to achieve;

(5) provide grantees with access to data to assist grantees in establishing and implementing effective community-led solutions; and

(6) collect and maintain data on outcomes reported by grantees.

Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this section are Minnesota's Tribal Nations and urban American Indian community-based organizations.

Subd. 4. **Strategic consideration and priority of proposals; grant awards.** In developing the proposals and awarding the grants, the commissioner shall consider building upon the existing capacity of Minnesota's Tribal Nations and urban American Indian community-based organizations and on developing capacity where it is lacking. Proposals may focus on addressing health equity issues specific to Tribal and urban American Indian communities; addressing the health impact of historical trauma; reducing health disparities experienced by American Indian communities; and incorporating a multisector approach to addressing identified disparities.

Subd. 5. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 22. **[144.0759] PUBLIC HEALTH AMERICORPS.**

The commissioner may award a grant to a statewide, nonprofit organization to support Public Health AmeriCorps members. The organization awarded the grant shall provide the commissioner with any information needed by the commissioner to evaluate the program in the form and according to timelines specified by the commissioner.

Sec. 23. Minnesota Statutes 2022, section 144.122, is amended to read:

144.122 LICENSE, PERMIT, AND SURVEY FEES.

(a) The state commissioner of health, by rule, may prescribe procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the Department of Management and Budget. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the state government special revenue fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14. Fees charged for environment and medical laboratory services provided by the department must be approximately equal to the costs of providing the services.

(c) The commissioner may develop a schedule of fees for diagnostic evaluations conducted at clinics held by the services for children with disabilities program. All receipts generated by the program are annually appropriated to the commissioner for use in the maternal and child health program.

(d) The commissioner shall set license fees for hospitals and nursing homes that are not boarding care homes at the following levels:

Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and American Osteopathic Association (AOA) hospitals	\$7,655 plus \$16 per bed
Non-JCAHO and non-AOA hospitals	\$5,280 plus \$250 per bed

Nursing home \$183 plus \$91 per bed until June 30, 2018. \$183 plus \$100 per bed between July 1, 2018, and June 30, 2020. \$183 plus \$105 per bed beginning July 1, 2020.

The commissioner shall set license fees for outpatient surgical centers, boarding care homes, supervised living facilities, assisted living facilities, and assisted living facilities with dementia care at the following levels:

Outpatient surgical centers	\$3,712
Boarding care homes	\$183 plus \$91 per bed
Supervised living facilities	\$183 plus \$91 per bed.
Assisted living facilities with dementia care	\$3,000 plus \$100 per resident.
Assisted living facilities	\$2,000 plus \$75 per resident.

Fees collected under this paragraph are nonrefundable. The fees are nonrefundable even if received before July 1, 2017, for licenses or registrations being issued effective July 1, 2017, or later.

(e) Unless prohibited by federal law, the commissioner of health shall charge applicants the following fees to cover the cost of any initial certification surveys required to determine a provider's eligibility to participate in the Medicare or Medicaid program:

Prospective payment surveys for hospitals	\$	900
Swing bed surveys for nursing homes	\$	1,200
Psychiatric hospitals	\$	1,400
Rural health facilities	\$	1,100
Portable x-ray providers	\$	500
Home health agencies	\$	1,800
Outpatient therapy agencies	\$	800
End stage renal dialysis providers	\$	2,100
Independent therapists	\$	800
Comprehensive rehabilitation outpatient facilities	\$	1,200
Hospice providers	\$	1,700
Ambulatory surgical providers	\$	1,800
Hospitals	\$	4,200
Other provider categories or additional resurveys required to complete initial certification		Actual surveyor costs: average surveyor cost x number of hours for the survey process.

These fees shall be submitted at the time of the application for federal certification and shall not be refunded. All fees collected after the date that the imposition of fees is not prohibited by federal law shall be deposited in the state treasury and credited to the state government special revenue fund.

(f) Notwithstanding section 16A.1283, the commissioner may adjust the fees assessed on assisted living facilities and assisted living facilities with dementia care under paragraph (d), in a revenue-neutral manner in accordance with the requirements of this paragraph:

(1) a facility seeking to renew a license shall pay a renewal fee in an amount that is up to ten percent lower than the applicable fee in paragraph (d) if residents who receive home and community-based waiver services under chapter 256S and section 256B.49 comprise more than 50 percent of the facility's capacity in the calendar year prior to the year in which the renewal application is submitted; and

(2) a facility seeking to renew a license shall pay a renewal fee in an amount that is up to ten percent higher than the applicable fee in paragraph (d) if residents who receive home and community-based waiver services under chapter 256S and section 256B.49 comprise less than 50 percent of the facility's capacity during the calendar year prior to the year in which the renewal application is submitted.

The commissioner may annually adjust the percentages in clauses (1) and (2), to ensure this paragraph is implemented in a revenue-neutral manner. The commissioner shall develop a method for determining capacity thresholds in this paragraph in consultation with the commissioner of human services and must coordinate the administration of this paragraph with the commissioner of human services for purposes of verification.

(g) The commissioner shall charge hospitals an annual licensing base fee of \$1,826 per hospital, plus an additional \$23 per licensed bed or bassinets fee. Revenue shall be deposited to the state government special revenue fund and credited toward trauma hospital designations under sections 144.605 and 144.6071.

Sec. 24. **[144.1462] COMMUNITY HEALTH WORKERS; GRANTS AUTHORIZED.**

Subdivision 1. **Establishment.** The commissioner of health shall support collaboration and coordination between state and community partners to develop, refine, and expand the community health workers profession in Minnesota; equip community health workers to address health needs; and to improve health outcomes. This work must address the social conditions that impact community health and well-being in public safety, social services, youth and family services, schools, and neighborhood associations.

Subd. 2. **Grants and contracts authorized; eligibility.** The commissioner of health shall award grants or enter into contracts to expand and strengthen the community health worker workforce across Minnesota. The grant recipients or contractor shall include at least one not-for-profit community organization serving, convening, and supporting community health workers statewide.

Subd. 3. **Evaluation.** The commissioner of health shall design, conduct, and evaluate the community health worker initiative using measures such as workforce capacity, employment opportunity, reach of services, and return on investment, as well as descriptive measures of the existing community health worker models as they compare with the national community health workers' landscape. These initial measures point to longer-term change in social determinants of health and rates of death and injury by suicide, overdose, firearms, alcohol, and chronic disease.

Subd. 4. **Report.** Grant recipients and contractors must report program outcomes to the department annually and by the guidelines established by the commissioner.

Sec. 25. Minnesota Statutes 2022, section 144.1505, is amended to read:

144.1505 HEALTH PROFESSIONALS CLINICAL TRAINING EXPANSION AND RURAL AND UNDERSERVED CLINICAL ROTATIONS GRANT PROGRAM PROGRAMS.

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(1) "eligible advanced practice registered nurse program" means a program that is located in Minnesota and is currently accredited as a master's, doctoral, or postgraduate level advanced practice registered nurse program by the Commission on Collegiate Nursing Education or by the Accreditation Commission for Education in Nursing, or is a candidate for accreditation;

(2) "eligible dental therapy program" means a dental therapy education program or advanced dental therapy education program that is located in Minnesota and is either:

(i) approved by the Board of Dentistry; or

(ii) currently accredited by the Commission on Dental Accreditation;

(3) "eligible mental health professional program" means a program that is located in Minnesota and is listed as a mental health professional program by the appropriate accrediting body for clinical social work, psychology, marriage and family therapy, or licensed professional clinical counseling, or is a candidate for accreditation;

(4) "eligible pharmacy program" means a program that is located in Minnesota and is currently accredited as a doctor of pharmacy program by the Accreditation Council on Pharmacy Education;

(5) "eligible physician assistant program" means a program that is located in Minnesota and is currently accredited as a physician assistant program by the Accreditation Review Commission on Education for the Physician Assistant, or is a candidate for accreditation;

(6) "mental health professional" means an individual providing clinical services in the treatment of mental illness who meets one of the qualifications under section 245.462, subdivision 18; ~~and~~

(7) "eligible physician training program" means a physician residency training program located in Minnesota and that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation;

(8) "eligible dental program" means a dental education program or a dental residency training program located in Minnesota and that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation; and

~~(7)~~ (9) "project" means a project to establish or expand clinical training for physician assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced dental therapists, or mental health professionals in Minnesota.

Subd. 2. **Program Programs.** (a) For advanced practice provider clinical training expansion grants, the commissioner of health shall award health professional training site grants to eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, and mental health professional programs to plan and implement expanded clinical training. A planning grant shall not exceed \$75,000, and a training grant shall not exceed \$150,000 for the first year, \$100,000 for the second year, and \$50,000 for the third year per program.

(b) For health professional rural and underserved clinical rotations grants, the commissioner of health shall award health professional training site grants to eligible physician, physician assistant, advanced practice registered nurse, pharmacy, dentistry, dental therapy, and mental health professional programs to augment existing clinical training programs to add rural and underserved rotations or clinical training experiences, such as credential or certificate rural tracks or other specialized training. For physician and dentist training, the expanded training must include rotations in primary care settings such as community clinics, hospitals, health maintenance organizations, or practices in rural communities.

~~(b)~~ (c) Funds may be used for:

(1) ~~establishing or expanding rotations and clinical training for physician assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced dental therapists, and mental health professionals in Minnesota;~~

(2) recruitment, training, and retention of students and faculty;

(3) connecting students with appropriate clinical training sites, internships, practicums, or externship activities;

(4) travel and lodging for students;

(5) faculty, student, and preceptor salaries, incentives, or other financial support;

(6) development and implementation of cultural competency training;

(7) evaluations;

(8) training site improvements, fees, equipment, and supplies required to establish, maintain, or expand a ~~physician assistant, advanced practice registered nurse, pharmacy, dental therapy, or mental health professional~~ training program; and

(9) supporting clinical education in which trainees are part of a primary care team model.

Subd. 3. **Applications.** Eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, dental, physician, and mental health professional programs seeking a grant shall apply to the commissioner. Applications must include a description of the number of additional students who will be trained using grant funds; attestation that funding will be used to support an increase in the number of clinical training slots; a description of the problem that the proposed project will address; a description of the project, including all costs associated with the project, sources of funds for the project, detailed uses of all funds for the project, and the results expected; and a plan to maintain or operate any component included in the project after the grant period. The

applicant must describe achievable objectives, a timetable, and roles and capabilities of responsible individuals in the organization. Applicants applying under subdivision 2, paragraph (b), must include information about length of training and training site settings, geographic location of rural sites, and rural populations expected to be served.

Subd. 4. **Consideration of applications.** The commissioner shall review each application to determine whether or not the application is complete and whether the program and the project are eligible for a grant. In evaluating applications, the commissioner shall score each application based on factors including, but not limited to, the applicant's clarity and thoroughness in describing the project and the problems to be addressed, the extent to which the applicant has demonstrated that the applicant has made adequate provisions to ensure proper and efficient operation of the training program once the grant project is completed, the extent to which the proposed project is consistent with the goal of increasing access to primary care and mental health services for rural and underserved urban communities, the extent to which the proposed project incorporates team-based primary care, and project costs and use of funds.

Subd. 5. **Program oversight.** The commissioner shall determine the amount of a grant to be given to an eligible program based on the relative score of each eligible program's application, including rural locations as applicable under subdivision 2, paragraph (b), other relevant factors discussed during the review, and the funds available to the commissioner. Appropriations made to the program do not cancel and are available until expended. During the grant period, the commissioner may require and collect from programs receiving grants any information necessary to evaluate the program.

Sec. 26. [144.1507] PRIMARY CARE RESIDENCY TRAINING GRANT PROGRAM.

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible program" means a program that meets the following criteria:

(1) is located in Minnesota;

(2) trains medical residents in the specialties of family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, or general surgery in rural residency training programs or in community-based ambulatory care centers that primarily serve the underserved; and

(3) is accredited by the Accreditation Council for Graduate Medical Education or presents a credible plan to obtain accreditation.

(c) "Rural residency training program" means a residency program that provides an initial year of training in an accredited residency program in Minnesota. The subsequent years of the residency program are based in rural communities, utilizing local clinics and community hospitals, with specialty rotations in nearby regional medical centers.

(d) "Community-based ambulatory care centers" means federally qualified health centers, community mental health centers, rural health clinics, health centers operated by the Indian Health Service, an Indian Tribe or Tribal organization, or an urban American Indian organization or an entity receiving funds under Title X of the Public Health Service Act.

(e) "Eligible project" means a project to establish and maintain a rural residency training program.

Subd. 2. **Rural residency training program.** (a) The commissioner of health shall award rural residency training program grants to eligible programs to plan, implement, and sustain rural residency training programs. A rural residency training program grant shall not exceed \$250,000 per year for up to three years for planning and development, and \$225,000 per resident per year for each year thereafter to sustain the program.

(b) Funds may be spent to cover the costs of:

(1) planning related to establishing accredited rural residency training programs;

(2) obtaining accreditation by the Accreditation Council for Graduate Medical Education or another national body that accredits rural residency training programs;

(3) establishing new rural residency training programs;

(4) recruitment, training, and retention of new residents and faculty related to the new rural residency training program;

(5) travel and lodging for new residents;

(6) faculty, new resident, and preceptor salaries related to new rural residency training programs;

(7) training site improvements, fees, equipment, and supplies required for new rural residency training programs; and

(8) supporting clinical education in which trainees are part of a primary care team model.

Subd. 3. **Applications for rural residency training program grants.** Eligible programs seeking a grant shall apply to the commissioner. Applications must include the number of new primary care rural residency training program slots planned, under development or under contract; a description of the training program, including location of the established residency program and rural training sites; a description of the project, including all costs associated with the project; all sources of funds for the project; detailed uses of all funds for the project; the results expected; proof of eligibility for federal graduate medical education funding, if applicable; and a plan to seek the funding. The applicant must describe achievable objectives, a timetable, and the roles and capabilities of responsible individuals in the organization.

Subd. 4. **Consideration of grant applications.** The commissioner shall review each application to determine if the residency program application is complete, if the proposed rural residency program and residency slots are eligible for a grant, and if the program is eligible for federal graduate medical education funding, and when the funding is available. If eligible programs are not eligible for federal graduate medical education funding, the commissioner may award continuation funding to the eligible program beyond the initial grant period. The commissioner shall award grants to support training programs in family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, general surgery, and other primary care focus areas.

Subd. 5. **Program oversight.** During the grant period, the commissioner may require and collect from grantees any information necessary to evaluate the program. Notwithstanding section 16A.28,

subdivision 6, encumbrances for grants under this section issued by June 30 of each year may be certified for a period of up to five years beyond the year in which the funds were originally appropriated.

Sec. 27. [144.1508] CLINICAL HEALTH CARE TRAINING.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Accredited clinical training" means the clinical training provided by a medical education program that is accredited through an organization recognized by the Department of Education, the Centers for Medicare and Medicaid Services, or another national body that reviews the accrediting organizations for multiple disciplines and whose standards for recognizing accrediting organizations are reviewed and approved by the commissioner of health.

(c) "Clinical medical education program" means the accredited clinical training of physicians, medical students, residents, doctors of pharmacy practitioners, doctors of chiropractic, dentists, advanced practice nurses, clinical nurse specialists, certified registered nurse anesthetists, nurse practitioners, certified nurse midwives, physician assistants, dental therapists and advanced dental therapists, psychologists, clinical social workers, community paramedics, community health workers, and other medical professions as determined by the commissioner.

(d) "Commissioner" means the commissioner of health.

(e) "Eligible entity" means an organization that is located in Minnesota, provides a clinical medical education experience, and hosts students, residents, or other trainee types as determined by the commissioner, and is from an accredited Minnesota teaching program and institution.

(f) "Eligible trainee FTEs" means the number of trainees, as measured by full-time equivalent counts, that are training in Minnesota at an entity with either currently active medical assistance enrollment status and a National Provider Identification (NPI) number or documentation that they provide sliding fee services. Training may occur in an inpatient or ambulatory patient care setting or alternative setting as determined by the commissioner. Training that occurs in nursing facility settings is not eligible for funding under this section.

(g) "Teaching institution" means a hospital, medical center, clinic, or other organization that conducts a clinical medical education program in Minnesota that is accountable to the accrediting body.

(h) "Trainee" means a student, resident, fellow, or other postgraduate involved in a clinical medical education program from an accredited Minnesota teaching program and institution.

Subd. 2. **Application process.** (a) An eligible entity hosting clinical trainees from a clinical medical education program and teaching institution is eligible for funds under subdivision 3, if the entity:

(1) is funded in part by sliding fee scale services or enrolled in the Minnesota health care program;

(2) faces increased financial pressure as a result of competition with nonteaching patient care entities; and

(3) emphasizes primary care or specialties that are in undersupply in rural or underserved areas of Minnesota.

(b) An entity hosting a clinical medical education program for advanced practice nursing is eligible for funds under subdivision 3, if the program meets the eligibility requirements in paragraph (a), clauses (1) to (3), and is sponsored by the University of Minnesota Academic Health Center, the Mayo Foundation, or an institution that is part of the Minnesota State Colleges and Universities system or members of the Minnesota Private College Council.

(c) An application must be submitted to the commissioner by an eligible entity through the teaching institution and contain the following information:

(1) the official name and address and the site addresses of the clinical medical education programs where eligible trainees are hosted;

(2) the name, title, and business address of those persons responsible for administering the funds;

(3) for each applicant, the type and specialty orientation of trainees in the program; the name, entity address, medical assistance provider number, and national provider identification number of each training site used in the program, as appropriate; the federal tax identification number of each training site, where available; the total number of eligible trainee FTEs at each site; and

(4) other supporting information the commissioner deems necessary.

(d) An applicant that does not provide information requested by the commissioner shall not be eligible for funds for the current funding cycle.

Subd. 3. Distribution of funds. (a) The commissioner may distribute funds for clinical training in areas of Minnesota and for the professions listed in subdivision 1, paragraph (c), determined by the commissioner as a high need area and profession shortage area. The commissioner shall annually distribute medical education funds to qualifying applicants under this section based on the costs to train, service level needs, and profession or training site shortages. Use of funds is limited to related clinical training costs for eligible programs.

(b) To ensure the quality of clinical training, eligible entities must demonstrate that they hold contracts in good standing with eligible educational institutions that specify the terms, expectations, and outcomes of the clinical training conducted at sites. Funds shall be distributed in an administrative process determined by the commissioner to be efficient.

Subd. 4. Report. (a) Teaching institutions receiving funds under this section must sign and submit a medical education grant verification report (GVR) to verify funding was distributed as specified in the GVR. If the teaching institution fails to submit the GVR by the stated deadline, the teaching institution is required to return the full amount of funds received to the commissioner within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.

(b) Teaching institutions receiving funds under this section must provide any other information the commissioner deems appropriate to evaluate the effectiveness of the use of funds for medical education.

Sec. 28. Minnesota Statutes 2022, section 144.218, subdivision 1, is amended to read:

Subdivision 1. **Adoption.** Upon receipt of a certified copy of an order, decree, or certificate of adoption, the state registrar shall register a replacement vital record in the new name of the adopted person. The original record of birth is ~~confidential private data~~ pursuant to section 13.02, subdivision ~~3~~ 12, and shall not be disclosed except pursuant to court order or section 144.2252. The information contained on the original birth record, except for the registration number, shall be provided on request to a parent who is named on the original birth record. Upon the receipt of a certified copy of a court order of annulment of adoption the state registrar shall restore the original vital record to its original place in the file.

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

Sec. 29. Minnesota Statutes 2022, section 144.218, subdivision 2, is amended to read:

Subd. 2. **Adoption of foreign persons.** In proceedings for the adoption of a person who was born in a foreign country, the court, upon evidence presented by the commissioner of human services from information secured at the port of entry or upon evidence from other reliable sources, may make findings of fact as to the date and place of birth and parentage. Upon receipt of certified copies of the court findings and the order or decree of adoption, a certificate of adoption, or a certified copy of a decree issued under section 259.60, the state registrar shall register a birth record in the new name of the adopted person. The certified copies of the court findings and the order or decree of adoption, certificate of adoption, or decree issued under section 259.60 are ~~confidential private data~~, pursuant to section 13.02, subdivision ~~3~~ 12, and shall not be disclosed except pursuant to court order or section 144.2252. The birth record shall state the place of birth as specifically as possible and that the vital record is not evidence of United States citizenship.

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

Sec. 30. Minnesota Statutes 2022, section 144.222, subdivision 1, is amended to read:

Subdivision 1. **Fetal death report required.** A fetal death report must be filed within five days of the death of a fetus for whom 20 or more weeks of gestation have elapsed, except for abortions defined under section ~~145.4241~~ 145.411, subdivision 5. A fetal death report must be prepared in a format prescribed by the state registrar and filed in accordance with Minnesota Rules, parts 4601.0100 to 4601.2600 by:

- (1) a person in charge of an institution or that person's authorized designee if a fetus is delivered in the institution or en route to the institution;
- (2) a physician, certified nurse midwife, or other licensed medical personnel in attendance at or immediately after the delivery if a fetus is delivered outside an institution; or
- (3) a parent or other person in charge of the disposition of the remains if a fetal death occurred without medical attendance at or immediately after the delivery.

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

Sec. 31. Minnesota Statutes 2022, section 144.225, subdivision 2, is amended to read:

Subd. 2. **Data about births.** (a) Except as otherwise provided in this subdivision, data pertaining to the birth of a child to a woman who was not married to the child's father when the child was conceived nor when the child was born, including the original record of birth and the certified vital record, are confidential data. At the time of the birth of a child to a woman who was not married to the child's father when the child was conceived nor when the child was born, the mother may designate demographic data pertaining to the birth as public. Notwithstanding the designation of the data as confidential, it may be disclosed:

- (1) to a parent or guardian of the child;
- (2) to the child when the child is 16 years of age or older, except as provided in clause (3);
- (3) to the child if the child is a homeless youth;
- (4) under paragraph (b), (e), or (f); or

(5) pursuant to a court order. For purposes of this section, a subpoena does not constitute a court order.

(b) ~~Unless the child is adopted,~~ Data pertaining to the birth of a child that are not accessible to the public become public data if 100 years have elapsed since the birth of the child who is the subject of the data, or as provided under section 13.10, whichever occurs first.

(c) If a child is adopted, data pertaining to the child's birth are governed by the provisions relating to adoption and birth records, including sections 13.10, subdivision 5; 144.218, subdivision 1; and 144.2252; and 259.89.

(d) The name and address of a mother under paragraph (a) and the child's date of birth may be disclosed to the county social services, Tribal health department, or public health member of a family services collaborative for purposes of providing services under section 124D.23.

(e) The commissioner of human services shall have access to birth records for:

- (1) the purposes of administering medical assistance and the MinnesotaCare program;
- (2) child support enforcement purposes; and
- (3) other public health purposes as determined by the commissioner of health.

(f) Tribal child support programs shall have access to birth records for child support enforcement purposes.

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

Sec. 32. Minnesota Statutes 2022, section 144.2252, is amended to read:

144.2252 ACCESS TO ORIGINAL BIRTH RECORD AFTER ADOPTION.

Subdivision 1. **Definitions.** (a) ~~Whenever an adopted person requests the state registrar to disclose the information on the adopted person's original birth record, the state registrar shall act according to section 259.89.~~ For purposes of this section, the following terms have the meanings given.

(b) "Person related to the adopted person" means:

(1) the spouse, child, or grandchild of an adopted person, if the spouse, child, or grandchild is at least 18 years of age; or

(2) the legal representative of an adopted person.

The definition under this paragraph only applies when the adopted person is deceased.

(c) "Original birth record" means a copy of the original birth record for a person who is born in Minnesota and whose original birth record was sealed and replaced by a replacement birth record after the state registrar received a certified copy of an order, decree, or certificate of adoption.

Subd. 2. **Release of original birth record.** (a) The state registrar must provide to an adopted person who is 18 years of age or older or a person related to the adopted person a copy of the adopted person's original birth record and any evidence of the adoption previously filed with the state registrar. To receive a copy of an original birth record under this subdivision, the adopted person or person related to the adopted person must make the request to the state registrar in writing. The copy of the original birth record must clearly indicate that it may not be used for identification purposes. All procedures, fees, and waiting periods applicable to a nonadopted person's request for a copy of a birth record apply in the same manner as requests made under this section.

(b) If a contact preference form is attached to the original birth record as authorized under section 144.2253, the state registrar must provide a copy of the contact preference form along with the copy of the adopted person's original birth record.

~~(b)~~ (c) The state registrar shall provide a transcript of an adopted person's original birth record to an authorized representative of a federally recognized American Indian Tribe for the sole purpose of determining the adopted person's eligibility for enrollment or membership. Information contained in the birth record may not be used to provide the adopted person information about the person's birth parents, except as provided in this section or section 259.83.

(d) For a replacement birth record issued under section 144.218, the adopted person or a person related to the adopted person may obtain from the state registrar copies of the order or decree of adoption, certificate of adoption, or decree issued under section 259.60, as filed with the state registrar.

Subd. 3. **Adult adoptions.** Notwithstanding section 144.218, a person adopted as an adult may access the person's birth records that existed before the person's adult adoption. Access to the existing birth records shall be the same access that was permitted prior to the adult adoption.

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

Sec. 33. **[144.2253] BIRTH PARENT CONTACT PREFERENCE FORM.**

(a) The commissioner must make available to the public a contact preference form as described in paragraph (b).

(b) The contact preference form must provide the following information to be completed at the option of a birth parent:

(1) "I would like to be contacted."

(2) "I would prefer to be contacted only through an intermediary."

(3) "I prefer not to be contacted at this time. If I decide later that I would like to be contacted, I will submit an updated contact preference form to the Minnesota Department of Health."

(c) A contact preference form must include space where the birth parent may include information that the birth parent feels is important for the adopted person to know.

(d) If a birth parent of an adopted person submits a completed contact preference form to the commissioner, the commissioner must:

(1) match the contact preference form to the adopted person's original birth record; and

(2) attach the contact preference form to the original birth record as required under section 144.2252.

(e) A contact preference form submitted to the commissioner under this section is private data on an individual as defined in section 13.02, subdivision 12, except that the contact preference form may be released as provided under section 144.2252, subdivision 2.

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

Sec. 34. **[144.2254] PREVIOUSLY FILED CONSENTS TO DISCLOSURE AND AFFIDAVITS OF NONDISCLOSURE.**

(a) The commissioner must inform a person applying for an original birth record under section 144.2252 of the existence of an unrevoked consent to disclosure or an affidavit of nondisclosure on file with the department, including the name of the birth parent who filed the consent or affidavit. If a birth parent authorized the release of the birth parent's address on an unrevoked consent to disclosure, the commissioner shall provide the address to the person who requests the original birth record.

(b) A birth parent's consent to disclosure or affidavit of nondisclosure filed with the commissioner of health expires and has no force or effect beginning on June 30, 2024.

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

Sec. 35. Minnesota Statutes 2022, section 144.226, subdivision 3, is amended to read:

Subd. 3. **Birth record surcharge.** (a) In addition to any fee prescribed under subdivision 1, there shall be a nonrefundable surcharge of \$3 for each certified birth or stillbirth record and for a certification that the vital record cannot be found. The state registrar or local issuance office shall

forward this amount to the commissioner of management and budget each month following the collection of the surcharge for deposit into the account for the children's trust fund for the prevention of child abuse established under section 256E.22. This surcharge shall not be charged under those circumstances in which no fee for a certified birth or stillbirth record is permitted under subdivision 1, paragraph (b). Upon certification by the commissioner of management and budget that the assets in that fund exceed \$20,000,000, this surcharge shall be discontinued.

(b) In addition to any fee prescribed under subdivision 1, there shall be a nonrefundable surcharge of \$10 for each certified birth record. The state registrar or local issuance office shall forward this amount to the commissioner of management and budget each month following the collection of the surcharge for deposit in the general fund.

Sec. 36. Minnesota Statutes 2022, section 144.226, subdivision 4, is amended to read:

Subd. 4. **Vital records surcharge.** In addition to any fee prescribed under subdivision 1, there is a nonrefundable surcharge of \$4 for each certified and noncertified birth, stillbirth, or death record, and for a certification that the record cannot be found. The local issuance office or state registrar shall forward this amount to the commissioner of management and budget each month following the collection of the surcharge to be deposited into the state government special revenue fund.

Sec. 37. **[144.3431] NONRESIDENTIAL MENTAL HEALTH SERVICES.**

(a) A minor who is age 16 or older may give effective consent for nonresidential mental health services, and the consent of no other person is required. For purposes of this section, "nonresidential mental health services" means outpatient services as defined in section 245.4871, subdivision 29, provided to a minor who is not residing in a hospital, inpatient unit, or licensed residential treatment facility or program.

(b) This section does not preclude a minor from providing effective consent for mental health or other health services according to the authority in section 144.344 or other applicable law.

Sec. 38. **[144.3885] LABOR TRAFFICKING SERVICES GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health must establish a labor trafficking services grant program to provide comprehensive, trauma-informed, and culturally specific services for victims of labor trafficking or labor exploitation.

Subd. 2. **Eligibility; application.** To be eligible for a grant under this section, applicants must be a nonprofit organization or a nongovernmental organization serving victims of labor trafficking or labor exploitation; a local public health department; a social service agency; a Tribal government; a local unit of government; a school or school district; a health care organization; or another interested agency demonstrating experience or expertise in working with victims of labor trafficking exploitation. An entity seeking a grant under this section must apply to the commissioner at a time and in a manner specified by the commissioner. The commissioner must review each application to determine if the application is complete, the entity is eligible for a grant, and the proposed project is an allowable use of grant funds. The commissioner must determine the grant amount awarded to applicants that the commissioner determines will receive a grant.

Subd. 3. **Reporting.** (a) The grantee must submit a report to the commissioner in a manner and on a timeline specified by the commissioner on how the grant funds were spent and how many individuals were served.

(b) By January 15 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health policy and finance. The report must include the names of the grant recipients, how the grant funds were spent, and how many individuals were served.

Sec. 39. **[144.398] TOBACCO USE PREVENTION ACCOUNT; ESTABLISHMENT AND USES.**

Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have the meanings given.

(b) "Electronic delivery device" has the meaning given in section 609.685, subdivision 1, paragraph (c).

(c) "Nicotine delivery product" has the meaning given in section 609.6855, subdivision 1, paragraph (c).

(d) "Tobacco" has the meaning given in section 609.685, subdivision 1, paragraph (a).

(e) "Tobacco-related devices" has the meaning given in section 609.685, subdivision 1, paragraph (b).

Subd. 2. **Account created.** A tobacco use prevention account is created in the special revenue fund. Pursuant to section 16A.151, subdivision 2, paragraph (h), the commissioner of management and budget shall deposit into the account any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of electronic nicotine delivery systems in this state or other alleged illegal actions that contributed to the exacerbation of youth nicotine use.

Subd. 3. **Appropriations from tobacco use prevention account.** (a) Each fiscal year, the amount of money in the tobacco use prevention account is appropriated to the commissioner of health for:

(1) tobacco and electronic delivery device use prevention and cessation projects consistent with the duties specified in section 144.392;

(2) a public information program under section 144.393;

(3) the development of health promotion and health education materials about tobacco and electronic delivery device use prevention and cessation;

(4) tobacco and electronic delivery device use prevention activities under section 144.396; and

(5) statewide tobacco cessation services under section 144.397.

(b) In activities funded under this subdivision, the commissioner of health must:

(1) prioritize preventing persons under the age of 21 from using commercial tobacco, electronic delivery devices, tobacco-related devices, and nicotine delivery products;

(2) promote racial and health equity; and

(3) use strategies that are evidence-based or based on promising practices.

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

Sec. 40. **[144.587] REQUIREMENTS FOR SCREENING FOR ELIGIBILITY FOR HEALTH COVERAGE OR ASSISTANCE.**

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section and sections 144.588 to 144.589.

(b) "Charity care" means the provision of free or discounted care to a patient according to a hospital's financial assistance policies.

(c) "Hospital" means a private, nonprofit, or municipal hospital licensed under sections 144.50 to 144.56.

(d) "Insurance affordability program" has the meaning given in section 256B.02, subdivision 19.

(e) "Navigator" has the meaning given in section 62V.02, subdivision 9.

(f) "Presumptive eligibility" has the meaning given in section 256B.057, subdivision 12.

(g) "Revenue recapture" means the use of the procedures in chapter 270A to collect debt.

(h) "Uninsured service or treatment" means any service or treatment that is not covered by:

(1) a health plan, contract, or policy that provides health coverage to a patient; or

(2) any other type of insurance coverage, including but not limited to no-fault automobile coverage, workers' compensation coverage, or liability coverage.

(i) "Unreasonable burden" includes requiring a patient to apply for enrollment in a state or federal program for which the patient is obviously or categorically ineligible or has been found to be ineligible in the previous 12 months.

Subd. 2. **Screening.** (a) A hospital participating in the hospital presumptive eligibility program under section 256B.057, subdivision 12, must determine whether a patient who is uninsured or whose insurance coverage status is not known by the hospital is eligible for hospital presumptive eligibility coverage.

(b) For any uninsured patient, including any patient the hospital determines is eligible for hospital presumptive eligibility coverage, and for any patient whose insurance coverage status is not known to the hospital, a hospital must:

(1) if it is a certified application counselor organization, schedule an appointment for the patient with a certified application counselor to occur prior to discharge unless the occurrence of the appointment would delay discharge;

(2) if the occurrence of the appointment under clause (1) would delay discharge or if the hospital is not a certified application counselor organization, schedule prior to discharge an appointment for the patient with a MNsure-certified navigator to occur after discharge unless the scheduling of an appointment would delay discharge; or

(3) if the scheduling of an appointment under clause (2) would delay discharge or if the patient declines the scheduling of an appointment under clause (1) or (2), provide the patient with contact information for available MNsure-certified navigators who can meet the needs of the patient.

(c) For any uninsured patient, including any patient the hospital determines is eligible for hospital presumptive eligibility coverage, and any patient whose insurance coverage status is not known to the hospital, a hospital must screen the patient for eligibility for charity care from the hospital. The hospital must attempt to complete the screening process for charity care in person or by telephone within 30 days after the patient receives services at the hospital or at the emergency department associated with the hospital.

Subd. 3. **Charity care.** (a) Upon completion of the screening process in subdivision 2, paragraph (c), the hospital must determine whether the patient is ineligible or potentially eligible for charity care. When a hospital evaluates a patient's eligibility for charity care, hospital requests to the responsible party for verification of assets or income shall be limited to:

(1) information that is reasonably necessary and readily available to determine eligibility; and

(2) facts that are relevant to determine eligibility.

A hospital must not demand duplicate forms of verification of assets.

(b) If the patient is not ineligible for charity care, the hospital must assist the patient with applying for charity care and refer the patient to the appropriate department in the hospital for follow-up. A hospital may not impose application procedures for charity care that place an unreasonable burden on the individual patient, taking into account the individual patient's physical, mental, intellectual, or sensory deficiencies or language barriers that may hinder the patient's ability to comply with application procedures.

(c) A hospital may not initiate any of the actions described in subdivision 4 while the patient's application for charity care is pending.

Subd. 4. **Prohibited actions.** A hospital must not initiate one or more of the following actions until the hospital determines that the patient is ineligible for charity care or denies an application for charity care:

(1) offering to enroll or enrolling the patient in a payment plan;

(2) changing the terms of a patient's payment plan;

(3) offering the patient a loan or line of credit, application materials for a loan or line of credit, or assistance with applying for a loan or line of credit, for the payment of medical debt;

(4) referring a patient's debt for collections, including in-house collections, third-party collections, revenue recapture, or any other process for the collection of debt;

(5) denying health care services to the patient or any member of the patient's household because of outstanding medical debt, regardless of whether the services are deemed necessary or may be available from another provider; or

(6) accepting a credit card payment of over \$500 for the medical debt owed to the hospital.

Subd. 5. **Notice.** (a) A hospital must post notice of the availability of charity care from the hospital in at least the following locations: (1) areas of the hospital where patients are admitted or registered; (2) emergency departments; and (3) the portion of the hospital's financial services or billing department that is accessible to patients. The posted notice must be in all languages spoken by more than five percent of the population in the hospital's service area.

(b) A hospital must make available on the hospital's website the current version of the hospital's charity care policy, a plain-language summary of the policy, and the hospital's charity care application form. The summary and application form must be available in all languages spoken by more than five percent of the population in the hospital's service area.

Subd. 6. **Patient may decline services.** A patient may decline to complete an insurance affordability program application to schedule an appointment with a certified application counselor, to schedule an appointment with a MNsure-certified navigator, to accept information about navigator services, to participate in the charity care screening process, or to apply for charity care.

Subd. 7. **Enforcement.** In addition to the enforcement of this section by the commissioner, the attorney general may enforce this section under section 8.31.

EFFECTIVE DATE. This section is effective November 1, 2023, and applies to services and treatments provided on or after that date.

Sec. 41. [144.588] CERTIFICATION OF EXPERT REVIEW.

Subdivision 1. **Requirement; action to collect medical debt or garnish wages or bank accounts.** (a) In an action against a patient or guarantor for collection of medical debt owed to a hospital or for garnishment of the patient's or guarantor's wages or bank accounts to collect medical debt owed to a hospital, the hospital must serve on the defendant with the summons and complaint an affidavit of expert review certifying that:

(1) unless the patient declined to participate, the hospital complied with the requirements in section 144.587;

(2) there is a reasonable basis to believe that the patient owes the debt;

(3) all known third-party payors have been properly billed by the hospital, such that any remaining debt is the financial responsibility of the patient, and the hospital will not bill the patient for any amount that an insurance company is obligated to pay;

(4) the patient has been given a reasonable opportunity to apply for charity care, if the facts and circumstances suggest that the patient may be eligible for charity care;

(5) where the patient has indicated an inability to pay the full amount of the debt in one payment and provided reasonable verification of the inability to pay the full amount of the debt in one payment if requested by the hospital, the hospital has offered the patient a reasonable payment plan;

(6) there is no reasonable basis to believe that the patient's or guarantor's wages or funds at a financial institution are likely to be exempt from garnishment; and

(7) in the case of a default judgment proceeding, there is not a reasonable basis to believe:

(i) that the patient may already consider that the patient has adequately answered the complaint by calling or writing to the hospital, its debt collection agency, or its attorney;

(ii) that the patient is potentially unable to answer the complaint due to age, disability, or medical condition; or

(iii) the patient may not have received service of the complaint.

(b) The affidavit of expert review must be completed by a designated employee of the hospital seeking to initiate the action or garnishment.

Subd. 2. **Requirement; referral to third-party debt collection agency.** (a) In order to refer a patient's account to a third-party debt collection agency, a hospital must complete an affidavit of expert review certifying that:

(1) unless the patient declined to participate, the hospital complied with the requirements in section 144.587;

(2) there is a reasonable basis to believe that the patient owes the debt;

(3) all known third-party payors have been properly billed by the hospital, such that any remaining debt is the financial responsibility of the patient, and the hospital will not bill the patient for any amount that an insurance company is obligated to pay;

(4) the patient has been given a reasonable opportunity to apply for charity care, if the facts and circumstances suggest that the patient may be eligible for charity care; and

(5) where the patient has indicated an inability to pay the full amount of the debt in one payment and provided reasonable verification of the inability to pay the full amount of the debt in one payment if requested by the hospital, the hospital has offered the patient a reasonable payment plan.

(b) The affidavit of expert review must be completed by a designated employee of the hospital seeking to refer the patient's account to a third-party debt collection agency.

Subd. 3. **Penalty for noncompliance.** Failure to comply with subdivision 1 shall result, upon motion, in mandatory dismissal with prejudice of the action to collect the medical debt or to garnish the patient's or guarantor's wages or bank accounts. Failure to comply with subdivision 2 shall subject a hospital to a fine assessed by the commissioner of health. In addition to the enforcement

of this section by the commissioner, the attorney general may enforce this section under section 8.31.

Subd. 4. **Collection agency; immunity.** A collection agency, as defined in section 332.31, subdivision 3, is not liable under section 144.588, subdivision 3, for inaccuracies in an affidavit of expert review completed by a designated employee of the hospital.

EFFECTIVE DATE. This section is effective November 1, 2023, and applies to actions and referrals to third-party debt collection agencies stemming from services and treatments provided on or after that date.

Sec. 42. **[144.589] BILLING OF UNINSURED PATIENTS.**

Subdivision 1. **Limits on charges.** A hospital must not charge a patient whose annual household income is less than \$125,000 for any uninsured service or treatment in an amount that exceeds the lowest total amount the provider would be reimbursed for that service or treatment from a nongovernmental third-party payor. The lowest total amount the provider would be reimbursed for that service or treatment from a nongovernmental third-party payor includes both the amount the provider would be reimbursed directly from the nongovernmental third-party payor and the amount the provider would be reimbursed from the insured's policyholder under any applicable co-payments, deductibles, and coinsurance. This statute supersedes the language in the Minnesota Attorney General Hospital Agreement.

Subd. 2. **Enforcement.** In addition to the enforcement of this section by the commissioner, the attorney general may enforce this section under section 8.31.

EFFECTIVE DATE. This section is effective November 1, 2023, and applies to services and treatments provided on or after that date.

Sec. 43. Minnesota Statutes 2022, section 144.615, subdivision 7, is amended to read:

Subd. 7. **Limitations of services.** (a) The following limitations apply to the services performed at a birth center:

(1) surgical procedures must be limited to those normally accomplished during an uncomplicated birth, including episiotomy and repair; and

~~(2) no abortions may be administered; and~~

~~(3) (2) no general or regional anesthesia may be administered.~~

(b) Notwithstanding paragraph (a), local anesthesia may be administered at a birth center if the administration of the anesthetic is performed within the scope of practice of a health care professional.

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

Sec. 44. Minnesota Statutes 2022, section 144.651, is amended by adding a subdivision to read:

Subd. 10a. **Designated support person for pregnant patient.** (a) Subject to paragraph (c), a health care provider and a health care facility must allow, at a minimum, one designated support

person of a pregnant patient's choosing to be physically present while the patient is receiving health care services including during a hospital stay.

(b) For purposes of this subdivision, "designated support person" means any person chosen by the patient to provide comfort to the patient including but not limited to the patient's spouse, partner, family member, or another person related by affinity. Certified doulas and traditional midwives may not be counted toward the limit of one designated support person.

(c) A facility may restrict or prohibit the presence of a designed support person in treatment rooms, procedure rooms, and operating rooms when such a restriction or prohibition is strictly necessary to meet the appropriate standard of care. A facility may also restrict or prohibit the presence of a designated support person if the designated support person is acting in a violent or threatening manner toward others. Any restriction or prohibition of a designated support person by the facility is subject to the facility's written internal grievance procedure required by subdivision 20.

Sec. 45. Minnesota Statutes 2022, section 144.9501, subdivision 9, is amended to read:

Subd. 9. **Elevated blood lead level.** "Elevated blood lead level" means a diagnostic blood lead test with a result that is equal to or greater than ~~ten~~ 3.5 micrograms of lead per deciliter of whole blood in any person, unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 46. **[144.9821] ADVANCING HEALTH EQUITY THROUGH CAPACITY BUILDING AND RESOURCE ALLOCATION.**

Subdivision 1. **Establishment of grant program.** (a) The commissioner of health shall establish an annual grant program to award infrastructure capacity building grants to help metro and rural community and faith-based organizations serving people of color, American Indians, LGBTQIA+ communities, and people living with disabilities in Minnesota who have been disproportionately impacted by health and other inequities to be better equipped and prepared for success in procuring grants and contracts at the department and addressing inequities.

(b) The commissioner of health shall create a framework at the department to maintain equitable practices in grantmaking to ensure that internal grantmaking and procurement policies and practices prioritize equity, transparency, and accessibility to include:

(1) a tracking system for the department to better monitor and evaluate equitable procurement and grantmaking processes and their impacts; and

(2) technical assistance and coaching to department leadership in grantmaking and procurement processes and programs and providing tools and guidance to ensure equitable and transparent competitive grantmaking processes and award distribution across communities most impacted by inequities and develop measures to track progress over time.

Subd. 2. **Commissioner's duties.** The commissioner of health shall:

(1) in consultation with community stakeholders, community health boards and Tribal nations, develop a request for proposals for an infrastructure capacity building grant program to help

community-based organizations, including faith-based organizations, to be better equipped and prepared for success in procuring grants and contracts at the department and beyond;

(2) provide outreach, technical assistance, and program development support to increase capacity for new and existing community-based organizations and other service providers in order to better meet statewide needs particularly in greater Minnesota and areas where services to reduce health disparities have not been established;

(3) in consultation with community stakeholders, review responses to requests for proposals and award grants under this section;

(4) ensure communication with the ethnic councils, Minnesota Indian Affairs Council, Minnesota Council on Disability, Minnesota Commission of the Deaf, DeafBlind, and Hard of Hearing, and the governor's office on the request for proposal process;

(5) in consultation with community stakeholders, establish a transparent and objective accountability process focused on outcomes that grantees agree to achieve;

(6) maintain data on outcomes reported by grantees; and

(7) establish a process or mechanism to evaluate the success of the capacity building grant program and to build the evidence base for effective community-based organizational capacity building in reducing disparities.

Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this section include: organizations or entities that work with diverse communities such as people of color, American Indians, LGBTQIA+ communities, and people with disabilities in metro and rural communities.

Subd. 4. **Strategic consideration and priority of proposals; eligible populations; grant awards.** (a) The commissioner, in consultation with community stakeholders, shall develop a request for proposals for equity in procurement and grantmaking capacity building grant program to help community-based organizations, including faith-based organizations to be better equipped and prepared for success in procuring grants and contracts at the department and addressing inequities.

(b) In awarding the grants, the commissioner shall provide strategic consideration and give priority to proposals from organizations or entities led by populations of color or American Indians, and those serving communities of color, American Indians, LGBTQIA+ communities, and disability communities.

Subd. 5. **Geographic distribution of grants.** The commissioner shall ensure that grant funds are prioritized and awarded to organizations and entities that are within counties that have a higher proportion of Black or African American, nonwhite Latino(a), LGBTQIA+, and disability communities to the extent possible.

Subd. 6. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 47. Minnesota Statutes 2022, section 144G.16, subdivision 7, is amended to read:

Subd. 7. **Fines and penalties.** (a) The fee fine for failure to comply with the notification requirements in section 144G.52, subdivision 7, is \$1,000.

(b) Fines and penalties collected under this section shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799.

Sec. 48. Minnesota Statutes 2022, section 144G.18, is amended to read:

144G.18 NOTIFICATION OF CHANGES IN INFORMATION.

Subdivision 1. Notification. A provisional licensee or licensee shall notify the commissioner in writing prior to a change in the manager or authorized agent and within 60 calendar days after any change in the information required in section 144G.12, subdivision 1, clause (1), (3), (4), (17), or (18).

Subd. 2. Fines and penalties. (a) The fine for failure to comply with the notification requirements of this section is \$1,000.

(b) Fines and penalties collected under this subdivision shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799.

Sec. 49. Minnesota Statutes 2022, section 144G.57, subdivision 8, is amended to read:

Subd. 8. **Fine Fines and penalties.** (a) The commissioner may impose a fine for failure to follow the requirements of this section.

(b) The fine for failure to comply with this section is \$1,000.

(c) Fines and penalties collected under this section shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799.

Sec. 50. [145.361] LONG COVID AND RELATED CONDITIONS; ASSESSMENT AND MONITORING.

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Long COVID" means health problems that people experience four or more weeks after being infected with SARS-CoV-2, the virus that causes COVID-19. Long COVID is also called post-COVID conditions, long-haul COVID, chronic COVID, post-acute COVID, or post-acute sequelae of COVID-19 (PASC).

(c) "Related conditions" means conditions associated with or sequelae of long COVID, including but not limited to myalgic encephalomyelitis/chronic fatigue syndrome (ME/CFS) and dysautonomia, and postural orthostatic tachycardia syndrome (POTS).

Subd. 2. **Establishment.** The commissioner of health shall establish a program to conduct community assessments and epidemiologic investigations to monitor and address impacts of long COVID and related conditions. The purposes of these activities are to:

(1) monitor trends in: incidence, prevalence, mortality, and health outcomes; changes in disability status, employment, and quality of life; and service needs of individuals with long COVID or related conditions and to detect potential public health problems, predict risks, and assist in investigating long COVID and related conditions health inequities;

(2) more accurately target information and resources for communities and patients and their families;

(3) inform health professionals and citizens about risks and early detection;

(4) promote evidence-based practices around long COVID and related conditions prevention and management and to address public concerns and questions about long COVID and related conditions; and

(5) research and track related conditions.

Subd. 3. **Partnerships.** The commissioner of health shall, in consultation with health care professionals, the commissioner of human services, local public health entities, health insurers, employers, schools, survivors of long COVID or related conditions, and community organizations serving people at high risk of long COVID or related conditions, identify priority actions and activities to address the needs for communication, services, resources, tools, strategies, and policies to support survivors of long COVID or related conditions and their families.

Subd. 4. **Grants and contracts.** The commissioner of health shall coordinate and collaborate with community and organizational partners to implement evidence-informed priority actions through community-based grants and contracts. The commissioner of health shall award grants and enter into contracts to organizations that serve communities disproportionately impacted by COVID-19, long COVID, or related conditions, including but not limited to rural and low-income areas, Black and African Americans, African immigrants, American Indians, Asian American-Pacific Islanders, Latino(a) communities, LGBTQ+ communities, and persons with living disabilities. Organizations may also address intersectionality within the groups. The commissioner shall award grants and award contracts to eligible organizations to plan, construct, and disseminate resources and information to support survivors of long COVID or related conditions, including caregivers, health care providers, ancillary health care workers, workplaces, schools, communities, and local and Tribal public health.

Sec. 51. Minnesota Statutes 2022, section 145.411, subdivision 1, is amended to read:

Subdivision 1. **Terms.** As used in sections 145.411 to ~~145.416~~ 145.415, the terms defined in this section have the meanings given to them.

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

Sec. 52. Minnesota Statutes 2022, section 145.411, subdivision 5, is amended to read:

Subd. 5. **Abortion.** "Abortion" includes an act, procedure or use of any instrument, medicine or drug which is supplied or prescribed for or administered to ~~a pregnant woman~~ an individual with the intention of terminating, and which results in the termination of ₂ pregnancy.

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

Sec. 53. Minnesota Statutes 2022, section 145.4131, subdivision 1, is amended to read:

Subdivision 1. **Forms.** (a) Within 90 days of July 1, 1998, the commissioner shall prepare a reporting form for use by physicians or facilities performing abortions. A copy of this section shall be attached to the form. A physician or facility performing an abortion shall obtain a form from the commissioner.

(b) The form shall require the following information:

(1) the number of abortions performed by the physician in the previous calendar year, reported by month;

(2) the method used for each abortion;

(3) the approximate gestational age expressed in one of the following increments:

(i) less than nine weeks;

(ii) nine to ten weeks;

(iii) 11 to 12 weeks;

(iv) 13 to 15 weeks;

(v) 16 to 20 weeks;

(vi) 21 to 24 weeks;

(vii) 25 to 30 weeks;

(viii) 31 to 36 weeks; or

(ix) 37 weeks to term;

(4) the age of the woman at the time the abortion was performed;

~~(5) the specific reason for the abortion, including, but not limited to, the following:~~

~~(i) the pregnancy was a result of rape;~~

~~(ii) the pregnancy was a result of incest;~~

~~(iii) economic reasons;~~

- ~~(iv) the woman does not want children at this time;~~
- ~~(v) the woman's emotional health is at stake;~~
- ~~(vi) the woman's physical health is at stake;~~
- ~~(vii) the woman will suffer substantial and irreversible impairment of a major bodily function if the pregnancy continues;~~
- ~~(viii) the pregnancy resulted in fetal anomalies; or~~
- ~~(ix) unknown or the woman refused to answer;~~
- ~~(6) the number of prior induced abortions;~~
- ~~(7) the number of prior spontaneous abortions;~~
- ~~(8) whether the abortion was paid for by:~~
 - ~~(i) private coverage;~~
 - ~~(ii) public assistance health coverage; or~~
 - ~~(iii) self pay;~~
- ~~(9) whether coverage was under:~~
 - ~~(i) a fee-for-service plan;~~
 - ~~(ii) a capitated private plan; or~~
 - ~~(iii) other;~~
- ~~(10) (5) complications, if any, for each abortion and for the aftermath of each abortion. Space for a description of any complications shall be available on the form;~~
- ~~(11) (6) the medical specialty of the physician performing the abortion; and~~
- ~~(12) (7) if the abortion was performed via telehealth, the facility code for the patient and the facility code for the physician; and~~
- ~~(13) whether the abortion resulted in a born alive infant, as defined in section 145.423, subdivision 4, and:~~
 - ~~(i) any medical actions taken to preserve the life of the born alive infant;~~
 - ~~(ii) whether the born alive infant survived; and~~
 - ~~(iii) the status of the born alive infant, should the infant survive, if known.~~

Sec. 54. Minnesota Statutes 2022, section 145.4131, subdivision 2, is amended to read:

Subd. 2. **Submission.** A physician performing an abortion or a facility at which an abortion is performed shall complete and submit the form to the commissioner no later than ~~April 1~~ September 30 for abortions performed in the previous calendar year. The annual report to the commissioner shall include the methods used to dispose of fetal tissue and remains.

Sec. 55. Minnesota Statutes 2022, section 145.4134, is amended to read:

145.4134 COMMISSIONER'S PUBLIC REPORT.

(a) By ~~July 1~~ December 31 of each year, ~~except for 1998 and 1999 information,~~ the commissioner shall issue a public report providing statistics for the previous calendar year compiled from the data submitted under sections 145.4131 to 145.4133 and sections 145.4241 to 145.4249. ~~For 1998 and 1999 information, the report shall be issued October 1, 2000.~~ Each report shall provide the statistics for all previous calendar years, adjusted to reflect any additional information from late or corrected reports. The commissioner shall ensure that none of the information included in the public reports can reasonably lead to identification of an individual having performed or having had an abortion. All data included on the forms under ~~sections~~ section 145.4131 ~~to 145.4133 and sections 145.4241 to 145.4249~~ must be included in the public report, except that the commissioner shall maintain as confidential, data which alone or in combination may constitute information from which an individual having performed or having had an abortion may be identified using epidemiologic principles.

(b) The commissioner may, by rules adopted under chapter 14, alter the submission dates established under ~~sections~~ section 145.4131 ~~to 145.4133~~ for administrative convenience, fiscal savings, or other valid reason, provided that physicians or facilities ~~and the commissioner of human services~~ submit the required information once each year and the commissioner issues a report once each year.

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

Sec. 56. Minnesota Statutes 2022, section 145.423, subdivision 1, is amended to read:

Subdivision 1. **Recognition; medical care.** ~~A born alive~~ An infant as a result of an abortion who is born alive shall be fully recognized as a human person, and accorded immediate protection under the law. All reasonable measures consistent with good medical practice, including the compilation of appropriate medical records, shall be taken by the responsible medical personnel to ~~preserve the life and health of the born alive infant~~ care for the infant who is born alive.

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

Sec. 57. **[145.561] 988 SUICIDE AND CRISIS LIFELINE.**

Subdivision 1. Definitions. (a) For the purposes of this section, the following have the meanings given.

(b) "Commissioner" means the commissioner of health.

(c) "Department" means the Department of Health.

(d) "988" means the universal telephone number designated as the universal telephone number within the United States for the purpose of the national suicide prevention and mental health crisis

hotline system operating through the 988 Suicide and Crisis Lifeline, or its successor, maintained by the Assistant Secretary for Mental Health and Substance Use under section 520E-3 of the Public Health Service Act (United States Code, title 42, sections 290bb-36c).

(e) "988 administrator" means the administrator of the national 988 Suicide and Crisis Lifeline maintained by the Assistant Secretary for Mental Health and Substance Use under section 520E-3 of the Public Health Service Act.

(f) "988 contact" means a communication with the 988 Suicide and Crisis Lifeline system within the United States via modalities offered including call, chat, or text.

(g) "988 Lifeline Center" means a state-identified center that is a member of the Suicide and Crisis Lifeline network that responds to statewide or regional 988 contacts.

(h) "988 Suicide and Crisis Lifeline" or "988 Lifeline" means the national suicide prevention and mental health crisis hotline system maintained by the Assistant Secretary for Mental Health and Substance Use under section 520E-3 of the Public Health Service Act (United States Code, title 42, sections 290bb-36c).

(i) "Veterans Crisis Line" means the Veterans Crisis Line maintained by the Secretary of Veterans Affairs under United States Code, title 38, section 170F(h).

Subd. 2. **988 Lifeline.** (a) The commissioner shall administer the designation of and oversight for a 988 Lifeline center or a network of 988 Lifeline centers to answer contacts from individuals accessing the Suicide and Crisis Lifeline from any jurisdiction within the state 24 hours per day, seven days per week.

(b) The designated 988 Lifeline Center must:

(1) have an active agreement with the 988 Suicide and Crisis Lifeline program for participation in the network and the department;

(2) meet the 988 Lifeline program requirements and best practice guidelines for operational and clinical standards;

(3) provide data and reports, and participate in evaluations and related quality improvement activities as required by the 988 Lifeline program and the department;

(4) identify or adapt technology that is demonstrated to be interoperable across mobile crisis and public safety answering points used in the state for the purpose of crisis care coordination;

(5) facilitate crisis and outgoing services, including mobile crisis teams in accordance with guidelines established by the 988 Lifeline program and the department;

(6) actively collaborate and coordinate service linkages with mental health and substance use disorder treatment providers, local community mental health centers including certified community behavioral health clinics and community behavioral health centers, mobile crisis teams, and community based and hospital emergency departments;

(7) offer follow-up services to individuals accessing the 988 Lifeline Center that are consistent with guidance established by the 988 Lifeline program and the department; and

(8) meet the requirements set by the 988 Lifeline program and the department for serving at-risk and specialized populations.

(c) The commissioner shall adopt rules to allow appropriate information sharing and communication between and across crisis and emergency response systems.

(d) The commissioner, having primary oversight of suicide prevention, shall work with the 988 Lifeline program, veterans crisis line, and other SAMHSA-approved networks for the purpose of ensuring consistency of public messaging about 988 services.

(e) The commissioner shall work with representatives from 988 Lifeline Centers and public safety answering points, other public safety agencies, and the commissioner of public safety to facilitate the development of protocols and procedures for interactions between 988 and 911 services across Minnesota. Protocols and procedures shall be developed following available national standards and guidelines.

(f) The commissioner shall provide an annual public report on 988 Lifeline usage, including data on answer rates, abandoned calls, and referrals to 911 emergency response.

Subd. 3. **988 special revenue account.** (a) A 988 special revenue account is established as a dedicated account in the special revenue fund to create and maintain a statewide 988 suicide and crisis lifeline system according to the National Suicide Hotline Designation Act of 2020, the Federal Communications Commission's report and order FCC 20-100 adopted July 16, 2020, and national guidelines for crisis care.

(b) The 988 special revenue account shall consist of:

(1) a 988 telecommunications fee imposed under subdivision 4;

(2) a prepaid wireless 988 fee imposed under section 403.161;

(3) transfers of state money into the account;

(4) grants and gifts intended for deposit in the account;

(5) interest, premiums, gains, and other earnings of the account; and

(6) money from any other source that is deposited in or transferred to the account.

(c) The account shall be administered by the commissioner. Money in the account shall only be used to offset costs that are or may reasonably be attributed to:

(1) implementing, maintaining, and improving the 988 suicide and crisis lifeline, including staff and technology infrastructure enhancements needed to achieve the operational standards and best practices set forth by the 988 administrator and the department;

(2) data collection, reporting, participation in evaluations, public promotion, and related quality improvement activities as required by the 988 administrator and the department; and

(3) administration, oversight, and evaluation of the account.

(d) Money in the account:

(1) does not cancel at the end of any state fiscal year and is carried forward in subsequent state fiscal years;

(2) is not subject to transfer to any other account or fund or to transfer, assignment, or reassignment for any use or purpose other than the purposes specified in this subdivision; and

(3) is appropriated to the commissioner for the purposes specified in this subdivision.

(e) The commissioner shall submit an annual report to the legislature and to the Federal Communications Commission on deposits to and expenditures from the account. Notwithstanding section 144.05, subdivision 7, the reports required under this paragraph do not expire.

Subd. 4. 988 telecommunications fee. (a) In compliance with the National Suicide Hotline Designation Act of 2020, the commissioner shall impose a monthly statewide fee on each subscriber of a wireline, wireless, or IP-enabled voice service at a rate that provides for the robust creation, operation, and maintenance of a statewide 988 suicide prevention and crisis system.

(b) The commissioner shall annually recommend to the Public Utilities Commission an adequate and appropriate fee to implement this section. The amount of the fee must comply with the limits in paragraph (c). The commissioner shall provide telecommunication service providers and carriers a minimum of 45 days' notice of each fee change.

(c) The amount of the 988 telecommunications fee must not be more than 25 cents per month on or after January 1, 2024, for each consumer access line, including trunk equivalents as designated by the commission pursuant to section 403.11, subdivision 1. The 988 telecommunications fee must be the same for all subscribers.

(d) Each wireline, wireless, and IP-enabled voice telecommunication service provider shall collect the 988 telecommunications fee and transfer the amounts collected to the commissioner of public safety in the same manner as provided in section 403.11, subdivision 1, paragraph (d).

(e) The commissioner of public safety shall deposit the money collected from the 988 telecommunications fee to the 988 special revenue account established in subdivision 3.

(f) All 988 telecommunications fee revenue must be used to supplement, and not supplant, federal, state, and local funding for suicide prevention.

(g) The 988 telecommunications fee amount shall be adjusted as needed to provide for continuous operation of the lifeline centers and 988 hotline, volume increases, and maintenance.

(h) The commissioner shall annually report to the Federal Communications Commission on revenue generated by the 988 telecommunications fee.

Subd. 5. **988 fee for prepaid wireless telecommunications services.** (a) The 988 telecommunications fee established in subdivision 4 does not apply to prepaid wireless telecommunications services. Prepaid wireless telecommunications services are subject to the prepaid wireless 988 fee established in section 403.161, subdivision 1, paragraph (c).

(b) Collection, remittance, and deposit of prepaid wireless 988 fees are governed by sections 403.161 and 403.162.

Subd. 6. **988 Lifeline operating budget; data to legislature.** The commissioner shall provide a biennial report for maintaining the 988 system to the legislature as part of the biennial departmental earnings report process under section 16A.1285, subdivision 3. The report must include data on direct and indirect expenditures to maintain the 988 system, 988 fees collected, the balance in the 988 account, and the most recent forecast of revenues to and expenditures from the 988 account.

Subd. 7. **Waiver.** A wireless telecommunications service provider or wire-line telecommunications service provider may petition the commissioner for a waiver of all or portions of the requirements of this section. The commissioner may grant a waiver upon a demonstration by the petitioner that the requirement is economically infeasible.

Sec. 58. Minnesota Statutes 2022, section 145.87, subdivision 4, is amended to read:

Subd. 4. ~~Administrative costs~~ **Administration.** The commissioner may use up to seven percent of the annual appropriation under this section to provide training and technical assistance and to administer and evaluate the program. The commissioner may contract for training, capacity-building support for grantees or potential grantees, technical assistance, and evaluation support.

Sec. 59. **[145.903] SCHOOL-BASED HEALTH CENTERS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "School-based health center" or "comprehensive school-based health center" means a safety net health care delivery model that is located in or near a school facility and that offers comprehensive health care, including preventive and behavioral health services, provided by licensed and qualified health professionals in accordance with federal, state, and local law. When not located on school property, the school-based health center must have an established relationship with one or more schools in the community and operate to primarily serve those student groups.

(c) "Sponsoring organization" means any of the following that operate a school-based health center:

- (1) health care providers;
- (2) community clinics;
- (3) hospitals;
- (4) federally qualified health centers and look-alikes as defined in section 145.9269;
- (5) health care foundations or nonprofit organizations;

(6) higher education institutions; or

(7) local health departments.

Subd. 2. **Expansion of Minnesota school-based health centers.** (a) The commissioner of health shall administer a program to provide grants to school districts and school-based health centers to support existing centers and facilitate the growth of school-based health centers in Minnesota.

(b) Grant funds distributed under this subdivision shall be used to support new or existing school-based health centers that:

(1) operate in partnership with a school or school district and with the permission of the school or school district board;

(2) provide health services through a sponsoring organization that meets the requirements in subdivision 1, paragraph (c); and

(3) provide health services to all students and youth within a school or school district, regardless of ability to pay, insurance coverage, or immigration status, and in accordance with federal, state, and local law.

(c) The commissioner of health shall administer a grant to a nonprofit organization to facilitate a community of practice among school-based health centers to improve quality, equity, and sustainability of care delivered through school-based health centers; encourage cross-sharing among school-based health centers; support existing clinics; and expand school-based health centers in new communities in Minnesota.

(d) Grant recipients shall report their activities and annual performance measures as defined by the commissioner in a format and time specified by the commissioner.

(e) The commissioners of health and of education shall coordinate the projects and initiatives funded under this section with other efforts at the local, state, or national level to avoid duplication and promote coordinated efforts.

Subd. 3. **School-based health center services.** (a) Services provided by a school-based health center may include but are not limited to:

(1) preventive health care;

(2) chronic medical condition management, including diabetes and asthma care;

(3) mental health care and crisis management;

(4) acute care for illness and injury;

(5) oral health care;

(6) vision care;

(7) nutritional counseling;

- (8) substance abuse counseling;
- (9) referral to a specialist, medical home, or hospital for care;
- (10) additional services that address social determinants of health; and
- (11) emerging services such as mobile health and telehealth.

(b) Services provided by a school-based health center must not replace the daily student support provided in the school by educational student service providers, including but not limited to licensed school nurses, educational psychologists, school social workers, and school counselors.

Subd. 4. **Sponsoring organizations.** A sponsoring organization that agrees to operate a school-based health center must enter into a memorandum of agreement with the school or school district. The memorandum of agreement must require the sponsoring organization to be financially responsible for the operation of school-based health centers in the school or school district and must identify the costs that are the responsibility of the school or school district, such as Internet access, custodial services, utilities, and facility maintenance. To the greatest extent possible, a sponsoring organization must bill private insurers, medical assistance, and other public programs for services provided in the school-based health centers in order to maintain the financial sustainability of school-based health centers.

Sec. 60. Minnesota Statutes 2022, section 145.924, is amended to read:

145.924 ~~AIDS~~ HIV PREVENTION GRANTS.

(a) The commissioner may award grants to community health boards as defined in section 145A.02, subdivision 5, state agencies, state councils, or nonprofit corporations to provide evaluation and counseling services to populations at risk for acquiring human immunodeficiency virus infection, including, but not limited to, minorities communities of color, adolescents, intravenous drug users, women, people who inject drugs, and homosexual men, gay, bisexual, and transgender individuals.

(b) The commissioner may award grants to agencies experienced in providing services to communities of color, for the design of innovative outreach and education programs for targeted groups within the community who may be at risk of acquiring the human immunodeficiency virus infection, including intravenous drug users, people who inject drugs and their partners, adolescents, women, and gay and, bisexual, and transgender individuals and women. Grants shall be awarded on a request for proposal basis and shall include funds for administrative costs. Priority for grants shall be given to agencies or organizations that have experience in providing service to the particular community which the grantee proposes to serve; that have policy makers representative of the targeted population; that have experience in dealing with issues relating to HIV/AIDS; and that have the capacity to deal effectively with persons of differing sexual orientations. For purposes of this paragraph, the "communities of color" are: the American-Indian community; the Hispanic community; the African-American community; and the Asian-Pacific Islander community.

(c) All state grants awarded under this section for programs targeted to adolescents shall include the promotion of abstinence from sexual activity and drug use.

(d) The commissioner shall administer a grant program to provide funds to organizations, including Tribal health agencies, to assist with HIV outbreaks.

Sec. 61. Minnesota Statutes 2022, section 145.925, is amended to read:

145.925 FAMILY PLANNING SEXUAL AND REPRODUCTIVE HEALTH SERVICES GRANTS.

Subdivision 1. ~~Eligible organizations; purpose~~ **Goal and establishment.** ~~The commissioner of health may make special grants to cities, counties, groups of cities or counties, or nonprofit corporations to provide pre-pregnancy family planning services. (a) It is the goal of the state to increase access to sexual and reproductive health services for people who experience barriers, whether geographic, cultural, financial, or other, in access to such services. The commissioner of health shall administer grants to facilitate access to sexual and reproductive health services for people of reproductive age, particularly those from populations that experience barriers to these services.~~

(b) The commissioner of health shall coordinate with other efforts at the local, state, or national level to avoid duplication and promote complementary efforts in sexual and reproductive health service promotion among people of reproductive age.

~~Subd. 1a. **Family planning services; defined.** "Family planning services" means counseling by trained personnel regarding family planning; distribution of information relating to family planning, referral to licensed physicians or local health agencies for consultation, examination, medical treatment, genetic counseling, and prescriptions for the purpose of family planning; and the distribution of family planning products, such as charts, thermometers, drugs, medical preparations, and contraceptive devices. For purposes of sections 145A.01 to 145A.14, family planning shall mean voluntary action by individuals to prevent or aid conception but does not include the performance, or make referrals for encouragement of voluntary termination of pregnancy.~~

~~Subd. 2. **Prohibition.** The commissioner shall not make special grants pursuant to this section to any nonprofit corporation which performs abortions. No state funds shall be used under contract from a grantee to any nonprofit corporation which performs abortions. This provision shall not apply to hospitals licensed pursuant to sections 144.50 to 144.56, or health maintenance organizations certified pursuant to chapter 62D.~~

Subd. 2a. **Sexual and reproductive health services defined.** For purposes of this section, "sexual and reproductive health services" means services that promote a state of complete physical, mental, and social well-being in relation to sexuality, reproduction, and the reproductive system and its functions and processes, and not merely the absence of disease or infirmity. These services must be provided in accord with nationally recognized standards and include but are not limited to sexual and reproductive health counseling, voluntary and informed decision-making on sexual and reproductive health, information on and provision of contraceptive methods, sexual and reproductive health screenings and treatment, pregnancy testing and counseling, and other preconception services.

Subd. 3. **Minors Grants authorized.** No funds provided by grants made pursuant to this section shall be used to support any family planning services for any unemancipated minor in any elementary or secondary school building. (a) The commissioner of health shall award grants to eligible community organizations, including nonprofit organizations, community health boards, and Tribal communities

in rural and metropolitan areas of the state to support, sustain, expand, or implement reproductive and sexual health programs for people of reproductive age to increase access to and availability of medically accurate sexual and reproductive health services.

(b) The commissioner of health shall establish application scoring criteria to use in the evaluation of applications submitted for award under this section. These criteria shall include but are not limited to the degree to which applicants' programming responds to demographic factors relevant to paragraph (f) and subdivision 1, paragraph (a).

(c) When determining whether to award a grant or the amount of a grant under this section, the commissioner of health may identify and stratify geographic regions based on the region's need for sexual and reproductive health services. In this stratification, the commissioner may consider data on the prevalence of poverty and other factors relevant to a geographic region's need for sexual and reproductive health services.

(d) The commissioner of health may consider geographic and Tribal communities' representation in the award of grants.

(e) Current recipients of funding under this section shall not be afforded priority over new applicants.

(f) Grant funds shall be used to support new or existing sexual and reproductive health programs that provide person-centered, accessible services; that are culturally and linguistically appropriate, inclusive of all people, and trauma-informed; that protect the dignity of the individual; and that ensure equitable, quality services consistent with nationally recognized standards of care. These services shall include:

(1) education and outreach on medically accurate sexual and reproductive health information;

(2) contraceptive counseling, provision of contraceptive methods, and follow-up;

(3) screening, testing, and treatment of sexually transmitted infections and other sexual or reproductive concerns; and

(4) referral and follow-up for medical, financial, mental health, and other services in accord with a service recipient's needs.

Subd. 4. **Parental notification.** Except as provided in sections 144.341 and 144.342, any person employed to provide family planning services who is paid in whole or in part from funds provided under this section who advises an abortion or sterilization to any unemancipated minor shall, following such a recommendation, so notify the parent or guardian of the reasons for such an action.

~~Subd. 5. **Rules.** The commissioner of health shall promulgate rules for approval of plans and budgets of prospective grant recipients, for the submission of annual financial and statistical reports, and the maintenance of statements of source and application of funds by grant recipients. The commissioner of health may not require that any home rule charter or statutory city or county apply for or receive grants under this subdivision as a condition for the receipt of any state or federal funds unrelated to family planning services.~~

Subd. 6. **Public services; individual and employee rights.** The request of any person for family planning sexual and reproductive health services or the refusal to accept any service shall in no way affect the right of the person to receive public assistance, public health services, or any other public service. Nothing in this section shall abridge the right of the individual person to make decisions concerning family planning sexual and reproductive health, nor shall any individual person be required to state a reason for refusing any offer of family planning sexual and reproductive health services.

~~Any employee of the agencies engaged in the administration of the provisions of this section may refuse to accept the duty of offering family planning services to the extent that the duty is contrary to personal beliefs. A refusal shall not be grounds for dismissal, suspension, demotion, or any other discrimination in employment. The directors or supervisors of the agencies shall reassign the duties of employees in order to carry out the provisions of this section.~~

All information gathered by any agency, entity, or individual conducting programs in family planning sexual and reproductive health is private data on individuals within the meaning of section 13.02, subdivision 12. For any person or entity meeting the definition of a "provider" under section 144.291, subdivision 2, paragraph (i), all sexual and reproductive health services information provided to, gathered about, or received from a person under this section is also subject to the Minnesota Health Records Act, in sections 144.291 to 144.298.

Subd. 7. **Family planning services; information required.** ~~A grant recipient shall inform any person requesting counseling on family planning methods or procedures of:~~

- ~~(1) Any methods or procedures which may be followed, including identification of any which are experimental or any which may pose a health hazard to the person;~~
- ~~(2) A description of any attendant discomforts or risks which might reasonably be expected;~~
- ~~(3) A fair explanation of the likely results, should a method fail;~~
- ~~(4) A description of any benefits which might reasonably be expected of any method;~~
- ~~(5) A disclosure of appropriate alternative methods or procedures;~~
- ~~(6) An offer to answer any inquiries concerning methods or procedures; and~~
- ~~(7) An instruction that the person is free either to decline commencement of any method or procedure or to withdraw consent to a method or procedure at any reasonable time.~~

Subd. 8. **Coercion; penalty.** ~~Any person who receives compensation for services under any program receiving financial assistance under this section, who coerces or endeavors to coerce any person to undergo an abortion or sterilization procedure by threatening the person with the loss of or disqualification for the receipt of any benefit or service under a program receiving state or federal financial assistance shall be guilty of a misdemeanor.~~

Subd. 9. **Amount of grant; rules.** ~~Notwithstanding any rules to the contrary, including rules proposed in the State Register on April 1, 1991, the commissioner, in allocating grant funds for family planning special projects, shall not limit the total amount of funds that can be allocated to~~

~~an organization. The commissioner shall allocate to an organization receiving grant funds on July 1, 1997, at least the same amount of grant funds for the 1998 to 1999 grant cycle as the organization received for the 1996 to 1997 grant cycle, provided the organization submits an application that meets grant funding criteria. This subdivision does not affect any procedure established in rule for allocating special project money to the different regions. The commissioner shall revise the rules for family planning special project grants so that they conform to the requirements of this subdivision. In adopting these revisions, the commissioner is not subject to the rulemaking provisions of chapter 14, but is bound by section 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to these rules.~~

Sec. 62. [145.9273] TESTING FOR LEAD IN DRINKING WATER IN CHILD CARE SETTINGS.

Subdivision 1. **Requirement to test.** (a) By July 1, 2024, licensed or certified child care providers must develop a plan to accurately and efficiently test for the presence of lead in drinking water in child care facilities following either the Department of Health's document "Reducing Lead in Drinking Water: A Technical Guidance for Minnesota's School and Child Care Facilities" or the Environmental Protection Agency's "3Ts: Training, Testing, Taking Action" guidance materials.

(b) For purposes of this section, "licensed or certified child care provider" means a child care center licensed under Minnesota Rules, chapter 9503, or a certified license-exempt child care center under chapter 245H.

Subd. 2. **Scope and frequency of testing.** The plan under subdivision 1 must include testing every building serving children and all water fixtures used for consumption of water, including water used in food preparation. All taps must be tested at least once every five years. A licensed or certified child care provider must begin testing in buildings by July 1, 2024, and complete testing in all buildings that serve students within five years.

Subd. 3. **Remediation of lead in drinking water.** The plan under subdivision 1 must include steps to remediate if lead is present in drinking water. A licensed or certified child care provider that finds lead at concentrations at or exceeding five parts per billion at a specific location providing water to children within its facilities must take action to reduce lead exposure following guidance and verify the success of remediation by retesting the location for lead. Remediation actions are actions that reduce lead levels from the drinking water fixture as demonstrated by testing. This includes using certified filters, implementing and documenting a building-wide flushing program, and replacing or removing fixtures with elevated lead levels.

Subd. 4. **Reporting results.** (a) A licensed or certified child care provider that tested its buildings for the presence of lead shall make the results of the testing and any remediation steps taken available to parents and staff and notify them of the availability of results. Reporting shall occur no later than 30 days from receipt of results and annually thereafter.

(b) Beginning July 1, 2024, a licensed or certified child care provider must report the provider's test results and remediation activities to the commissioner of health annually on or before July 1 of each year.

Sec. 63. [145.9275] LEAD REMEDIATION IN SCHOOL AND CHILD CARE SETTINGS GRANT PROGRAM.

Subdivision 1. **Establishment; purpose.** The commissioner of health shall develop a grant program for the purpose of remediating identified sources of lead in drinking water in schools and licensed child care settings.

Subd. 2. **Grants authorized.** The commissioner shall award grants through a request for proposals process to schools and licensed child care settings. Priority shall be given to schools and licensed child care settings with higher levels of lead detected in water samples, evidence of lead service lines, or lead plumbing materials and school districts that serve disadvantaged communities.

Subd. 3. **Grant allocation.** Grantees must use the funds to address sources of lead contamination in their facilities including but not limited to service connections and premise plumbing, and to implement best practices for water management within the building.

Sec. 64. [145.9571] **HEALTHY BEGINNINGS, HEALTHY FAMILIES ACT.**

Sections 145.9571 to 145.9576 are the Healthy Beginnings, Healthy Families Act.

Sec. 65. [145.9572] **MINNESOTA PERINATAL QUALITY COLLABORATIVE.**

Subdivision 1. **Duties.** The Minnesota perinatal quality collaborative is established to improve pregnancy outcomes for pregnant people and newborns through efforts to:

(1) advance evidence-based and evidence-informed clinics and other health service practices and processes through quality care review, chart audits, and continuous quality improvement initiatives that enable equitable outcomes;

(2) review current data, trends, and research on best practices to inform and prioritize quality improvement initiatives;

(3) identify methods that incorporate antiracism into individual practice and organizational guidelines in the delivery of perinatal health services;

(4) support quality improvement initiatives to address substance use disorders in pregnant people and infants with neonatal abstinence syndrome or other effects of substance use;

(5) provide a forum to discuss state-specific system and policy issues to guide quality improvement efforts that improve population-level perinatal outcomes;

(6) reach providers and institutions in a multidisciplinary, collaborative, and coordinated effort across system organizations to reinforce a continuum of care model; and

(7) support health care facilities in monitoring interventions through rapid data collection and applying system changes to provide improved care in perinatal health.

Subd. 2. **Grants authorized.** The commissioner of health must, within available appropriations, award one grant to a nonprofit organization to support efforts that improve maternal and infant health outcomes aligned with the purpose outlined in subdivision 1. The commissioner must give preference to a nonprofit organization that has the ability to provide these services throughout the state. The commissioner must provide content expertise to the grant recipient to further the accomplishment of the purpose.

Sec. 66. [145.9573] MINNESOTA PARTNERSHIP TO PREVENT INFANT MORTALITY.

(a) The commissioner of health must establish the Minnesota partnership to prevent infant mortality program that is a statewide partnership program to engage communities, exchange best practices, share summary data on infant health, and promote policies to improve birth outcomes and eliminate preventable infant mortality.

(b) The goal of the Minnesota partnership to prevent infant mortality program is to:

(1) build a statewide multisectoral partnership including the state government, local public health agencies, Tribes, private sector, and community nonprofit organizations with the shared goal of decreasing infant mortality rates among populations with significant disparities, including among Black, American Indian, other nonwhite communities, and rural populations;

(2) address the leading causes of poor infant health outcomes such as premature birth, infant sleep-related deaths, and congenital anomalies through strategies to change social and environmental determinants of health; and

(3) promote the development, availability, and use of data-informed, community-driven strategies to improve infant health outcomes.

Sec. 67. [145.9574] GRANTS.

Subdivision 1. **Improving pregnancy and infant outcomes grant.** The commissioner of health must, within available appropriations, make a grant to a nonprofit organization to create or sustain a multidisciplinary network of representatives of health care systems, health care providers, academic institutions, local and state agencies, and community partners that will collaboratively improve pregnancy and infant outcomes through evidence-based, population-level quality improvement initiatives.

Subd. 2. **Improving infant health grants.** (a) The commissioner of health must award grants to eligible applicants to convene, coordinate, and implement data-driven strategies and culturally relevant activities to improve infant health by reducing preterm birth, sleep-related infant deaths, and congenital malformations and address social and environmental determinants of health. Eligible entities include community nonprofit organizations, Tribal governments, and community health boards. In accordance with available funding, the commissioner may award grants on a noncompetitive basis to the 11 sovereign Tribal governments if their respective proposals demonstrate the ability to implement programs designed to achieve the purposes in subdivision 1 and meet other requirements of this section. An eligible applicant must submit a complete application to the commissioner of health by the deadline established by the commissioner. The commissioner must award all other grants competitively to eligible applicants in metropolitan and rural areas of the state and may consider geographic representation in grant awards.

(b) Grantee activities must:

(1) address the leading cause or causes of infant mortality;

(2) be based on community input;

(3) focus on policy, systems, and environmental changes that support infant health; and

(4) address the health disparities and inequities that are experienced in the grantee's community.

(c) The commissioner must review each application to determine whether the application is complete and whether the applicant and the project are eligible for a grant. In evaluating applications according to this subdivision, the commissioner must establish criteria including but not limited to: the eligibility of the applicant's project under this section; the applicant's thoroughness and clarity in describing the infant health issues grant funds are intended to address; a description of the applicant's proposed project; the project's likelihood to achieve the grant's purposes as described in this section; a description of the population demographics and service area of the proposed project; and evidence of efficiencies and effectiveness gained through collaborative efforts.

(d) Grant recipients must report their activities to the commissioner in a format and at a time specified by the commissioner.

Sec. 68. [145.9575] DEVELOPMENTAL AND SOCIAL-EMOTIONAL SCREENING WITH FOLLOW-UP.

Subdivision 1. **Developmental and social-emotional screening with follow-up.** The goal of the developmental and social-emotional screening is to identify young children at risk for developmental and behavioral concerns and provide follow-up services to connect families and young children to appropriate community-based resources and programs. The commissioner of health must work with the commissioners of human services and education to implement this section and promote interagency coordination with other early childhood programs including those that provide screening and assessment.

Subd. 2. **Duties.** The commissioner must:

(1) increase the awareness of developmental and social-emotional screening with follow-up in coordination with community and state partners;

(2) expand existing electronic screening systems to administer developmental and social-emotional screening to children from birth to kindergarten entrance;

(3) provide screening for developmental and social-emotional delays based on current recommended best practices;

(4) review and share the results of the screening with the parent or guardian and support families in their role as caregivers by providing anticipatory guidance around typical growth and development;

(5) refer and connect children and families with appropriate community-based services and resources when any developmental or social-emotional concerns are identified through screening; and

(6) establish performance measures and collect, analyze, and share program data regarding population-level outcomes of developmental and social-emotional screening, referrals to community-based services, and follow-up services.

Subd. 3. **Grants.** The commissioner must award grants to support follow-up services for children with developmental or social-emotional concerns identified through screening in order to link children and their families to appropriate community-based services and resources. Grants may also be awarded to train and utilize cultural liaisons to help families navigate the screening and follow-up process in a culturally and linguistically responsive manner. Eligible grantees include community-based organizations, community health boards, and Tribal Nations. The commissioner must provide technical assistance, content expertise, and training to grant recipients to ensure that follow-up services are effectively provided.

Sec. 69. **[145.9576] MODEL JAIL PRACTICES.**

Subdivision 1. **Model jail practices for incarcerated parents.** (a) The commissioner of health may make grants to counties and groups of counties to implement model jail practices and to county governments, Tribal governments, or nonprofit organizations in corresponding geographic areas to build partnerships with county jails to support children of incarcerated parents and their caregivers.

(b) "Model jail practices" means a set of practices that correctional administrators can implement to remove barriers that may prevent children from cultivating or maintaining relationships with their incarcerated parents during and immediately after incarceration without compromising the safety or security of the correctional facility.

Subd. 2. **Grants authorized; model jail practices.** (a) The commissioner of health may award grants to eligible county jails to implement model jail practices and separate grants to county governments, Tribal governments, or nonprofit organizations in corresponding geographic areas to build partnerships with county jails to support children of incarcerated parents and their caregivers.

(b) Grantee activities include but are not limited to:

- (1) parenting classes or groups;
- (2) family-centered intake and assessment of inmate programs;
- (3) family notification, information, and communication strategies;
- (4) correctional staff training;
- (5) policies and practices for family visits; and
- (6) family-focused reentry planning.

(c) Grant recipients must report their activities to the commissioner in a format and at a time specified by the commissioner.

Subd. 3. **Technical assistance and oversight; model jail practices.** (a) The commissioner may provide content expertise, training to grant recipients, and advice on evidence-based strategies, including evidence-based training to support incarcerated parents.

(b) For the purposes of carrying out the grant program under subdivision 2, including for administrative purposes, the commissioner may award contracts to appropriate entities to assist in training and provide technical assistance to grantees.

(c) Contracts awarded under paragraph (b) may be used to provide technical assistance and training in the areas of:

(1) evidence-based training for incarcerated parents;

(2) partnership building and community engagement;

(3) evaluation of process and outcomes of model jail practices; and

(4) expert guidance on reducing the harm caused to children of incarcerated parents and application of model jail practices.

Sec. 70. [145.987] HEALTH EQUITY ADVISORY AND LEADERSHIP (HEAL) COUNCIL.

Subdivision 1. **Establishment; composition of advisory council.** The health equity advisory and leadership (HEAL) council consists of 18 members appointed by the commissioner of health who will provide representation from the following groups:

(1) African American and African heritage communities;

(2) Asian American and Pacific Islander communities;

(3) Latina/o/x communities;

(4) American Indian communities and Tribal governments and nations;

(5) disability communities;

(6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and

(7) representatives who reside outside the seven-county metropolitan area.

Subd. 2. **Organization and meetings.** (a) Terms, compensation, and removal of members of the advisory council shall be as provided in section 15.059, subdivisions 2 to 4, except that terms for advisory council members shall be for two years. Members may be reappointed to serve up to two additional terms. Notwithstanding section 15.059, subdivision 6, the advisory council shall not expire. The commissioner shall recommend appointments to replace members vacating their positions in a timely manner, no more than three months after the advisory council reviews panel recommendations.

(b) The commissioner must convene meetings at least quarterly and must provide meeting space and administrative support to the advisory council. Subcommittees may be convened as necessary. Advisory council meetings are subject to the Open Meeting Law under chapter 13D.

Subd. 3. **Duties.** The advisory council shall:

(1) advise the commissioner on health equity issues and the health equity priorities and concerns of the populations specified in subdivision 1;

(2) assist the agency in efforts to advance health equity, including consulting in specific agency policies and programs, providing ideas and input about potential budget and policy proposals, and recommending review of agency policies, standards, or procedures that may create or perpetuate health inequities; and

(3) assist the agency in developing and monitoring meaningful performance measures related to advancing health equity.

Subd. 4. **Expiration.** The advisory council shall remain in existence until health inequities in the state are eliminated. Health inequities will be considered eliminated when race, ethnicity, income, gender, gender identity, geographic location, or other identity or social marker will no longer be predictors of health outcomes in the state. Section 145.928 describes nine health disparities that must be considered when determining whether health inequities have been eliminated in the state.

Subd. 5. **Annual report.** By January 15 each year, the commissioner or a designee, in collaboration with the advisory council, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health policy and finance summarizing the work of the advisory council over the previous year and setting goals for the upcoming year.

Sec. 71. **[145.988] HELP ME CONNECT RESOURCE AND REFERRAL SYSTEM FOR CHILDREN.**

Subdivision 1. **Establishment; purpose.** The commissioner shall establish the Help Me Connect resource and referral system for children as a comprehensive, collaborative resource and referral system for children from the prenatal stage through age eight, and their families. The commissioner of health shall work collaboratively with the commissioners of human services and education to implement this section.

Subd. 2. **Duties.** (a) The Help Me Connect system shall facilitate collaboration across sectors, including child health, early learning and education, child welfare, and family supports by:

(1) providing early childhood provider outreach to support knowledge of and access to local resources that provide early detection and intervention services;

(2) identifying and providing access to early childhood and family support navigation specialists that can support families and their children's needs; and

(3) linking children and families to appropriate community-based services.

(b) The Help Me Connect system shall provide community outreach that includes support for, and participation in, the Help Me Connect system, including disseminating information on the system and compiling and maintaining a current resource directory that includes but is not limited to primary and specialty medical care providers, early childhood education and child care programs, developmental disabilities assessment and intervention programs, mental health services, family and social support programs, child advocacy and legal services, public health services and resources, and other appropriate early childhood information.

(c) The Help Me Connect system shall maintain a centralized access point for parents and professionals to obtain information, resources, and other support services.

(d) The Help Me Connect system shall collect data to increase understanding of the current and ongoing system of support and resources for expectant families and children through age eight and their families, including identification of gaps in service, barriers to finding and receiving appropriate services, and lack of resources.

Sec. 72. Minnesota Statutes 2022, section 145A.131, subdivision 1, is amended to read:

Subdivision 1. **Funding formula for community health boards.** (a) Base funding for each community health board eligible for a local public health grant under section 145A.03, subdivision 7, shall be determined by each community health board's fiscal year 2003 allocations, prior to unallotment, for the following grant programs: community health services subsidy; state and federal maternal and child health special projects grants; family home visiting grants; TANF MN ENABL grants; TANF youth risk behavior grants; and available women, infants, and children grant funds in fiscal year 2003, prior to unallotment, distributed based on the proportion of WIC participants served in fiscal year 2003 within the CHS service area.

(b) Base funding for a community health board eligible for a local public health grant under section 145A.03, subdivision 7, as determined in paragraph (a), shall be adjusted by the percentage difference between the base, as calculated in paragraph (a), and the funding available for the local public health grant.

(c) Multicounty or multicity community health boards shall receive a local partnership base of up to \$5,000 per year for each county or city in the case of a multicity community health board included in the community health board.

(d) The State Community Health Services Advisory Committee may recommend a formula to the commissioner to use in distributing funds to community health boards.

(e) Notwithstanding any adjustment in paragraph (b), community health boards, all or a portion of which are located outside of the counties of Anoka, Chisago, Carver, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright, are eligible to receive an increase equal to ten percent of the grant award to the community health board under paragraph (a) starting July 1, 2015. The increase in calendar year 2015 shall be prorated for the last six months of the year. For calendar years beginning on or after January 1, 2016, the amount distributed under this paragraph shall be adjusted each year based on available funding and the number of eligible community health boards.

(f) Funding for foundational public health responsibilities must be distributed based on a formula determined by the commissioner in consultation with the State Community Health Services Advisory Committee. These funds must be used as described in subdivision 5.

Sec. 73. Minnesota Statutes 2022, section 145A.131, subdivision 2, is amended to read:

Subd. 2. **Local match.** (a) A community health board that receives a local public health grant shall provide at least a 75 percent match for the state funds received through the local public health grant described in subdivision 1 and subject to paragraphs (b) to ~~(d)~~ (f).

(b) Eligible funds must be used to meet match requirements. Eligible funds include funds from local property taxes, reimbursements from third parties, fees, other local funds, and donations or

nonfederal grants that are used for community health services described in section 145A.02, subdivision 6.

(c) When the amount of local matching funds for a community health board is less than the amount required under paragraph (a), the local public health grant provided for that community health board under this section shall be reduced proportionally.

(d) A city organized under the provision of sections 145A.03 to 145A.131 that levies a tax for provision of community health services is exempt from any county levy for the same services to the extent of the levy imposed by the city.

Sec. 74. Minnesota Statutes 2022, section 145A.131, subdivision 5, is amended to read:

Subd. 5. **Use of funds.** (a) Community health boards may use the base funding of their local public health grant funds as described in subdivision 1, paragraphs (a) to (e), to address the areas of public health responsibility and local priorities developed through the community health assessment and community health improvement planning process.

(b) Except as otherwise provided in this paragraph, funding for foundational public health responsibilities as described in subdivision 1, paragraph (f), must be used to fulfill foundational public health responsibilities as defined by the commissioner in consultation with the state community health service advisory committee. If a community health board can demonstrate foundational public health responsibilities are fulfilled, the board may use funds for local priorities developed through the community health assessment and community health improvement planning process.

Sec. 75. **[145A.135] LOCAL AND TRIBAL PUBLIC HEALTH EMERGENCY PREPAREDNESS AND RESPONSE GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health must establish a local and Tribal public health emergency preparedness and response grant program.

Subd. 2. **Funding formula; use.** (a) The commissioner must distribute funding for emergency preparedness and response activities to community health boards and Tribal public health departments based on a formula determined by the commissioner, in consultation with the State Community Health Services Advisory Committee.

(b) Grant proceeds must align with the Centers for Disease Control and Prevention's issued report: Public Health Emergency Preparedness and Response Capabilities: National Standards for State, Local, Tribal, and Territorial Public Health.

Subd. 3. **Reporting.** (a) Each grantee must submit a report to the commissioner, in a manner and on a timeline specified by the commissioner, on how the grant funds were spent and the purposes for which they were spent.

(b) By January 15 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health policy and finance. The report must include information on how the grant funds were distributed and used at the local and Tribal level.

Sec. 76. Minnesota Statutes 2022, section 145A.14, is amended by adding a subdivision to read:

Subd. 2b. **Grants to tribes.** The commissioner must distribute grants to Tribal governments for foundational public health responsibilities as defined by each Tribal government.

Sec. 77. Minnesota Statutes 2022, section 148.261, subdivision 1, is amended to read:

Subdivision 1. **Grounds listed.** The board may deny, revoke, suspend, limit, or condition the license and registration of any person to practice advanced practice, professional, or practical nursing under sections 148.171 to 148.285, or to otherwise discipline a licensee or applicant as described in section 148.262. The following are grounds for disciplinary action:

(1) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in sections 148.171 to 148.285 or rules of the board. In the case of a person applying for a license, the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the requirements.

(2) Employing fraud or deceit in procuring or attempting to procure a permit, license, or registration certificate to practice advanced practice, professional, or practical nursing or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to:

(i) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination;

(ii) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or

(iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(3) Conviction of a felony or gross misdemeanor reasonably related to the practice of professional, advanced practice registered, or practical nursing. Conviction as used in this subdivision includes a conviction of an offense that if committed in this state would be considered a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

(4) Revocation, suspension, limitation, conditioning, or other disciplinary action against the person's professional or practical nursing license or advanced practice registered nursing credential, in another state, territory, or country; failure to report to the board that charges regarding the person's nursing license or other credential are pending in another state, territory, or country; or having been refused a license or other credential by another state, territory, or country.

(5) Failure to or inability to perform professional or practical nursing as defined in section 148.171, subdivision 14 or 15, with reasonable skill and safety, including failure of a registered nurse to supervise or a licensed practical nurse to monitor adequately the performance of acts by any person working at the nurse's direction.

(6) Engaging in unprofessional conduct, including, but not limited to, a departure from or failure to conform to board rules of professional or practical nursing practice that interpret the statutory definition of professional or practical nursing as well as provide criteria for violations of the statutes, or, if no rule exists, to the minimal standards of acceptable and prevailing professional or practical nursing practice, or any nursing practice that may create unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not be established under this clause.

(7) Failure of an advanced practice registered nurse to practice with reasonable skill and safety or departure from or failure to conform to standards of acceptable and prevailing advanced practice registered nursing.

(8) Delegating or accepting the delegation of a nursing function or a prescribed health care function when the delegation or acceptance could reasonably be expected to result in unsafe or ineffective patient care.

(9) Actual or potential inability to practice nursing with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition.

(10) Adjudication as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, within or without this state.

(11) Engaging in any unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient. Actual injury need not be established under this clause.

(12) Engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient, or engaging in sexual exploitation of a patient or former patient.

(13) Obtaining money, property, or services from a patient, other than reasonable fees for services provided to the patient, through the use of undue influence, harassment, duress, deception, or fraud.

(14) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(15) Engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws.

(16) Improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law.

(17) Knowingly aiding, assisting, advising, or allowing an unlicensed person to engage in the unlawful practice of advanced practice, professional, or practical nursing.

(18) Violating a rule adopted by the board, an order of the board, or a state or federal law relating to the practice of advanced practice, professional, or practical nursing, or a state or federal narcotics or controlled substance law.

(19) Knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo.

(20) Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

(21) Practicing outside the scope of practice authorized by section 148.171, subdivision 5, 10, 11, 13, 14, 15, or 21.

(22) Making a false statement or knowingly providing false information to the board, failing to make reports as required by section 148.263, or failing to cooperate with an investigation of the board as required by section 148.265.

(23) Engaging in false, fraudulent, deceptive, or misleading advertising.

(24) Failure to inform the board of the person's certification or recertification status as a certified registered nurse anesthetist, certified nurse-midwife, certified nurse practitioner, or certified clinical nurse specialist.

(25) Engaging in clinical nurse specialist practice, nurse-midwife practice, nurse practitioner practice, or registered nurse anesthetist practice without a license and current certification or recertification by a national nurse certification organization acceptable to the board.

~~(26) Engaging in conduct that is prohibited under section 145.412.~~

~~(27)~~ (26) Failing to report employment to the board as required by section 148.211, subdivision 2a, or knowingly aiding, assisting, advising, or allowing a person to fail to report as required by section 148.211, subdivision 2a.

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

Sec. 78. Minnesota Statutes 2022, section 256B.692, subdivision 2, is amended to read:

Subd. 2. **Duties of commissioner of health.** (a) Notwithstanding chapters 62D and 62N, a county that elects to purchase medical assistance in return for a fixed sum without regard to the frequency or extent of services furnished to any particular enrollee is not required to obtain a certificate of authority under chapter 62D or 62N. The county board of commissioners is the governing

body of a county-based purchasing program. In a multicounty arrangement, the governing body is a joint powers board established under section 471.59.

(b) A county that elects to purchase medical assistance services under this section must satisfy the commissioner of health that the requirements for assurance of consumer protection, provider protection, and fiscal solvency of chapter 62D, applicable to health maintenance organizations will be met according to the following schedule:

(1) for a county-based purchasing plan approved on or before June 30, 2008, the plan must have in reserve:

(i) at least 50 percent of the minimum amount required under chapter 62D as of January 1, 2010;

(ii) at least 75 percent of the minimum amount required under chapter 62D as of January 1, 2011;

(iii) at least 87.5 percent of the minimum amount required under chapter 62D as of January 1, 2012; and

(iv) at least 100 percent of the minimum amount required under chapter 62D as of January 1, 2013; and

(2) for a county-based purchasing plan first approved after June 30, 2008, the plan must have in reserve:

(i) at least 50 percent of the minimum amount required under chapter 62D at the time the plan begins enrolling enrollees;

(ii) at least 75 percent of the minimum amount required under chapter 62D after the first full calendar year;

(iii) at least 87.5 percent of the minimum amount required under chapter 62D after the second full calendar year; and

(iv) at least 100 percent of the minimum amount required under chapter 62D after the third full calendar year.

(c) Until a plan is required to have reserves equaling at least 100 percent of the minimum amount required under chapter 62D, the plan may demonstrate its ability to cover any losses by satisfying the requirements of chapter 62N. A county-based purchasing plan must also assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71 to 62J.73; all applicable provisions of chapter 62Q, including sections 62Q.075; 62Q.1055; 62Q.106; 62Q.12; 62Q.135; 62Q.14; ~~62Q.145~~; 62Q.19; 62Q.23, paragraph (c); 62Q.43; 62Q.47; 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.68 to 62Q.72; and 72A.201 will be met.

(d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62N, and 62Q are hereby granted to the commissioner of health with respect to counties that purchase medical assistance services under this section.

(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties.

(f) The commissioner shall collect from a county-based purchasing plan under this section the following fees:

(1) fees attributable to the costs of audits and other examinations of plan financial operations. These fees are subject to the provisions of Minnesota Rules, part 4685.2800, subpart 1, item F; and

(2) an annual fee of \$21,500, to be paid by June 15 of each calendar year.

All fees collected under this paragraph shall be deposited in the state government special revenue fund.

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

Sec. 79. Minnesota Statutes 2022, section 259.83, subdivision 1, is amended to read:

Subdivision 1. **Services provided.** (a) Agencies shall provide assistance and counseling services upon receiving a request for current information from adoptive parents, birth parents, or adopted persons aged ~~19~~ 18 years of age and over older. The agency shall contact the other adult persons or the adoptive parents of a minor child in a personal and confidential manner to determine whether there is a desire to receive or share information or to have contact. If there is such a desire, the agency shall provide the services requested. The agency shall provide services to adult genetic siblings if there is no known violation of the confidentiality of a birth parent or if the birth parent gives written consent.

(b) Upon a request for assistance or services from an adoptive parent of a minor child, birth parent, or an adopted person 18 years of age or older, the agency must inform the person:

(1) about the right of an adopted person to request and obtain a copy of the adopted person's original birth record at the age and circumstances specified in section 144.2253; and

(2) about the right of the birth parent named on the adopted person's original birth record to file a contact preference form with the state registrar pursuant to section 144.2253.

In adoptive placements, the agency must provide in writing to the birth parents listed on the original birth record the information required under this section.

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

Sec. 80. Minnesota Statutes 2022, section 259.83, subdivision 1a, is amended to read:

Subd. 1a. **Social and medical history.** (a) If a person aged ~~19~~ 18 years of age and over older who was adopted on or after August 1, 1994, or the adoptive parent requests the detailed nonidentifying social and medical history of the adopted person's birth family that was provided at

the time of the adoption, agencies must provide the information to the adopted person or adoptive parent on the applicable form required under sections 259.43 and 260C.212, subdivision 15.

(b) If an adopted person aged ~~19~~ 18 years of age and ~~over~~ older or the adoptive parent requests the agency to contact the adopted person's birth parents to request current nonidentifying social and medical history of the adopted person's birth family, agencies must use the applicable form required under sections 259.43 and 260C.212, subdivision 15, when obtaining the information for the adopted person or adoptive parent.

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

Sec. 81. Minnesota Statutes 2022, section 259.83, subdivision 1b, is amended to read:

Subd. 1b. **Genetic siblings.** (a) A person who is at least ~~19~~ 18 years ~~old~~ of age who was adopted or, because of a termination of parental rights, was committed to the guardianship of the commissioner of human services, whether adopted or not, must upon request be advised of other siblings who were adopted or who were committed to the guardianship of the commissioner of human services and not adopted.

(b) Assistance must be provided by the county or placing agency of the person requesting information to the extent that information is available in the existing records at the Department of Human Services. If the sibling received services from another agency, the agencies must share necessary information in order to locate the other siblings and to offer services, as requested. Upon the determination that parental rights with respect to another sibling were terminated, identifying information and contact must be provided only upon mutual consent. A reasonable fee may be imposed by the county or placing agency.

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

Sec. 82. Minnesota Statutes 2022, section 259.83, is amended by adding a subdivision to read:

Subd. 3a. **Birth parent identifying information.** (a) This subdivision applies to adoptive placements where an adopted person does not have a record of live birth registered in this state. Upon written request by an adopted person 18 years of age or older, the agency responsible for or supervising the placement must provide to the requester the following identifying information related to the birth parents listed on that adopted person's original birth record:

(1) each of the birth parent's names; and

(2) each of the birth parent's birthdate and birthplace.

(b) The agency may charge a reasonable fee to the requester for providing the required information under paragraph (a).

(c) The agency, acting in good faith and in a lawful manner in disclosing the identifying information under this subdivision, is not civilly liable for such disclosure.

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

Sec. 83. Minnesota Statutes 2022, section 260C.317, subdivision 4, is amended to read:

Subd. 4. **Rights of terminated parent.** (a) Upon entry of an order terminating the parental rights of any person who is identified as a parent on the original birth record of the child as to whom the parental rights are terminated, the court shall cause written notice to be made to that person setting forth:

~~(1) the right of the person to file at any time with the state registrar of vital records a consent to disclosure, as defined in section 144.212, subdivision 11;~~

~~(2) the right of the person to file at any time with the state registrar of vital records an affidavit stating that the information on the original birth record shall not be disclosed as provided in section 144.2252; and a contact preference form under section 144.2253.~~

~~(3) the effect of a failure to file either a consent to disclosure, as defined in section 144.212, subdivision 11, or an affidavit stating that the information on the original birth record shall not be disclosed.~~

(b) A parent whose rights are terminated under this section shall retain the ability to enter into a contact or communication agreement under section 260C.619 if an agreement is determined by the court to be in the best interests of the child. The agreement shall be filed with the court at or prior to the time the child is adopted. An order for termination of parental rights shall not be conditioned on an agreement under section 260C.619.

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

Sec. 84. Minnesota Statutes 2022, section 403.161, subdivision 1, is amended to read:

Subdivision 1. **Fees imposed.** (a) A prepaid wireless E911 fee of 80 cents per retail transaction is imposed on prepaid wireless telecommunications service until the fee is adjusted as an amount per retail transaction under subdivision 7.

(b) A prepaid wireless telecommunications access Minnesota fee, in the amount of the monthly charge provided for in section 237.52, subdivision 2, is imposed on each retail transaction for prepaid wireless telecommunications service until the fee is adjusted as an amount per retail transaction under subdivision 7.

(c) A prepaid wireless 988 fee, in the amount of the monthly charge provided for in section 145.561, subdivision 4, paragraph (b), is imposed on each retail transaction for prepaid wireless telecommunications service until the fee is adjusted as an amount per retail transaction under subdivision 7.

Sec. 85. Minnesota Statutes 2022, section 403.161, subdivision 3, is amended to read:

Subd. 3. **Fee collected.** The prepaid wireless E911 ~~and~~₂ telecommunications access Minnesota, and 988 fees must be collected by the seller from the consumer for each retail transaction occurring in this state. The amount of each fee must be combined into one amount, which must be separately stated on an invoice, receipt, or other similar document that is provided to the consumer by the seller.

Sec. 86. Minnesota Statutes 2022, section 403.161, subdivision 5, is amended to read:

Subd. 5. **Remittance.** The prepaid wireless E911 ~~and~~₂ telecommunications access Minnesota, and 988 fees are the liability of the consumer and not of the seller or of any provider, except that the seller is liable to remit all fees as provided in section 403.162.

Sec. 87. Minnesota Statutes 2022, section 403.161, subdivision 6, is amended to read:

Subd. 6. **Exclusion for calculating other charges.** The combined amount of the prepaid wireless E911 ~~and~~₂ telecommunications access Minnesota, and 988 fees collected by a seller from a consumer must not be included in the base for measuring any tax, fee, surcharge, or other charge that is imposed by this state, any political subdivision of this state, or any intergovernmental agency.

Sec. 88. Minnesota Statutes 2022, section 403.161, subdivision 7, is amended to read:

Subd. 7. **Fee changes.** (a) The prepaid wireless E911 ~~and~~₂ telecommunications access Minnesota ~~fee, and 988 fees~~ must be proportionately increased or reduced upon any change to the fee imposed under section 403.11, subdivision 1, paragraph (c), after July 1, 2013, ~~or~~ the fee imposed under section 237.52, subdivision 2, or the fee imposed under section 145.561, subdivision 4, as applicable.

(b) The department shall post notice of any fee changes on its website at least 30 days in advance of the effective date of the fee changes. It is the responsibility of sellers to monitor the department's website for notice of fee changes.

(c) Fee changes are effective 60 days after the first day of the first calendar month after the commissioner of public safety or the Public Utilities Commission, as applicable, changes the fee.

Sec. 89. Minnesota Statutes 2022, section 403.162, subdivision 1, is amended to read:

Subdivision 1. **Remittance.** Prepaid wireless E911 ~~and~~₂ telecommunications access Minnesota, and 988 fees collected by sellers must be remitted to the commissioner of revenue at the times and in the manner provided by chapter 297A with respect to the general sales and use tax. The commissioner of revenue shall establish registration and payment procedures that substantially coincide with the registration and payment procedures that apply in chapter 297A.

Sec. 90. Minnesota Statutes 2022, section 403.162, subdivision 2, is amended to read:

Subd. 2. **Seller's fee retention.** A seller may deduct and retain three percent of prepaid wireless E911 ~~and~~₂ telecommunications access Minnesota, and 988 fees collected by the seller from consumers.

Sec. 91. Minnesota Statutes 2022, section 403.162, subdivision 5, is amended to read:

Subd. 5. **Fees deposited.** (a) The commissioner of revenue shall, based on the relative proportion of the prepaid wireless E911 fee ~~and~~₂ the prepaid wireless telecommunications access Minnesota fee, and the prepaid wireless 988 fee imposed per retail transaction, divide the fees collected in corresponding proportions. Within 30 days of receipt of the collected fees, the commissioner shall:

(1) deposit the proportion of the collected fees attributable to the prepaid wireless E911 fee in the 911 emergency telecommunications service account in the special revenue fund; ~~and~~

(2) deposit the proportion of collected fees attributable to the prepaid wireless telecommunications access Minnesota fee in the telecommunications access fund established in section 237.52, subdivision 1; and

(3) deposit the proportion of the collected fees attributable to the prepaid wireless 988 fee in the 988 special revenue account established in section 145.561, subdivision 3.

(b) The commissioner of revenue may deduct and deposit in a special revenue account an amount not to exceed two percent of collected fees. Money in the account is annually appropriated to the commissioner of revenue to reimburse its direct costs of administering the collection and remittance of prepaid wireless E911 fees ~~and~~ prepaid wireless telecommunications access Minnesota fees, and prepaid wireless 988 fees.

Sec. 92. Minnesota Statutes 2022, section 518A.39, subdivision 2, is amended to read:

Subd. 2. **Modification.** (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following, any of which makes the terms unreasonable and unfair: (1) substantially increased or decreased gross income of an obligor or obligee; (2) substantially increased or decreased need of an obligor or obligee or the child or children that are the subject of these proceedings; (3) receipt of assistance under the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to ~~256B.40~~ 256B.39, or chapter 256J or 256K; (4) a change in the cost of living for either party as measured by the federal Bureau of Labor Statistics; (5) extraordinary medical expenses of the child not provided for under section 518A.41; (6) a change in the availability of appropriate health care coverage or a substantial increase or decrease in health care coverage costs; (7) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses; or (8) upon the emancipation of the child, as provided in subdivision 5.

(b) It is presumed that there has been a substantial change in circumstances under paragraph (a) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if:

(1) the application of the child support guidelines in section 518A.35, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$75 per month higher or lower than the current support order or, if the current support order is less than \$75, it results in a calculated court order that is at least 20 percent per month higher or lower;

(2) the medical support provisions of the order established under section 518A.41 are not enforceable by the public authority or the obligee;

(3) health coverage ordered under section 518A.41 is not available to the child for whom the order is established by the parent ordered to provide;

(4) the existing support obligation is in the form of a statement of percentage and not a specific dollar amount;

(5) the gross income of an obligor or obligee has decreased by at least 20 percent through no fault or choice of the party; or

(6) a deviation was granted based on the factor in section 518A.43, subdivision 1, clause (4), and the child no longer resides in a foreign country or the factor is otherwise no longer applicable.

(c) A child support order is not presumptively modifiable solely because an obligor or obligee becomes responsible for the support of an additional nonjoint child, which is born after an existing order. Section 518A.33 shall be considered if other grounds are alleged which allow a modification of support.

(d) If child support was established by applying a parenting expense adjustment or presumed equal parenting time calculation under previously existing child support guidelines and there is no parenting plan or order from which overnights or overnight equivalents can be determined, there is a rebuttable presumption that the established adjustment or calculation will continue after modification so long as the modification is not based on a change in parenting time. In determining an obligation under previously existing child support guidelines, it is presumed that the court shall:

(1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's share of the combined basic support obligation calculated under section 518A.34, paragraph (b), clause (5), by 0.88; or

(2) if the parenting time was presumed equal but the parents' parental incomes for determining child support were not equal:

(i) multiply the combined basic support obligation under section 518A.34, paragraph (b), clause (5), by 0.75;

(ii) prorate the amount under item (i) between the parents based on each parent's proportionate share of the combined PICS; and

(iii) subtract the lower amount from the higher amount.

(e) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518A.35, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(f) A modification of support or maintenance, including interest that accrued pursuant to section 548.091, may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record, unless the court adopts an alternative effective date under paragraph (l). The court's adoption of an alternative effective date under paragraph (l) shall not be considered a retroactive modification of maintenance or support.

(g) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518A.71.

(h) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for motions brought under this subdivision.

(j) An enactment, amendment, or repeal of law constitutes a substantial change in the circumstances for purposes of modifying a child support order when it meets the standards for modification in this section.

(k) On the first modification following implementation of amended child support guidelines, the modification of basic support may be limited if the amount of the full variance would create hardship for either the obligor or the obligee. Hardship includes, but is not limited to, eligibility for assistance under chapter 256J.

(l) The court may select an alternative effective date for a maintenance or support order if the parties enter into a binding agreement for an alternative effective date.

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

Sec. 93. Laws 2017, First Special Session chapter 6, article 5, section 11, as amended by Laws 2019, First Special Session chapter 9, article 8, section 20, is amended to read:

Sec. 11. **MORATORIUM ON CONVERSION TRANSACTIONS.**

(a) Notwithstanding Laws 2017, chapter 2, article 2, a nonprofit health service plan corporation operating under Minnesota Statutes, chapter 62C, or a nonprofit health maintenance organization operating under Minnesota Statutes, chapter 62D, as of January 1, 2017, may only merge or consolidate with; convert; or transfer, as part of a single transaction or a series of transactions within a 24-month period, all or a material amount of its assets to an entity that is a corporation organized under Minnesota Statutes, chapter 317A; or to a Minnesota nonprofit hospital within the same integrated health system as the health maintenance organization. For purposes of this section, "material amount" means the lesser of ten percent of such an entity's total admitted net assets as of December 31 of the previous year, or \$50,000,000.

(b) Paragraph (a) does not apply if the nonprofit service plan corporation or nonprofit health maintenance organization files an intent to dissolve due to insolvency of the corporation in accordance with Minnesota Statutes, chapter 317A, or insolvency proceedings are commenced under Minnesota Statutes, chapter 60B.

(c) Nothing in this section shall be construed to authorize a nonprofit health maintenance organization or a nonprofit service plan corporation to engage in any transaction or activities not otherwise permitted under state law.

(d) This section expires July 1, ~~2023~~ 2026.

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

Sec. 94. Laws 2022, chapter 99, article 1, section 46, is amended to read:

Sec. 46. MENTAL HEALTH GRANTS FOR HEALTH CARE PROFESSIONALS.

Subdivision 1. **Grants authorized.** (a) The commissioner of health shall develop a grant program to award grants to health care entities, including but not limited to health care systems, hospitals, nursing facilities, community health clinics or consortium of clinics, federally qualified health centers, rural health clinics, or health professional associations for the purpose of establishing or expanding programs focused on improving the mental health of health care professionals.

(b) Grants shall be awarded for programs that are evidenced-based or evidenced-informed and are focused on addressing the mental health of health care professionals by:

(1) identifying and addressing the barriers to and stigma among health care professionals associated with seeking self-care, including mental health and substance use disorder services;

(2) encouraging health care professionals to seek support and care for mental health and substance use disorder concerns;

(3) identifying risk factors associated with suicide and other mental health conditions; ~~or~~

(4) developing and making available resources to support health care professionals with self-care and resiliency; or

(5) identifying and modifying structural barriers in health care delivery that create unnecessary stress in the workplace.

Subd. 2. **Allocation of grants.** (a) To receive a grant, a health care entity must submit an application to the commissioner by the deadline established by the commissioner. An application must be on a form and contain information as specified by the commissioner and at a minimum must contain:

- (1) a description of the purpose of the program for which the grant funds will be used;
 - (2) a description of the achievable objectives of the program and how these objectives will be met; and
 - (3) a process for documenting and evaluating the results of the program.
- (b) The commissioner shall give priority to programs that involve peer-to-peer support.

Subd. 2a. **Grant term.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, encumbrances for grants under this section issued by June 30 of each year may be certified for a period of up to three years beyond the year in which the funds were originally appropriated.

Subd. 3. **Evaluation.** The commissioner shall evaluate the overall effectiveness of the grant program by conducting a periodic evaluation of the impact and outcomes of the grant program on health care professional burnout and retention. The commissioner shall submit the results of the evaluation and any recommendations for improving the grant program to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance by October 15, 2024.

Sec. 95. Laws 2022, chapter 99, article 3, section 9, is amended to read:

Sec. 9. APPROPRIATION; MENTAL HEALTH GRANTS FOR HEALTH CARE PROFESSIONALS.

\$1,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of health for the health care professionals mental health grant program. This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 96. **[144.9981] CLIMATE RESILIENCY.**

The commissioner of health shall implement a climate resiliency program to:

- (1) increase awareness of climate change;
- (2) track the public health impacts of climate change and extreme weather events;
- (3) provide technical assistance and tools that support climate resiliency to local public health departments, Tribal health departments, soil and water conservation districts, and other local governmental and nongovernmental organizations; and
- (4) coordinate with the commissioners of the pollution control agency, natural resources, and agriculture and other state agencies in climate resiliency related planning and implementation.

Sec. 97. **CRITICAL ACCESS DENTAL INFRASTRUCTURE PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of health.

(c) "Critical access dental provider" means a critical access dental provider as defined in Minnesota Statutes, section 256B.76, subdivision 4.

(d) "Dental infrastructure" means:

(1) physical infrastructure of a dental setting, including but not limited to the operations and clinical spaces in a dental clinic; associated heating, ventilation, and air conditioning infrastructure and other mechanical infrastructure; and dental equipment needed to operate a dental clinic; or

(2) mobile dental equipment or other equipment needed to provide dental services via a hub-and-spoke service delivery model or via teledentistry.

Subd. 2. **Grant and loan program established.** The commissioner shall make grants and forgivable loans to critical access dental providers for eligible dental infrastructure projects.

Subd. 3. **Eligible projects.** In order to be eligible for a grant or forgivable loan under this section, a dental infrastructure project must be proposed by a critical access dental provider and must allow the provider to maintain or expand the provider's capacity to serve Minnesota health care program enrollees.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants and forgivable loans under this section and for awarding grants and forgivable loans. Critical access dental providers seeking a grant or forgivable loan under this section must apply to the commissioner in a time and manner specified by the commissioner. In evaluating applications for grants or forgivable loans for eligible projects, the commissioner must review applications for completeness and must determine the extent to which the project would increase access to dental care for medical assistance and MinnesotaCare enrollees. For purposes of this section, "increasing dental care" means expanding the number of medical assistance and MinnesotaCare enrollees served by the provider and modernizing the facilities or equipment in a manner necessary to meet professional standards of care, to expand access, and improve oral health outcomes.

(b) The commissioner must award grants and forgivable loans based on the information provided in the grant application and other information available to the commissioner.

Subd. 5. **Program oversight.** The commissioner may require and collect from grant and loan recipients any information needed to evaluate the program.

Sec. 98. **MEMBERSHIP TERMS; PALLIATIVE CARE ADVISORY COUNCIL.**

Notwithstanding the terms of office specified to the members upon their appointment, the terms for members appointed to the Palliative Care Advisory Council under Minnesota Statutes, section

144.059, on or after February 1, 2022, shall be three years, as provided in Minnesota Statutes, section 144.059, subdivision 3.

Sec. 99. **PSYCHEDELIC MEDICINE TASK FORCE.**

Subdivision 1. **Establishment; purpose.** The Psychedelic Medicine Task Force is established to advise the legislature on the legal, medical, and policy issues associated with the legalization of psychedelic medicine in the state. For purposes of this section, "psychedelic medicine" means 3,4-methylenedioxymethamphetamine (MDMA), psilocybin, and LSD.

Subd. 2. **Membership; compensation.** (a) The Psychedelic Medicine Task Force shall consist of:

(1) the governor or a designee;

(2) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader of the house of representatives, and two members of the senate, one appointed by the senate majority leader and one appointed by the senate minority leader;

(3) the commissioner of health or a designee;

(4) the commissioner of public safety or a designee;

(5) the commissioner of human services or a designee;

(6) the attorney general or a designee;

(7) the executive director of the Board of Pharmacy or a designee;

(8) the commissioner of commerce or a designee; and

(9) members of the public, appointed by the governor, who have relevant knowledge and expertise, including:

(i) two members representing Indian Tribes within the boundaries of Minnesota, one representing the Ojibwe Tribes and one representing the Dakota Tribes;

(ii) one member with expertise in the treatment of substance use disorders;

(iii) one member with experience working in public health policy;

(iv) two veterans with treatment-resistant mental health conditions;

(v) two patients with treatment-resistant mental health conditions;

(vi) one psychiatrist with experience treating treatment-resistant mental health conditions, including post-traumatic stress disorder;

(vii) one health care practitioner with experience in integrative medicine;

(viii) one psychologist with experience treating treatment-resistant mental health conditions, including post-traumatic stress disorder; and

(ix) one member with demonstrable experience in the medical use of psychedelic medicine.

(b) Members listed in paragraph (a), clauses (1) and (3) to (8), and members appointed under paragraph (a), clause (9), may be reimbursed for expenses under Minnesota Statutes, section 15.059, subdivision 6. Members appointed under paragraph (a), clause (2), may receive per diem compensation from their respective bodies according to the rules of their respective bodies.

(c) Members shall be designated or appointed to the task force by July 15, 2023.

Subd. 3. **Organization.** (a) The commissioner of health or the commissioner's designee shall convene the first meeting of the task force.

(b) At the first meeting, the members of the task force shall elect a chairperson and other officers as the members deem necessary.

(c) The first meeting of the task force shall occur by August 1, 2023. The task force shall meet monthly or as determined by the chairperson.

Subd. 4. **Staff.** The commissioner of health shall provide support staff, office and meeting space, and administrative services for the task force.

Subd. 5. **Duties.** The task force shall:

(1) survey existing studies in the scientific literature on the therapeutic efficacy of psychedelic medicine in the treatment of mental health conditions, including depression, anxiety, post-traumatic stress disorder, bipolar disorder, and any other mental health conditions and medical conditions for which a psychedelic medicine may provide an effective treatment option;

(2) compare the efficacy of psychedelic medicine in treating the conditions described in clause (1) with the efficacy of treatments currently used for these conditions; and

(3) develop a comprehensive plan that covers:

(i) statutory changes necessary for the legalization of psychedelic medicine;

(ii) state and local regulation of psychedelic medicine;

(iii) federal law, policy, and regulation of psychedelic medicine, with a focus on retaining state autonomy to act without conflicting with federal law, including methods to resolve conflicts such as seeking an administrative exemption to the federal Controlled Substances Act under United States Code, title 21, section 822(d), and Code of Federal Regulations, title 21, part 1307.03; seeking a judicially created exemption to the federal Controlled Substances Act; petitioning the United States Attorney General to establish a research program under United States Code, title 21, section 872(e); using the Food and Drug Administration's expanded access program; and using authority under the federal Right to Try Act; and

(iv) education of the public on recommendations made to the legislature and others about necessary and appropriate actions related to the legalization of psychedelic medicine in the state.

Subd. 6. **Reports.** The task force shall submit two reports to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services that detail the task force's findings regarding the legalization of psychedelic medicine in the state, including the comprehensive plan developed under subdivision 5. The first report must be submitted by February 1, 2024, and the second report must be submitted by January 1, 2025.

Sec. 100. STUDY OF THE DEVELOPMENT OF A STATEWIDE REGISTRY FOR PROVIDER ORDERS FOR LIFE-SUSTAINING TREATMENT.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of health.

(c) "Life-sustaining treatment" means any medical procedure, pharmaceutical drug, medical device, or medical intervention that maintains life by sustaining, restoring, or supplanting a vital function. Life-sustaining treatment does not include routine care necessary to sustain patient cleanliness and comfort.

(d) "POLST" means a provider order for life-sustaining treatment, signed by a physician, advanced practice registered nurse, or physician assistant, to ensure that the medical treatment preferences of a patient with an advanced serious illness who is nearing the end of life are honored.

(e) "POLST form" means a portable medical form used to communicate a physician's, advanced practice registered nurse's, or physician assistant's order to help ensure that a patient's medical treatment preferences are conveyed to emergency medical service personnel and other health care providers.

Subd. 2. **Establishment.** (a) The commissioner, in consultation with the advisory committee established in paragraph (c), shall develop recommendations for a statewide registry of POLST forms to ensure that a patient's medical treatment preferences are followed by all health care providers. The registry must allow for the submission of completed POLST forms and for the forms to be accessed by health care providers and emergency medical service personnel in a timely manner for the provision of care or services.

(b) The commissioner shall develop recommendations on the following:

(1) electronic capture, storage, and security of information in the registry;

(2) procedures to protect the accuracy and confidentiality of information submitted to the registry;

(3) limits as to who can access the registry;

(4) where the registry should be housed;

(5) ongoing funding models for the registry; and

(6) any other action needed to ensure that patients' rights are protected and that their health care decisions are followed.

(c) The commissioner shall create an advisory committee with members representing physicians, physician assistants, advanced practice registered nurses, registered nurses, nursing homes, emergency medical system providers, hospice and palliative care providers, the disability community, attorneys, medical ethicists, and the religious community.

Subd. 3. **Report.** The commissioner shall submit recommendations on establishing a statewide registry of POLST forms to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by February 1, 2024.

Sec. 101. **DIRECTION TO THE COMMISSIONER; ALZHEIMER'S PUBLIC INFORMATION PROGRAM.**

(a) The commissioner of health shall design and make publicly available materials for a statewide public information program that:

(1) promotes the benefits of early detection and the importance of discussing cognition with a health care provider;

(2) outlines the benefits of cognitive testing, the early warning signs of cognitive impairment, and the difference between normal cognitive aging and dementia; and

(3) provides awareness of Alzheimer's disease and other dementias.

(b) The commissioner shall include in the program materials messages directed at the general population, as well as messages designed to reach underserved communities including but not limited to rural populations, Native and Indigenous communities, and communities of color. The program materials shall include culturally specific messages developed in consultation with leaders of targeted cultural communities who have experience with Alzheimer's disease and other dementias. The commissioner shall develop the materials for the program by June 30, 2024, and make them available online to local and county public health agencies and other interested parties.

(c) To the extent funds remain available for this purpose, the commissioner shall implement an initial statewide public information campaign using the developed program materials. The campaign must include culturally specific messages and the development of a community digital public forum. These messages may be disseminated by television and radio public service announcements, social media and digital advertising, print materials, or other means.

(d) The commissioner may contract with one or more third parties to initially implement some or all of the public information campaign, provided the contracted third party has prior experience promoting Alzheimer's awareness and the contract is awarded through a competitive process. The public information campaign must be implemented by July 1, 2025.

(e) By June 30, 2026, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public health or aging on the development of the program materials and initial implementation of the public information campaign, including how and where the funds appropriated for this purpose were spent.

Sec. 102. MORATORIUM ON GREEN BURIALS; STUDY.

Subdivision 1. Definition. For purposes of this section, "green burial" means a burial of a dead human body in a manner that minimizes environmental impact and does not inhibit decomposition of the body by using practices that include at least the following:

- (1) the human body is not embalmed prior to burial or is embalmed only with nontoxic chemicals;
- (2) a biodegradable casket or shroud is used for burial; and
- (3) the casket or shroud holding the human body is not placed in an outer burial container when buried.

Subd. 2. Moratorium. Between July 1, 2023, and July 1, 2025, a green burial shall not be performed in this state unless the green burial is performed in a cemetery that permits green burials and at which green burials are permitted by any applicable ordinances or regulations.

Subd. 3. Study and report. (a) The commissioner of health shall study the environmental and health impacts of green burials and natural organic reduction and develop recommendations for the performance of green burials and natural organic reduction to prevent environmental harm, including contamination of groundwater and surface water, and to protect the health of workers performing green burials and natural organic reduction, mourners, and the public. The study and recommendations may address topics that include:

- (1) the siting of locations where green burials are permitted;
- (2) the minimum distance a green burial location must have from groundwater, surface water, and drinking water;
- (3) the minimum depth at which a body buried via green burial must be buried, the minimum soil depth below the body, and the minimum soil depth covering the body;
- (4) the maximum density of green burial interments in a green burial location;
- (5) procedures used by individuals who come in direct contact with a body awaiting green burial to minimize the risk of infectious disease transmission from the body;
- (6) methods to temporarily inhibit decomposition of an unembalmed body awaiting green burial;
- (7) the time period within which an unembalmed body awaiting green burial must be buried or held in a manner that delays decomposition; and
- (8) use of natural organic reduction of a human body.

(b) The commissioner shall submit the study and recommendations, including any statutory changes needed to implement the recommendations, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and the environment by February 1, 2025.

Sec. 103. ADOPTION LAW CHANGES; PUBLIC AWARENESS CAMPAIGN.

(a) The commissioner of human services must, in consultation with licensed child-placing agencies and the commissioner of health, provide information and educational materials to adopted persons and birth parents about the changes in law made by this article affecting access to birth records.

(b) The commissioner of human services and the commissioner of health must provide notice on the department website about the changes in the law. The commissioners or the commissioners' designee, in consultation with licensed child-placement agencies, must coordinate a public awareness campaign to advise the public about the changes in law made by this article.

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

Sec. 104. **EMMETT LOUIS TILL VICTIMS RECOVERY PROGRAM.**

Subdivision 1. **Short title.** This section shall be known as the Emmett Louis Till Victims Recovery Program.

Subd. 2. **Program established; grants.** (a) The commissioner of health shall establish the Emmett Louis Till Victims Recovery Program to address the health and wellness needs of:

(1) victims who experienced trauma, including historical trauma, resulting from events such as assault or another violent physical act, intimidation, false accusations, wrongful conviction, a hate crime, the violent death of a family member, or experiences of discrimination or oppression based on the victim's race, ethnicity, or national origin; and

(2) the families and heirs of victims described in clause (1), who experienced trauma, including historical trauma, because of their proximity or connection to the victim.

(b) The commissioner, in consultation with victims, families, and heirs described in paragraph (a), shall award competitive grants to applicants for projects to provide the following services to victims, families, and heirs described in paragraph (a):

(1) health and wellness services, which may include services and support to address physical health, mental health, cultural needs, and spiritual or faith-based needs;

(2) remembrance and legacy preservation activities;

(3) cultural awareness services; and

(4) community resources and services to promote healing for victims, families, and heirs described in paragraph (a).

(c) In awarding grants under this section, the commissioner must prioritize grant awards to community-based organizations experienced in providing support and services to victims, families, and heirs described in paragraph (a).

Subd. 3. **Evaluation.** Grant recipients must provide the commissioner with information required by the commissioner to evaluate the grant program, in a time and manner specified by the commissioner.

Subd. 4. **Reports.** The commissioner must submit a status report by January 15, 2024, and an additional report by January 15, 2025, on the operation and results of the grant program, to the extent available. These reports must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over health care. The report due January 15, 2024, must include information on grant program activities to date and an assessment of the need to continue to offer services provided by grant recipients to victims, families, and heirs who experienced trauma as described in subdivision 2, paragraph (a). The report due January 15, 2025, must include a summary of the services offered by grant recipients; an assessment of the need to continue to offer services provided by grant recipients to victims, families, and heirs described in subdivision 2, paragraph (a); and an evaluation of the grant program's goals and outcomes.

Sec. 105. **EQUITABLE HEALTH CARE TASK FORCE.**

Subdivision 1. **Establishment; composition of task force.** The equitable health care task force consists of up to 20 members appointed by the commissioner of health from both metropolitan and greater Minnesota. Members must include representatives of:

- (1) African American and African heritage communities;
- (2) Asian American and Pacific Islander communities;
- (3) Latina/o/x/ communities;
- (4) American Indian communities and Tribal Nations;
- (5) disability communities;
- (6) lesbian, gay, bisexual, transgender, queer, intergender, and asexual (LGBTQIA+) communities;
- (7) organizations that advocate for the rights of individuals using the health care system;
- (8) health care providers of primary care and specialty care; and
- (9) organizations that provide health coverage in Minnesota.

Subd. 2. **Organization and meetings.** The task force shall be organized and administered under Minnesota Statutes, section 15.059. The commissioner of health must convene meetings of the task force at least quarterly. Subcommittees or work groups may be established as necessary. Task force meetings are subject to Minnesota Statutes, chapter 13D. The task force shall expire on June 30, 2025.

Subd. 3. **Duties of task force.** The task force shall examine inequities in how people access and receive health care based on race or ethnicity, religion, culture, sexual orientation, gender identity, age, or disability and identify strategies to ensure that all Minnesotans can receive care and coverage that is respectful and ensures optimal health outcomes, to include:

- (1) identifying inequities experienced by Minnesotans in interacting with the health care system that originate from or can be attributed to their race, religion, culture, sexual orientation, gender identity, age, or disability status;

(2) conducting community engagement across multiple systems, sectors, and communities to identify barriers for these population groups that result in diminished standards of care and foregone care;

(3) identifying promising practices to improve the experience of care and health outcomes for individuals in these population groups; and

(4) making recommendations to the commissioner of health and to the chairs and ranking minority members of the legislative with primary jurisdiction over health policy and finance for changes in health care system practices or health insurance regulations that would address identified issues.

Sec. 106. **TRANSITION.**

A person with a permit issued pursuant to Minnesota Statutes, section 103I.210, must comply with Minnesota Statutes, sections 103I.209 and 103I.210, until permanent rules governing submerged closed loop heat exchangers adopted by the commissioner are published in the State Register.

Sec. 107. **CLOSED LOOP HEAT EXCHANGER SYSTEM MONITORING AND REPORTING.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Accredited laboratory" means a laboratory that is certified under Minnesota Rules, chapter 4740.

(c) "Permit holder" means persons who receive a permit under this section and includes the property owner and licensed well contractor.

Subd. 2. **Monitoring and reporting requirements.** (a) The system owner is responsible for monitoring and reporting to the commissioner for permitted submerged closed loop heat exchanger systems installed under the provisional program. The commissioner must identify projects subject to reporting by including a permit condition.

(b) The closed loop heat exchanger owner must implement a closed loop water monitoring plan.

(c) The system owner must analyze the closed loop water for:

(1) aluminum;

(2) arsenic;

(3) copper;

(4) iron;

(5) lead;

(6) manganese;

- (7) zinc;
- (8) total coliform;
- (9) escherichia coli (E. coli);
- (10) heterotrophic plate count;
- (11) legionella;
- (12) pH;
- (13) electrical conductivity;
- (14) dissolved oxygen; and
- (15) temperature.

(d) The system owner must provide the results for the sampling event, including the parameters in paragraph (c), clauses (1) to (11), to the commissioner within 30 days of the date of the report provided by an accredited laboratory. Paragraph (c), clauses (12) to (15), may be measured in the field and reported along with the laboratory results.

Subd. 3. Evaluation of permit conditions. (a) In order to determine whether additional permit conditions are necessary and appropriate to ensure that the construction and operation of a submerged closed loop heat exchanger does not create the risk of material adverse impacts on the state's groundwater, the commissioner shall require semiannual sampling of the circulating fluids in accordance with subdivision 2 to determine whether there have been any material changes in the chemical or biological composition of the circulating fluids.

(b) The information required by this section shall be collected from each submerged closed loop heat exchanger system installed after June 30, 2023, under this provisional program. The information shall be provided to the commissioner on a semiannual basis and the final semiannual submission shall include information from the period from July 1, 2023, through December 31, 2024.

Subd. 4. Report requirements. (a) Every closed loop heat exchanger owner that holds a permit issued under this section must provide a report to the commissioner for each permit by July 31, 2025. The report must describe the status, operation, and performance of each submerged closed loop heat exchanger system. The report may be in a format determined by the system owner and must include:

- (1) the date of the report;
- (2) the name of the individual who prepared the report and permit number;
- (3) a narrative description of system installation, operation, and status, including dates;
- (4) the mean monthly temperature of the water entering the building;
- (5) the mean monthly temperature of the water leaving the building;

(6) maintenance performed on the system, including dates, identification of heat exchangers or components that were addressed, and descriptions of actions that occurred; and

(7) any maintenance issues, material failures, leaks, and repairs, including dates and descriptions of the heat exchangers or components involved, issues, failures, leaks, and repairs.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on December 31, 2025.

Sec. 108. **VACCINES FOR UNINSURED AND UNDERINSURED ADULTS.**

The commissioner of health shall administer a program to provide vaccines to uninsured and underinsured adults. The commissioner shall determine adult eligibility for free or low-cost vaccines under this program and shall enroll clinics to participate in the program and administer vaccines recommended by the Centers for Disease Control and Prevention. In administering the program, the commissioner shall address racial and ethnic disparities in vaccine coverage rates. State money appropriated for purposes of this section shall be used to supplement, but not supplant, available federal funding for purposes of this section.

Sec. 109. **WORKPLACE SAFETY GRANTS; HEALTH CARE ENTITIES.**

Subdivision 1. **Grant program established.** The commissioner of health shall administer a program to award workplace safety grants to increase safety measures in health care settings and establish or expand programs to train staff in health care settings on de-escalation and positive support services.

Subd. 2. **Eligible applicants; application.** (a) Entities eligible for a grant under this section shall include long-term care facilities, acute care hospitals that are staffed for 49 beds or less and located in a rural area, critical access hospitals, medical clinics, dental clinics, and community health clinics.

(b) An entity seeking a grant under this section must submit an application to the commissioner in a form and manner prescribed by the commissioner. An application must include information about:

(1) the type of entity or organization seeking grant funding;

(2) the specific safety measures or activities for which the applicant will use the grant funding;

(3) a proposed budget for each of the specific activities for which the applicant will use the grant funding;

(4) how the grant-funded measures will lead to long-term improvements in safety and stability for staff and for patients accessing health care from the applicant; and

(5) methods the applicant will use to evaluate the effectiveness of the safety measures and changes that will be made if the measures are deemed ineffective.

Subd. 3. **Grant awards.** The commissioner shall evaluate applications and award grants according to a process established by the commissioner. A grant award shall not exceed \$50,000.

Sec. 110. **TASK FORCE ON PREGNANCY HEALTH AND SUBSTANCE USE DISORDERS.**

Subdivision 1. **Establishment.** The Task Force on Pregnancy Health and Substance Use Disorders is established to recommend protocols for when physicians, advanced practice registered nurses, and physician assistants should administer a toxicology test and requirements for reporting for prenatal exposure to a controlled substance.

Subd. 2. **Membership.** (a) The task force shall consist of the following members:

(1) a physician licensed in Minnesota to practice obstetrics and gynecology who provides care primarily to medical assistance enrollees during pregnancy appointed by the American College of Obstetricians and Gynecologists;

(2) a physician licensed in Minnesota to practice pediatrics or family medicine who provides care primarily to medical assistance enrollees with substance use disorders or who provides addiction medicine care during pregnancy appointed by the Minnesota Medical Association;

(3) a certified nurse-midwife licensed as an advanced practice registered nurse in Minnesota who provides care primarily to medical assistance enrollees with substance use disorders or provides addiction medicine care during pregnancy appointed by the Minnesota Advanced Practice Registered Nurses Coalition;

(4) two representatives of county social services agencies, one from a county outside the seven-county metropolitan area and one from a county within the seven-county metropolitan area, appointed by the Minnesota Association of County Social Service Administrators;

(5) one representative from the Board of Social Work;

(6) two Tribal representatives appointed by the Minnesota Indian Affairs Council;

(7) two members who identify as Black or African American and who have lived experience with the child welfare system and substance use disorders appointed by the Cultural and Ethnic Communities Leadership Council;

(8) two members who are licensed substance use disorder treatment providers appointed by the Minnesota Association of Resources for Recovery and Chemical Health;

(9) one member representing hospitals appointed by the Minnesota Hospital Association;

(10) one designee of the commissioner of health with expertise in substance use disorders and treatment;

(11) two members who identify as Native American or American Indian and who have lived experience with the child welfare system and substance use disorders appointed by the Minnesota Indian Affairs Council;

(12) two members from the Council for Minnesotans of African Heritage;

(13) one member of the Minnesota Perinatal Quality Collaborative; and

(14) one designee of the commissioner of human services with expertise in child welfare.

(b) Appointments to the task force must be made by October 1, 2023.

Subd. 3. **Chairs; meetings.** (a) The task force shall elect a chair and cochair at the first meeting, which shall be convened no later than October 15, 2023.

(b) Task force meetings are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **Administrative support.** The Department of Health must provide administrative support and meeting space for the task force.

Subd. 5. **Duties; reports.** (a) The task force shall develop recommended protocols for when a toxicology test for prenatal exposure to a controlled substance should be administered to a birthing parent and a newborn infant. The task force must also recommend protocols for providing notice or reporting of prenatal exposure to a controlled substance to local welfare agencies under Minnesota Statutes, chapter 260E.

(b) No later than December 1, 2024, the task force must submit a written report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services on the task force's activities and recommendations on the protocols developed under paragraph (a).

Subd. 6. **Expiration.** The task force shall expire upon submission of the report required under subdivision 5, paragraph (b), or December 1, 2024, whichever is later.

Sec. 111. **SKIN-LIGHTENING PRODUCTS PUBLIC AWARENESS AND EDUCATION GRANT.**

An organization receiving a grant from the commissioner of health for public awareness and education activities to address issues of colorism, skin-lightening products, and chemical exposure from skin-lightening products must use the grant funds for activities that are culturally specific and community-based and that focus on:

(1) increasing public awareness and providing education on the health dangers associated with using skin-lightening creams and products that contain mercury and hydroquinone and are manufactured in other countries, brought into this country, and sold illegally online or in stores; the dangers of exposure to mercury through dermal absorption, inhalation, hand-to-mouth contact, and contact with individuals who have used skin-lightening products; the health effects of mercury poisoning, including the permanent effects on the central nervous system and kidneys; and the dangers to mothers and infants of using these products or being exposed to these products during pregnancy and while breastfeeding;

(2) identifying products that contain mercury and hydroquinone by testing skin-lightening products;

(3) developing a train the trainer curriculum to increase community knowledge and influence behavior changes by training community leaders, cultural brokers, community health workers, and educators;

(4) continuing to build the self-esteem and overall wellness of young people who are using skin-lightening products or are at risk of starting the practice of skin lightening; and

(5) building the capacity of community-based organizations to continue to combat skin-lightening practices and chemical exposures from skin-lightening products.

Sec. 112. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall change the term "cancer surveillance system" to "cancer reporting system" wherever it appears in the next edition of Minnesota Statutes and Minnesota Rules and in the online publication.

(b) The revisor of statutes shall amend the headnote for Minnesota Statutes, section 145.423, to read "RECOGNITION OF INFANT WHO IS BORN ALIVE."

Sec. 113. **REPEALER.**

(a) Minnesota Statutes 2022, sections 144.212, subdivision 11; 259.83, subdivision 3; 259.89; and 260C.637, are repealed effective July 1, 2024.

(b) Minnesota Statutes 2022, sections 62U.10, subdivisions 6, 7, and 8; 144.059, subdivision 10; and 145.4235, are repealed.

(c) Minnesota Statutes 2022, sections 62Q.145; 145.411, subdivisions 2 and 4; 145.412; 145.413, subdivisions 2 and 3; 145.4132; 145.4133; 145.4135; 145.4136; 145.415; 145.416; 145.423, subdivisions 2, 3, 4, 5, 6, 7, 8, and 9; 145.4241; 145.4242; 145.4243; 145.4244; 145.4245; 145.4246; 145.4247; 145.4248; 145.4249; 256B.011; 256B.40; 261.28; and 393.07, subdivision 11, are repealed effective the day following final enactment.

(d) Minnesota Rules, part 4615.3600, is repealed effective the day following final enactment.

(e) Minnesota Rules, parts 4700.1900; 4700.2000; 4700.2100; 4700.2210; 4700.2300, subparts 1, 3, 4, 4a, and 5; 4700.2410; 4700.2420; and 4700.2500, are repealed.

ARTICLE 5

MEDICAL EDUCATION AND RESEARCH COSTS AND HEALTH CARE WORKFORCE

Section 1. Minnesota Statutes 2022, section 62J.692, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply:

(b) "Accredited clinical training" means the clinical training provided by a medical education program that is accredited through an organization recognized by the Department of Education, the Centers for Medicare and Medicaid Services, or another national body who reviews the accrediting

organizations for multiple disciplines and whose standards for recognizing accrediting organizations are reviewed and approved by the commissioner of health.

(c) "Commissioner" means the commissioner of health.

(d) "Clinical medical education program" means the accredited clinical training of physicians (medical students and residents), doctor of pharmacy practitioners (pharmacy students and residents), doctors of chiropractic, dentists (dental students and residents), advanced practice registered nurses (clinical nurse specialists, certified registered nurse anesthetists, nurse practitioners, and certified nurse midwives), physician assistants, dental therapists and advanced dental therapists, psychologists, clinical social workers, community paramedics, and community health workers.

(e) "Sponsoring institution" means a hospital, school, or consortium located in Minnesota that sponsors and maintains primary organizational and financial responsibility for a clinical medical education program in Minnesota and which is accountable to the accrediting body.

(f) "Teaching institution" means a hospital, medical center, clinic, or other organization that conducts a clinical medical education program in Minnesota.

(g) "Trainee" means a student or resident involved in a clinical medical education program.

(h) "Eligible trainee FTE's" means the number of trainees, as measured by full-time equivalent counts, that are at training sites located in Minnesota with currently active medical assistance enrollment status and a National Provider Identification (NPI) number where training occurs in as part of or under the scope of either an inpatient or ambulatory patient care setting and where the training is funded, in part, by patient care revenues. Training that occurs in nursing facility settings, rural health clinics, or federally qualified health centers is not eligible for funding under this section.

Sec. 2. Minnesota Statutes 2022, section 62J.692, subdivision 3, is amended to read:

Subd. 3. **Application process.** (a) A clinical medical education program conducted in Minnesota by a teaching institution to train physicians, doctor of pharmacy practitioners, dentists, chiropractors, physician assistants, dental therapists and advanced dental therapists, psychologists, clinical social workers, community paramedics, or community health workers is eligible for funds under subdivision 4 if the program:

(1) is funded, in part, by patient care revenues;

(2) occurs in patient care settings that face increased financial pressure as a result of competition with nonteaching patient care entities, including training hours in settings outside of the hospital or clinic site, as applicable, including but not limited to school, home, and community settings; and

(3) emphasizes primary care or specialties that are in undersupply in Minnesota.

(b) A clinical medical education program for advanced practice nursing is eligible for funds under subdivision 4 if the program meets the eligibility requirements in paragraph (a), clauses (1) to (3), and is sponsored by the University of Minnesota Academic Health Center, the Mayo Foundation, or institutions that are part of the Minnesota State Colleges and Universities system or members of the Minnesota Private College Council.

(c) Applications must be submitted to the commissioner by a sponsoring institution on behalf of an eligible clinical medical education program ~~and must be received by October 31 of each year for distribution in the following year on a timeline determined by the commissioner.~~ An application for funds must contain ~~the following information:~~ information the commissioner deems necessary to determine program eligibility based on the criteria in paragraphs (a) and (b) and to ensure the equitable distribution of funds.

~~(1) the official name and address of the sponsoring institution and the official name and site address of the clinical medical education programs on whose behalf the sponsoring institution is applying;~~

~~(2) the name, title, and business address of those persons responsible for administering the funds;~~

~~(3) for each clinical medical education program for which funds are being sought; the type and specialty orientation of trainees in the program; the name, site address, and medical assistance provider number and national provider identification number of each training site used in the program; the federal tax identification number of each training site used in the program, where available; the total number of trainees at each training site; and the total number of eligible trainee FTEs at each site; and~~

~~(4) other supporting information the commissioner deems necessary to determine program eligibility based on the criteria in paragraphs (a) and (b) and to ensure the equitable distribution of funds.~~

~~(d) An application must include the information specified in clauses (1) to (3) for each clinical medical education program on an annual basis for three consecutive years. After that time, an application must include the information specified in clauses (1) to (3) when requested, at the discretion of the commissioner:~~

~~(1) audited clinical training costs per trainee for each clinical medical education program when available or estimates of clinical training costs based on audited financial data;~~

~~(2) a description of current sources of funding for clinical medical education costs, including a description and dollar amount of all state and federal financial support, including Medicare direct and indirect payments; and~~

~~(3) other revenue received for the purposes of clinical training.~~

~~(e) (d) An applicant that does not provide information requested by the commissioner shall not be eligible for funds for the current applicable funding cycle.~~

Sec. 3. Minnesota Statutes 2022, section 62J.692, subdivision 4, is amended to read:

Subd. 4. **Distribution of funds.** (a) The commissioner shall annually distribute ~~the available medical education funds~~ revenue credited or money transferred to the medical education and research costs account under subdivision 8 and section 297F.10, subdivision 1, clause (2), to all qualifying applicants based on a public program volume factor, which is determined by the total volume of public program revenue received by each training site as a percentage of all public program revenue received by all training sites in the fund pool.

Public program revenue for the distribution formula includes revenue from medical assistance and prepaid medical assistance. Training sites that receive no public program revenue are ineligible for funds available under this subdivision. ~~For purposes of determining training-site level grants to be distributed under this paragraph, total statewide average costs per trainee for medical residents is based on audited clinical training costs per trainee in primary care clinical medical education programs for medical residents. Total statewide average costs per trainee for dental residents is based on audited clinical training costs per trainee in clinical medical education programs for dental students. Total statewide average costs per trainee for pharmacy residents is based on audited clinical training costs per trainee in clinical medical education programs for pharmacy students.~~

Training sites whose training site level grant is less than \$5,000, based on the ~~formula~~ formulas described in this ~~paragraph~~ subdivision, or that train fewer than 0.1 FTE eligible trainees, are ineligible for funds available under this subdivision. No training sites shall receive a grant per FTE trainee that is in excess of the 95th percentile grant per FTE across all eligible training sites; grants in excess of this amount will be redistributed to other eligible sites based on the ~~formula~~ formulas described in this ~~paragraph~~ subdivision.

(b) ~~For funds distributed in fiscal years 2014 and 2015, the distribution formula shall include a supplemental public program volume factor, which is determined by providing a supplemental payment to training sites whose public program revenue accounted for at least 0.98 percent of the total public program revenue received by all eligible training sites. The supplemental public program volume factor shall be equal to ten percent of each training site's grant for funds distributed in fiscal year 2014 and for funds distributed in fiscal year 2015. Grants to training sites whose public program revenue accounted for less than 0.98 percent of the total public program revenue received by all eligible training sites shall be reduced by an amount equal to the total value of the supplemental payment. For fiscal year 2016 and beyond, the distribution of funds shall be based solely on the public program volume factor as described in paragraph (a). Money appropriated through the state general fund, the health care access fund, and any additional fund for the purpose of funding medical education and research costs and that does not require federal approval must be awarded only to eligible training sites that do not qualify for a medical education and research cost rate factor under sections 256.969, subdivision 2b, paragraph (k), or 256B.75, paragraph (b). The commissioner shall distribute the available medical education money appropriated to eligible training sites that do not qualify for a medical education and research cost rate factor based on a distribution formula determined by the commissioner. The distribution formula under this paragraph must consider clinical training costs, public program revenues, and other factors identified by the commissioner that address the objective of supporting clinical training.~~

(c) Funds distributed shall not be used to displace current funding appropriations from federal or state sources.

(d) Funds shall be distributed to the sponsoring institutions indicating the amount to be distributed to each of the sponsor's clinical medical education programs based on the criteria in this subdivision and in accordance with the commissioner's approval letter. Each clinical medical education program must distribute funds allocated under paragraphs (a) and (b) to the training sites as specified in the commissioner's approval letter. Sponsoring institutions, which are accredited through an organization recognized by the Department of Education or the Centers for Medicare and Medicaid Services, may contract directly with training sites to provide clinical training. To ensure the quality of clinical training, those accredited sponsoring institutions must:

(1) develop contracts specifying the terms, expectations, and outcomes of the clinical training conducted at sites; and

(2) take necessary action if the contract requirements are not met. Action may include ~~the withholding of payments~~ disqualifying the training site under this section or the removal of students from the site.

(e) Use of funds is limited to expenses related to eligible clinical training program costs for eligible programs. The commissioner shall develop a methodology for determining eligible costs.

(f) Any funds ~~not~~ that cannot be distributed in accordance with the commissioner's approval letter must be returned to the medical education and research fund within 30 days of receiving notice from the commissioner. ~~The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.~~ When appropriate, the commissioner shall include the undistributed money in the subsequent distribution cycle using the applicable methodology described in this subdivision.

~~(g) A maximum of \$150,000 of the funds dedicated to the commissioner under section 297F.10, subdivision 1, clause (2), may be used by the commissioner for administrative expenses associated with implementing this section.~~

Sec. 4. Minnesota Statutes 2022, section 62J.692, subdivision 5, is amended to read:

Subd. 5. **Report.** (a) Sponsoring institutions receiving funds under this section must ~~sign and~~ submit a medical education grant verification report (GVR) to verify that the correct grant amount was forwarded to each eligible training site. ~~If the sponsoring institution fails to submit the GVR by the stated deadline, or to request and meet the deadline for an extension, the sponsoring institution is required to return the full amount of funds received to the commissioner within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.~~

(b) The reports must provide verification of the distribution of the funds and must include:

~~(1) the total number of eligible trainee FTEs in each clinical medical education program;~~

~~(2) the name of each funded program and, for each program, the dollar amount distributed to each training site and a training site expenditure report;~~

~~(3) (1) documentation of any discrepancies between the initial grant distribution notice included in the commissioner's approval letter and the actual distribution;~~

~~(4) (2) a statement by the sponsoring institution stating that the completed grant verification report is valid and accurate; and~~

~~(5) (3) other information the commissioner deems appropriate to evaluate the effectiveness of the use of funds for medical education.~~

~~(e) Each year, the commissioner shall provide an annual summary report to the legislature on the implementation of this section. This report is exempt from section 144.05, subdivision 7.~~

Sec. 5. Minnesota Statutes 2022, section 62J.692, subdivision 8, is amended to read:

Subd. 8. **Federal financial participation.** The commissioner of human services shall seek to maximize federal financial participation in payments for the dedicated revenue for medical education and research costs provided under section 297F.10, subdivision 1, clause (2).

~~The commissioner shall use physician clinic rates where possible to maximize federal financial participation. Any additional funds that become available must be distributed under subdivision 4, paragraph (a).~~

Sec. 6. Minnesota Statutes 2022, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

(1) for medical residents, mental health professionals, and alcohol and drug counselors agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home; in an intermediate care facility for persons with developmental disability; in a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; a housing with services establishment in an assisted living facility as defined in section ~~144D.01~~ 144G.08, subdivision 4 7; or for a home care provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses who agree to practice in designated rural areas; and

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 7. Minnesota Statutes 2022, section 144.1506, subdivision 4, is amended to read:

Subd. 4. **Consideration of expansion grant applications.** The commissioner shall review each application to determine whether or not the residency program application is complete and whether the proposed new residency program and any new residency slots are eligible for a grant. The commissioner shall award grants to support up to six family medicine, general internal medicine, or general pediatrics residents; ~~four~~ five psychiatry residents; two geriatrics residents; and two general surgery residents. If insufficient applications are received from any eligible specialty, funds may be redistributed to applications from other eligible specialties.

Sec. 8. **[144.1509] PEDIATRIC PRIMARY CARE MENTAL HEALTH TRAINING GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health shall establish a pediatric primary care mental health training grant program. The commissioner shall award grants for the development of child mental health training programs that are located in outpatient primary care clinics. To be eligible for a grant, a training program must:

(1) focus on the training of pediatric primary care providers working with multidisciplinary mental health teams;

(2) provide training on conducting comprehensive clinical mental health assessments and potential pharmacological therapy;

(3) provide psychiatric consultation to pediatric primary care providers during their outpatient pediatric primary care experiences;

(4) emphasize longitudinal care for patients with behavioral health needs; and

(5) develop partnerships with community resources.

Subd. 2. **Child mental health training grant program.** (a) Child mental health training grants may be awarded to eligible primary care training programs to plan and implement new programs or expand existing programs in child mental health training.

(b) Money may be spent to cover the costs of:

(1) planning related to implementing or expanding child mental health training in an outpatient primary care clinic setting;

(2) training site improvements, fees, equipment, and supplies required for implementation of the training programs; and

(3) supporting clinical training in the outpatient primary clinic sites.

Subd. 3. **Applications for child mental health training grants.** Eligible primary care training programs seeking a grant must apply to the commissioner. Applications must include the location of the training; a description of the training program, including all costs associated with the training program; all sources of money for the training program; detailed uses of all money for the training program; the results expected; and a plan to maintain the training program after the grant period. The applicant must describe achievable objectives and a timetable for the training program.

Subd. 4. **Consideration of child mental health training grant applications.** The commissioner shall review each application to determine whether the application meets the stated goals of the grant and shall award grants to support up to four training program proposals.

Subd. 5. **Program oversight.** During the grant period, the commissioner may require and collect from grantees any information necessary to evaluate the training program.

Sec. 9. [144.1511] MENTAL HEALTH CULTURAL COMMUNITY CONTINUING EDUCATION GRANT PROGRAM.

The mental health cultural community continuing education grant program is established in the Department of Health to provide grants for the continuing education necessary for social workers, marriage and family therapists, psychologists, and professional clinical counselors to become supervisors for individuals pursuing licensure in mental health professions. The commissioner must consult with the relevant mental health licensing boards in creating the program. To be eligible for a grant under this section, a social worker, marriage and family therapist, psychologist, or professional clinical counselor must:

(1) be a member of a community of color or an underrepresented community as defined in section 148E.010, subdivision 20; and

(2) work for a community mental health provider and agree to deliver at least 25 percent of their yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51c.303.

Sec. 10. [144.1913] CLINICAL DENTAL EDUCATION INNOVATION GRANTS.

(a) The commissioner of health shall award clinical dental education innovation grants to teaching institutions and clinical training sites for projects that increase dental access for underserved populations and promote innovative clinical training of dental professionals. In awarding the grants, the commissioner shall consider the following:

(1) potential to successfully increase access to dental services for an underserved population;

(2) the long-term viability of the project to improve access to dental services beyond the period of initial funding;

(3) evidence of collaboration between the applicant and local communities;

(4) efficiency in the use of grant money; and

(5) the priority level of the project in relation to state clinical education, access, and workforce goals.

(b) The commissioner shall periodically evaluate the priorities in awarding innovation grants under this section to ensure that the priorities meet the changing workforce needs of the state.

Sec. 11. [145.9272] FEDERALLY QUALIFIED HEALTH CENTERS REGISTERED APPRENTICESHIP GRANT PROGRAM.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Apprentice" means an employee participating in a registered apprenticeship program.

(c) "Federally qualified health center" has the meaning given in section 145.9269, subdivision 1.

(d) "Nonprofit organization of community health centers" means a nonprofit organization, the membership of which consists of federally qualified health centers operating service delivery sites in Minnesota and that provides services to federally qualified health centers in Minnesota to promote the delivery of affordable, quality primary care services in the state.

(e) "Registered apprenticeship program" means an employer or organization registered with the Department of Labor and Industry under chapter 178.

Subd. 2. **Registered apprenticeship grant program.** The commissioner of health shall distribute a grant to a nonprofit organization of community health centers for registered apprenticeship programs in federally qualified health centers operating in Minnesota. Grant money must be used to establish new registered apprenticeship programs and fund ongoing costs for existing registered apprenticeship programs for medical assistants, dental assistants, and other health care occupations at federally qualified health center service delivery sites in Minnesota. Apprentices must be recruited from federally qualified health center staff and from the population in the geographic area served by the federally qualified health center.

Sec. 12. Minnesota Statutes 2022, section 245.4663, subdivision 4, is amended to read:

Subd. 4. **Allowable uses of grant funds.** A mental health provider must use grant funds received under this section for one or more of the following:

(1) to pay for direct supervision hours or preceptorships for students, interns, and clinical trainees, in an amount up to \$7,500 per student, intern, or clinical trainee;

(2) to establish a program to provide supervision to multiple students, interns, or clinical trainees;

or

(3) to pay licensing application and examination fees for clinical trainees; or

(4) to provide a weekend training program for workers to become supervisors.

Sec. 13. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according to the following:

(1) critical access hospitals as defined by Medicare shall be paid using a cost-based methodology;

(2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology under subdivision 25;

(3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation distinct parts as defined by Medicare shall be paid according to the methodology under subdivision 12; and

(4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

(b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For rate setting periods after November 1, 2014, in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals.

(c) Effective for discharges occurring on and after November 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except for the hospitals paid under the methodologies described in paragraph (a), clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a manner similar to Medicare. The base year or years for the rates effective November 1, 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments that were made for the same number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Only the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being rebased during the entire base period shall be incorporated into the budget neutrality calculation.

(d) For discharges occurring on or after November 1, 2014, through the next rebasing that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph (a), clause (4), shall include adjustments to the projected rates that result in no greater than a five percent increase or decrease from the base year payments for any hospital. Any adjustments to the rates made by the commissioner under this paragraph and paragraph (e) shall maintain budget neutrality as described in paragraph (c).

(e) For discharges occurring on or after November 1, 2014, the commissioner may make additional adjustments to the rebased rates, and when evaluating whether additional adjustments should be made, the commissioner shall consider the impact of the rates on the following:

(1) pediatric services;

(2) behavioral health services;

(3) trauma services as defined by the National Uniform Billing Committee;

(4) transplant services;

(5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;

(6) outlier admissions;

(7) low-volume providers; and

(8) services provided by small rural hospitals that are not critical access hospitals.

(f) Hospital payment rates established under paragraph (c) must incorporate the following:

(1) for hospitals paid under the DRG methodology, the base year payment rate per admission is standardized by the applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;

(2) for critical access hospitals, payment rates for discharges between November 1, 2014, and June 30, 2015, shall be set to the same rate of payment that applied for discharges on October 31, 2014;

(3) the cost and charge data used to establish hospital payment rates must only reflect inpatient services covered by medical assistance; and

(4) in determining hospital payment rates for discharges occurring on or after the rate year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per discharge shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years. In determining hospital payment rates for discharges in subsequent base years, the per discharge rates shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.

(g) The commissioner shall validate the rates effective November 1, 2014, by applying the rates established under paragraph (c), and any adjustments made to the rates under paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the total aggregate payments for the same number and types of services under the rebased rates are equal to the total aggregate payments made during calendar year 2013.

(h) Effective for discharges occurring on or after July 1, 2017, and every two years thereafter, payment rates under this section shall be rebased to reflect only those changes in hospital costs between the existing base year or years and the next base year or years. In any year that inpatient claims volume falls below the threshold required to ensure a statistically valid sample of claims, the commissioner may combine claims data from two consecutive years to serve as the base year. Years in which inpatient claims volume is reduced or altered due to a pandemic or other public health emergency shall not be used as a base year or part of a base year if the base year includes more than one year. Changes in costs between base years shall be measured using the lower of the hospital cost index defined in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per claim. The commissioner shall establish the base year for each rebasing period considering the most recent year or years for which filed Medicare cost reports are available. The estimated change in the average payment per hospital discharge resulting from a scheduled rebasing

must be calculated and made available to the legislature by January 15 of each year in which rebasing is scheduled to occur, and must include by hospital the differential in payment rates compared to the individual hospital's costs.

(i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates for critical access hospitals located in Minnesota or the local trade area shall be determined using a new cost-based methodology. The commissioner shall establish within the methodology tiers of payment designed to promote efficiency and cost-effectiveness. Payment rates for hospitals under this paragraph shall be set at a level that does not exceed the total cost for critical access hospitals as reflected in base year cost reports. Until the next rebasing that occurs, the new methodology shall result in no greater than a five percent decrease from the base year payments for any hospital, except a hospital that had payments that were greater than 100 percent of the hospital's costs in the base year shall have their rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and after July 1, 2016, covered under this paragraph shall be increased by the inflation factor in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the following criteria:

(1) hospitals that had payments at or below 80 percent of their costs in the base year shall have a rate set that equals 85 percent of their base year costs;

(2) hospitals that had payments that were above 80 percent, up to and including 90 percent of their costs in the base year shall have a rate set that equals 95 percent of their base year costs; and

(3) hospitals that had payments that were above 90 percent of their costs in the base year shall have a rate set that equals 100 percent of their base year costs.

(j) The commissioner may refine the payment tiers and criteria for critical access hospitals to coincide with the next rebasing under paragraph (h). The factors used to develop the new methodology may include, but are not limited to:

(1) the ratio between the hospital's costs for treating medical assistance patients and the hospital's charges to the medical assistance program;

(2) the ratio between the hospital's costs for treating medical assistance patients and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(3) the ratio between the hospital's charges to the medical assistance program and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

(5) the proportion of that hospital's costs that are administrative and trends in administrative costs; and

(6) geographic location.

(k) Effective for discharges occurring on or after January 1, 2024, the rates paid to hospitals described in paragraph (a), clauses (2) to (4), must include a rate factor specific to each hospital that

qualifies for a medical education and research cost distribution under section 62J.692, subdivision 4, paragraph (a).

Sec. 14. Minnesota Statutes 2022, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program. Effective for services provided on or after July 1, 2015, rates established for critical access hospitals under this paragraph for the applicable payment year shall be the final payment and shall not be settled to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal year ending in 2017, the rate for outpatient hospital services shall be computed using information from each hospital's Medicare cost report as filed with Medicare for the year that is two years before the year that the rate is being computed. Rates shall be computed using information from Worksheet C series until the department finalizes the medical assistance cost reporting process for critical access hospitals. After the cost reporting process is finalized, rates shall be computed using information from Title XIX Worksheet D series. The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs related to rural health clinics and federally qualified health clinics, divided by ancillary charges plus outpatient charges, excluding charges related to rural health clinics and federally qualified health clinics. Effective for services delivered on or after January 1, 2024, the rates paid to critical access hospitals under this section must be adjusted to include the amount of any distributions under section 62J.692, subdivision 4, paragraph (a), that were not included in the rate adjustment described under section 256.969, subdivision 2b, paragraph (k).

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision. When implementing prospective payment methodologies, the commissioner shall use general methods and rate calculation parameters similar to the applicable Medicare prospective payment systems for services delivered in outpatient hospital

and ambulatory surgical center settings unless other payment methodologies for these services are specified in this chapter.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

Sec. 15. Minnesota Statutes 2022, section 297F.10, subdivision 1, is amended to read:

Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(1) \$22,250,000 each year must be credited to the Academic Health Center special revenue fund hereby created and is annually appropriated to the Board of Regents at the University of Minnesota for Academic Health Center funding at the University of Minnesota; and

(2) ~~\$3,937,000~~ \$3,788,000 each year must be credited to the medical education and research costs account hereby created in the special revenue fund and is annually appropriated to the commissioner of health for distribution under section 62J.692, subdivision 4, paragraph (a); and

(3) the balance of the revenues derived from taxes, penalties, and interest (under this chapter) and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 16. **REPEALER.**

Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, and 7a; 137.38, subdivision 1; and 256B.69, subdivision 5c, are repealed.

ARTICLE 6

HEALTH-RELATED LICENSING BOARDS

Section 1. Minnesota Statutes 2022, section 144E.001, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For the purposes of ~~sections 144E.001 to 144E.52~~ this chapter, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision to read:

Subd. 8b. **Medical resource communication center.** "Medical resource communication center" means an entity that:

(1) facilitates hospital-to-ambulance communications for ambulance services, the regional emergency medical services systems, and the board by coordinating patient care and transportation for ground and air operations;

(2) is integrated with the state's Allied Radio Matrix for Emergency Response (ARMER) radio system; and

(3) is the point of contact and a communication resource for statewide public safety entities, hospitals, and communities.

Sec. 3. Minnesota Statutes 2022, section 144E.101, subdivision 6, is amended to read:

Subd. 6. **Basic life support.** (a) Except as provided in paragraph ~~(e)~~ (f), a basic life-support ambulance shall be staffed by at least two EMTs, one of whom must accompany the patient and provide a level of care so as to ensure that:

- (1) life-threatening situations and potentially serious injuries are recognized;
 - (2) patients are protected from additional hazards;
 - (3) basic treatment to reduce the seriousness of emergency situations is administered; and
 - (4) patients are transported to an appropriate medical facility for treatment.
- (b) A basic life-support service shall provide basic airway management.
- (c) A basic life-support service shall provide automatic defibrillation.

(d) A basic life-support service shall administer opiate antagonists consistent with protocols established by the service's medical director.

~~(e)~~ (e) A basic life-support service licensee's medical director may authorize ambulance service personnel to perform intravenous infusion and use equipment that is within the licensure level of the ambulance service, ~~including administration of an opiate antagonist~~. Ambulance service personnel must be properly trained. Documentation of authorization for use, guidelines for use, continuing education, and skill verification must be maintained in the licensee's files.

~~(e)~~ (f) For emergency ambulance calls and interfacility transfers, an ambulance service may staff its basic life-support ambulances with one EMT, who must accompany the patient, and one registered emergency medical responder driver. For purposes of this paragraph, "ambulance service" means either an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; or an ambulance service based in a community with a population of less than 2,500.

Sec. 4. Minnesota Statutes 2022, section 144E.101, subdivision 7, is amended to read:

Subd. 7. **Advanced life support.** (a) Except as provided in paragraphs (f) and (g), an advanced life-support ambulance shall be staffed by at least:

(1) one EMT or one AEMT and one paramedic;

(2) one EMT or one AEMT and one registered nurse who is an EMT or an AEMT, is currently practicing nursing, and has passed a paramedic practical skills test approved by the board and administered by an education program; or

(3) one EMT or one AEMT and one physician assistant who is an EMT or an AEMT, is currently practicing as a physician assistant, and has passed a paramedic practical skills test approved by the board and administered by an education program.

(b) An advanced life-support service shall provide basic life support, as specified under subdivision 6, paragraph (a), advanced airway management, manual defibrillation, ~~and~~ administration of intravenous fluids and pharmaceuticals, and administration of opiate antagonists.

(c) In addition to providing advanced life support, an advanced life-support service may staff additional ambulances to provide basic life support according to subdivision 6 and section 144E.103, subdivision 1.

(d) An ambulance service providing advanced life support shall have a written agreement with its medical director to ensure medical control for patient care 24 hours a day, seven days a week. The terms of the agreement shall include a written policy on the administration of medical control for the service. The policy shall address the following issues:

(1) two-way communication for physician direction of ambulance service personnel;

(2) patient triage, treatment, and transport;

(3) use of standing orders; and

(4) the means by which medical control will be provided 24 hours a day.

The agreement shall be signed by the licensee's medical director and the licensee or the licensee's designee and maintained in the files of the licensee.

(e) When an ambulance service provides advanced life support, the authority of a paramedic, Minnesota registered nurse-EMT, or Minnesota registered physician assistant-EMT to determine the delivery of patient care prevails over the authority of an EMT.

(f) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may grant a variance from the staff requirements in paragraph (a), clause (1), and may authorize an advanced life-support ambulance to be staffed by a registered emergency medical responder driver with a paramedic for all emergency calls and interfacility transfers. The variance shall apply to advanced life-support ambulance services until the ambulance service renews its license. When the variance expires, an ambulance service may apply for a new variance under this paragraph. This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the

cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance based in a community with a population of less than 1,000 persons.

(g) After an initial emergency ambulance call, each subsequent emergency ambulance response, until the initial ambulance is again available, and interfacility transfers, may be staffed by one registered emergency medical responder driver and an EMT or paramedic. This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance based in a community with a population of less than 1,000 persons.

Sec. 5. Minnesota Statutes 2022, section 144E.101, subdivision 12, is amended to read:

Subd. 12. **Mutual aid agreement.** (a) A licensee shall have a written agreement with at least one neighboring licensed ambulance service for the preplanned and organized response of emergency medical services, and other emergency personnel and equipment, to a request for assistance in an emergency when local ambulance transport resources have been expended. The response is predicated upon formal agreements among participating ambulance services. A copy of each mutual aid agreement shall be maintained in the files of the licensee and shall be filed with the board for informational purposes only.

(b) A licensee may have a written agreement with a neighboring licensed ambulance service, including a licensed ambulance service from a neighboring state if that service is currently and remains in compliance with its home state licensing requirements, to provide ~~part-time~~ support to the primary service area of the licensee upon the licensee's request. The agreement may allow the licensee to suspend ambulance services in its primary service area during the times the neighboring licensed ambulance service has agreed to provide all emergency services to the licensee's primary service area. The agreement may ~~not~~ permit the neighboring licensed ambulance service to serve the licensee's primary service area for ~~more than 12~~ up to 24 hours per day, provided service by the neighboring licensed ambulance service does not exceed 108 hours per calendar week. This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance based in a community with a population of less than 2,500 persons.

Sec. 6. Minnesota Statutes 2022, section 144E.103, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** Every ambulance in service for patient care shall carry, at a minimum:

- (1) oxygen;
- (2) airway maintenance equipment in various sizes to accommodate all age groups;
- (3) splinting equipment in various sizes to accommodate all age groups;
- (4) dressings, bandages, commercially manufactured tourniquets, and bandaging equipment;
- (5) an emergency obstetric kit;

- (6) equipment to determine vital signs in various sizes to accommodate all age groups;
- (7) a stretcher;
- (8) a defibrillator; ~~and~~
- (9) a fire extinguisher; and
- (10) opiate antagonists.

Sec. 7. Minnesota Statutes 2022, section 144E.35, is amended to read:

144E.35 REIMBURSEMENT TO NONPROFIT AMBULANCE SERVICES FOR VOLUNTEER EDUCATION COSTS.

Subdivision 1. **Repayment for volunteer education.** A licensed ambulance service shall be reimbursed by the board for the necessary expense of the initial education of a volunteer ambulance attendant upon successful completion by the attendant of an EMT education course, or a continuing education course for EMT care, or both, which has been approved by the board, pursuant to section 144E.285. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the education course, and other necessary expenditures, except that in no instance shall a volunteer ambulance attendant be reimbursed more than ~~\$600~~ \$900 for successful completion of an initial education course, and ~~\$275~~ \$375 for successful completion of a continuing education course.

Subd. 2. **Reimbursement provisions.** Reimbursement ~~will~~ must be paid under provisions of this section when documentation is provided to the board that the individual has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Sec. 8. **[144E.53] MEDICAL RESOURCE COMMUNICATION CENTER GRANTS.**

The board shall distribute medical resource communication center grants annually to the two medical resource communication centers that were in operation in the state prior to January 1, 2000.

Sec. 9. Minnesota Statutes 2022, section 147.02, subdivision 1, is amended to read:

Subdivision 1. **United States or Canadian medical school graduates.** The board shall issue a license to practice medicine to a person not currently licensed in another state or Canada and who meets the requirements in paragraphs (a) to (i).

(a) An applicant for a license shall file a written application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a medical or osteopathic medical school located in the United States, its territories or Canada, and approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant data, or is currently enrolled in the final year of study at the school.

(c) The applicant must have passed an examination as described in clause (1) or (2).

(1) The applicant must have passed a comprehensive examination for initial licensure prepared and graded by the National Board of Medical Examiners, the Federation of State Medical Boards, the Medical Council of Canada, the National Board of Osteopathic Examiners, or the appropriate state board that the board determines acceptable. The board shall by rule determine what constitutes a passing score in the examination.

(2) The applicant taking the United States Medical Licensing Examination (USMLE) or Comprehensive Osteopathic Medical Licensing Examination (COMLEX-USA) must have passed steps or levels one, two, and three. Step or level three must be passed within five years of passing step or level two, or before the end of residency training. The applicant must pass each of steps or levels one, two, and three with passing scores as recommended by the USMLE program or National Board of Osteopathic Medical Examiners within three attempts. The applicant taking combinations of Federation of State Medical Boards, National Board of Medical Examiners, and USMLE may be accepted only if the combination is approved by the board as comparable to existing comparable examination sequences and all examinations are completed prior to the year 2000.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board ~~or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization.~~

(e) The applicant may make arrangements with the executive director to appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a nonrefundable fee established by the board. Upon application or notice of license renewal, the board must provide notice to the applicant and to the person whose license is scheduled to be issued or renewed of any additional fees, surcharges, or other costs which the person is obligated to pay as a condition of licensure. The notice must:

(1) state the dollar amount of the additional costs; and

(2) clearly identify to the applicant the payment schedule of additional costs.

(g) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(h) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (g). If the applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

(i) If the examination in paragraph (c) was passed more than ten years ago, the applicant must either:

(1) pass the special purpose examination of the Federation of State Medical Boards with a score of 75 or better within three attempts; or

(2) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association, the Royal College of Physicians and Surgeons of Canada, or of the College of Family Physicians of Canada.

Sec. 10. Minnesota Statutes 2022, section 147.03, subdivision 1, is amended to read:

Subdivision 1. **Endorsement; reciprocity.** (a) The board may issue a license to practice medicine to any person who satisfies the requirements in paragraphs (b) to (e).

(b) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (b), (d), (e), and (f), or section 147.037, subdivision 1, paragraphs (a) to (e).

(c) The applicant shall:

(1) have passed an examination prepared and graded by the Federation of State Medical Boards, the National Board of Medical Examiners, or the United States Medical Licensing Examination (USMLE) program in accordance with section 147.02, subdivision 1, paragraph (c), clause (2); the National Board of Osteopathic Medical Examiners; or the Medical Council of Canada; and

(2) have a current license from the equivalent licensing agency in another state or Canada and, if the examination in clause (1) was passed more than ten years ago, either:

(i) pass the Special Purpose Examination of the Federation of State Medical Boards ~~with a score of 75 or better~~ (SPEX) within three attempts; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association, the Royal College of Physicians and Surgeons of Canada, or of the College of Family Physicians of Canada; or

(3) if the applicant fails to meet the requirement established in section 147.02, subdivision 1, paragraph (c), clause (2), because the applicant failed to pass within the permitted three attempts each of steps or levels one, two, and three of the USMLE within the required three attempts or the Comprehensive Osteopathic Medical Licensing Examination (COMLEX-USA), the applicant may be granted a license provided the applicant:

(i) has passed each of steps or levels one, two, and three within no more than four attempts for any of the three steps or levels with passing scores as recommended by the USMLE or COMLEX-USA program ~~within no more than four attempts for any of the three steps~~;

(ii) is currently licensed in another state; and

(iii) has current certification by a specialty board of the American Board of Medical Specialties, the American Osteopathic Association ~~Bureau of Professional Education~~, the Royal College of Physicians and Surgeons of Canada, or the College of Family Physicians of Canada.

(d) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(e) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (d). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

(f) Upon the request of an applicant, the board may conduct the final interview of the applicant by teleconference.

Sec. 11. Minnesota Statutes 2022, section 147.037, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The board shall issue a license to practice medicine to any person who satisfies the requirements in paragraphs (a) to (g).

(a) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (e), (f), (g), and (h).

(b) The applicant shall present evidence satisfactory to the board that the applicant is a graduate of a medical or osteopathic school approved by the board as equivalent to accredited United States or Canadian schools based upon its faculty, curriculum, facilities, accreditation, or other relevant data. If the applicant is a graduate of a medical or osteopathic program that is not accredited by the Liaison Committee for Medical Education or the American Osteopathic Association, the applicant may use the Federation of State Medical Boards' Federation Credentials Verification Service (FCVS) or its successor. If the applicant uses this service as allowed under this paragraph, the physician application fee may be less than \$200 but must not exceed the cost of administering this paragraph.

(c) The applicant shall present evidence satisfactory to the board that the applicant has been awarded a certificate by the Educational Council for Foreign Medical Graduates, and the applicant has a working ability in the English language sufficient to communicate with patients and physicians and to engage in the practice of medicine.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board ~~or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization~~. This requirement does not apply to an applicant who is admitted pursuant to the rules of the United States Department of Labor and:

(1) ~~to an applicant~~ who is admitted as a permanent immigrant to the United States on or before October 1, 1991, as a person of exceptional ability in the sciences according to Code of Federal Regulations, title 20, section 656.22(d); or

(2) ~~to an applicant holding~~ who holds a valid license to practice medicine in another country and was issued a permanent immigrant visa after October 1, 1991, as a person of extraordinary ability in the field of science or as an outstanding professor or researcher according to Code of Federal Regulations, title 8, section 204.5(h) and (i), or a temporary nonimmigrant visa as a person of extraordinary ability in the field of science according to Code of Federal Regulations, title 8, section 214.2(o);

~~provided that a person under clause (1) or (2) is admitted pursuant to rules of the United States Department of Labor.~~

(e) The applicant must:

(1) have passed an examination prepared and graded by the Federation of State Medical Boards, the United States Medical Licensing Examination (USMLE) program in accordance with section 147.02, subdivision 1, paragraph (c), clause (2), or the Medical Council of Canada; and

(2) if the examination in clause (1) was passed more than ten years ago, either:

(i) pass the Special Purpose Examination of the Federation of State Medical Boards ~~with a score of 75 or better within three attempts~~ (SPEX) or the Comprehensive Osteopathic Medical Variable-Purpose Examination of the National Board of Osteopathic Medical Examiners (COMVEX). The applicant must pass the SPEX or COMVEX within no more than three attempts of taking the SPEX, COMVEX, or a combination of the SPEX and COMVEX; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, ~~of~~ the American Osteopathic Association, ~~of~~ the Royal College of Physicians and Surgeons of Canada, or ~~of~~ the College of Family Physicians of Canada; or

(3) if the applicant fails to meet the requirement established in section 147.02, subdivision 1, paragraph (c), clause (2), because the applicant failed to pass within the permitted three attempts each of steps or levels one, two, and three of the USMLE ~~within the required three attempts~~ or the Comprehensive Osteopathic Medical Licensing Examination (COMLEX-USA), the applicant may be granted a license provided the applicant:

(i) has passed each of steps or levels one, two, and three within no more than four attempts for any of the three steps or levels with passing scores as recommended by the USMLE or COMLEX-USA program ~~within no more than four attempts for any of the three steps;~~

(ii) is currently licensed in another state; and

(iii) has current certification by a specialty board of the American Board of Medical Specialties, the American Osteopathic Association, the Royal College of Physicians and Surgeons of Canada, or the College of Family Physicians of Canada.

(f) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (f). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

Sec. 12. Minnesota Statutes 2022, section 147.141, is amended to read:

147.141 FORMS OF DISCIPLINARY ACTION.

When the board finds that a licensed physician or a physician registered under section 147.032 has violated a provision or provisions of sections 147.01 to 147.22, it may do one or more of the following:

- (1) revoke the license;
- (2) suspend the license;
- (3) revoke or suspend registration to perform interstate telehealth;

(4) impose limitations or conditions on the physician's practice of medicine, including limiting the ~~limitation of~~ scope of practice to designated field specialties; ~~the imposition of~~ imposing retraining or rehabilitation requirements; ~~the requirement of~~ requiring practice under supervision; or ~~the~~ conditioning of continued practice on demonstration of knowledge or skills by appropriate examination or other review of skill and competence;

(5) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed ~~so as~~ to deprive the physician of any economic advantage gained by reason of the violation charged or to reimburse the board for the cost of the investigation and proceeding;

(6) order the physician to provide unremunerated professional service under supervision at a designated public hospital, clinic, or other health care institution; or

- (7) censure or reprimand the licensed physician.

Sec. 13. Minnesota Statutes 2022, section 147A.16, is amended to read:

147A.16 FORMS OF DISCIPLINARY ACTION.

(a) When the board finds that a licensed physician assistant has violated a provision of this chapter, it may do one or more of the following:

- (1) revoke the license;
- (2) suspend the license;

(3) impose limitations or conditions on the physician assistant's practice, including limiting the scope of practice to designated field specialties; imposing retraining or rehabilitation requirements; or limiting practice until demonstration of knowledge or skills by appropriate examination or other review of skill and competence;

(4) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed ~~so as~~ to deprive the physician assistant of any economic advantage gained by reason of the violation charged or to reimburse the board for the cost of the investigation and proceeding; or

- (5) censure or reprimand the licensed physician assistant.

(b) Upon judicial review of any board disciplinary action taken under this chapter, the reviewing court shall seal the administrative record, except for the board's final decision, and shall not make the administrative record available to the public.

Sec. 14. Minnesota Statutes 2022, section 147B.02, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** (a) The following persons may practice acupuncture within the scope of their practice without an acupuncture license:

- (1) a physician licensed under chapter 147;
- (2) an osteopathic physician licensed under chapter 147;
- (3) a chiropractor licensed under chapter 148;

~~(4) a person who is studying in a formal course of study or tutorial intern program approved by the acupuncture advisory council established in section 147B.05 so long as the person's acupuncture practice is supervised by a licensed acupuncturist or a person who is exempt under clause (5);~~

(4) a person who is studying in a formal course of study so long as the person's acupuncture practice is supervised by a licensed acupuncturist or a person who is exempt under clause (5);

(5) a visiting acupuncturist practicing acupuncture within an instructional setting for the sole purpose of teaching at a school registered with the Minnesota Office of Higher Education, who may practice without a license for a period of one year, with two one-year extensions permitted; and

(6) a visiting acupuncturist who is in the state for the sole purpose of providing a tutorial or workshop not to exceed 30 days in one calendar year.

(b) This chapter does not prohibit a person who does not have an acupuncturist license from practicing specific noninvasive techniques, such as acupressure, that are within the scope of practice as set forth in section 147B.06, subdivision 4.

Sec. 15. Minnesota Statutes 2022, section 147B.02, subdivision 7, is amended to read:

Subd. 7. **Licensure requirements.** (a) ~~After June 30, 1997,~~ An applicant for licensure must:

(1) submit a completed application for licensure on forms provided by the board, which must include the applicant's name and address of record, which shall be public;

~~(2) unless licensed under subdivision 5 or 6, submit a notarized copy of a~~ evidence satisfactory to the board of current NCCAOM certification;

(3) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(4) submit with the application all fees required; and

(5) sign a waiver authorizing the board to obtain access to the applicant's records in this state or any state in which the applicant has engaged in the practice of acupuncture.

(b) The board may ask the applicant to provide any additional information necessary to ensure that the applicant is able to practice with reasonable skill and safety to the public.

(c) The board may investigate information provided by an applicant to determine whether the information is accurate and complete. The board shall notify an applicant of action taken on the application and the reasons for denying licensure if licensure is denied.

Sec. 16. **[148.635] FEE.**

The fee for verification of licensure is \$20. The fee is nonrefundable.

Sec. 17. Minnesota Statutes 2022, section 148B.392, subdivision 2, is amended to read:

Subd. 2. **Licensure and application fees.** Licensure and application fees established by the board shall not exceed the following amounts:

- (1) application fee for national examination is ~~\$110~~ \$150;
- (2) application fee for Licensed Marriage and Family Therapist (LMFT) state examination is ~~\$110~~ \$150;
- (3) initial LMFT license fee is prorated, but cannot exceed ~~\$125~~ \$225;
- (4) annual renewal fee for LMFT license is ~~\$125~~ \$225;
- (5) late fee for LMFT license renewal is ~~\$50~~ \$100;
- (6) application fee for LMFT licensure by reciprocity is ~~\$220~~ \$300;
- (7) fee for initial Licensed Associate Marriage and Family Therapist (LAMFT) license is ~~\$75~~ \$100;
- (8) annual renewal fee for LAMFT license is ~~\$75~~ \$100;
- (9) late fee for LAMFT renewal is ~~\$25~~ \$50;
- (10) fee for reinstatement of license is \$150;
- (11) fee for emeritus status is ~~\$125~~ \$225; and
- (12) fee for temporary license for members of the military is \$100.

Sec. 18. Minnesota Statutes 2022, section 150A.08, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The board may refuse or by order suspend or revoke, limit or modify by imposing conditions it deems necessary, the license of a dentist, dental therapist, dental hygienist, or dental ~~assisting~~ assistant upon any of the following grounds:

- (1) fraud or deception in connection with the practice of dentistry or the securing of a license certificate;

(2) conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of a felony or gross misdemeanor reasonably related to the practice of dentistry as evidenced by a certified copy of the conviction;

(3) conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of an offense involving moral turpitude as evidenced by a certified copy of the conviction;

(4) habitual overindulgence in the use of intoxicating liquors;

(5) improper or unauthorized prescription, dispensing, administering, or personal or other use of any legend drug as defined in chapter 151, of any chemical as defined in chapter 151, or of any controlled substance as defined in chapter 152;

(6) conduct unbecoming a person licensed to practice dentistry, dental therapy, dental hygiene, or dental assisting, or conduct contrary to the best interest of the public, as such conduct is defined by the rules of the board;

(7) gross immorality;

(8) any physical, mental, emotional, or other disability which adversely affects a dentist's, dental therapist's, dental hygienist's, or dental assistant's ability to perform the service for which the person is licensed;

(9) revocation or suspension of a license or equivalent authority to practice, or other disciplinary action or denial of a license application taken by a licensing or credentialing authority of another state, territory, or country as evidenced by a certified copy of the licensing authority's order, if the disciplinary action or application denial was based on facts that would provide a basis for disciplinary action under this chapter and if the action was taken only after affording the credentialed person or applicant notice and opportunity to refute the allegations or pursuant to stipulation or other agreement;

(10) failure to maintain adequate safety and sanitary conditions for a dental office in accordance with the standards established by the rules of the board;

(11) employing, assisting, or enabling in any manner an unlicensed person to practice dentistry;

(12) failure or refusal to attend, testify, and produce records as directed by the board under subdivision 7;

(13) violation of, or failure to comply with, any other provisions of sections 150A.01 to 150A.12, the rules of the Board of Dentistry, or any disciplinary order issued by the board, sections 144.291 to 144.298 or 595.02, subdivision 1, paragraph (d), or for any other just cause related to the practice of dentistry. Suspension, revocation, modification or limitation of any license shall not be based upon any judgment as to therapeutic or monetary value of any individual drug prescribed or any individual treatment rendered, but only upon a repeated pattern of conduct;

(14) knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo;
or

(15) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

Sec. 19. Minnesota Statutes 2022, section 150A.08, subdivision 5, is amended to read:

Subd. 5. **Medical examinations.** If the board has probable cause to believe that a dentist, dental therapist, dental hygienist, dental assistant, or applicant engages in acts described in subdivision 1, clause (4) or (5), or has a condition described in subdivision 1, clause (8), it shall direct the dentist, dental therapist, dental hygienist, dental assistant, or applicant to submit to a mental or physical examination or a substance use disorder assessment. For the purpose of this subdivision, every dentist, dental therapist, dental hygienist, or dental assistant licensed under this chapter or person submitting an application for a license is deemed to have given consent to submit to a mental or physical examination when directed in writing by the board and to have waived all objections in any proceeding under this section to the admissibility of the examining physician's testimony or examination reports on the ground that they constitute a privileged communication. Failure to submit to an examination without just cause may result in an application being denied or a default and final order being entered without the taking of testimony or presentation of evidence, other than evidence which may be submitted by affidavit, that the licensee or applicant did not submit to the examination. A dentist, dental therapist, dental hygienist, dental assistant, or applicant affected under this section shall at reasonable intervals be afforded an opportunity to demonstrate ability to start or resume the competent practice of dentistry or perform the duties of a dental therapist, dental hygienist, or dental assistant with reasonable skill and safety to patients. In any proceeding under this subdivision, neither the record of proceedings nor the orders entered by the board is admissible, is subject to subpoena, or may be used against the dentist, dental therapist, dental hygienist, dental assistant, or applicant in any proceeding not commenced by the board. Information obtained under this subdivision shall be classified as private pursuant to the Minnesota Government Data Practices Act.

Sec. 20. Minnesota Statutes 2022, section 150A.091, is amended by adding a subdivision to read:

Subd. 23. **Mailing list services.** Each licensee must submit a nonrefundable \$5 fee to request a mailing address list.

Sec. 21. Minnesota Statutes 2022, section 150A.13, subdivision 10, is amended to read:

Subd. 10. **Failure to report.** ~~On or after August 1, 2012,~~ Any person, institution, insurer, or organization that fails to report as required under subdivisions 2 to 6 shall be subject to civil penalties for failing to report as required by law.

Sec. 22. Minnesota Statutes 2022, section 151.065, subdivision 1, is amended to read:

Subdivision 1. **Application fees.** Application fees for licensure and registration are as follows:

- (1) pharmacist licensed by examination, ~~\$175~~ \$225;
- (2) pharmacist licensed by reciprocity, ~~\$275~~ \$300;
- (3) pharmacy intern, ~~\$50~~ \$75;
- (4) pharmacy technician, ~~\$50~~ \$60;
- (5) pharmacy, ~~\$260~~ \$450;
- (6) drug wholesaler, legend drugs only, ~~\$5,260~~ \$5,500;
- (7) drug wholesaler, legend and nonlegend drugs, ~~\$5,260~~ \$5,500;
- (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$5,260~~ \$5,500;
- (9) drug wholesaler, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~ \$500 for each additional facility;
- (10) third-party logistics provider, ~~\$260~~ \$300;
- (11) drug manufacturer, nonopiate legend drugs only, ~~\$5,260~~ \$5,500;
- (12) drug manufacturer, nonopiate legend and nonlegend drugs, ~~\$5,260~~ \$5,500;
- (13) drug manufacturer, nonlegend or veterinary legend drugs, ~~\$5,260~~ \$5,500;
- (14) drug manufacturer, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~ \$500 for each additional facility;
- (15) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$5,260~~ \$5,500;
- (16) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, ~~\$55,260~~ \$55,500;
- (17) medical gas dispenser, ~~\$260~~ \$400;
- (18) controlled substance researcher, ~~\$75~~ \$150; and
- (19) pharmacy professional corporation, \$150.

Sec. 23. Minnesota Statutes 2022, section 151.065, subdivision 2, is amended to read:

Subd. 2. **Original license fee.** The pharmacist original licensure fee, ~~\$175~~ \$225.

Sec. 24. Minnesota Statutes 2022, section 151.065, subdivision 3, is amended to read:

Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as follows:

- (1) pharmacist, ~~\$175~~ \$225;
- (2) pharmacy technician, ~~\$50~~ \$60;
- (3) pharmacy, ~~\$260~~ \$450;
- (4) drug wholesaler, legend drugs only, ~~\$5,260~~ \$5,500;
- (5) drug wholesaler, legend and nonlegend drugs, ~~\$5,260~~ \$5,500;
- (6) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$5,260~~ \$5,500;
- (7) drug wholesaler, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~ \$500 for each additional facility;
- (8) third-party logistics provider, ~~\$260~~ \$300;
- (9) drug manufacturer, nonopiate legend drugs only, ~~\$5,260~~ \$5,500;
- (10) drug manufacturer, nonopiate legend and nonlegend drugs, ~~\$5,260~~ \$5,500;
- (11) drug manufacturer, nonlegend, veterinary legend drugs, or both, ~~\$5,260~~ \$5,500;
- (12) drug manufacturer, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~ \$500 for each additional facility;
- (13) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$5,260~~ \$5,500;
- (14) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, ~~\$55,260~~ \$55,500;
- (15) medical gas dispenser, ~~\$260~~ \$400;
- (16) controlled substance researcher, ~~\$75~~ \$150; and
- (17) pharmacy professional corporation, ~~\$100~~ \$150.

Sec. 25. Minnesota Statutes 2022, section 151.065, subdivision 4, is amended to read:

Subd. 4. **Miscellaneous fees.** Fees for issuance of affidavits and duplicate licenses and certificates are as follows:

- (1) intern affidavit, ~~\$20~~ \$30;
- (2) duplicate small license, ~~\$20~~ \$30; and
- (3) duplicate large certificate, \$30.

Sec. 26. Minnesota Statutes 2022, section 151.065, subdivision 6, is amended to read:

Subd. 6. **Reinstatement fees.** (a) A pharmacist who has allowed the pharmacist's license to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears, up to a maximum of \$1,000.

(b) A pharmacy technician who has allowed the technician's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears, up to a maximum of ~~\$90~~ \$250.

(c) An owner of a pharmacy, a drug wholesaler, a drug manufacturer, third-party logistics provider, or a medical gas dispenser who has allowed the license of the establishment to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears.

(d) A controlled substance researcher who has allowed the researcher's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

(e) A pharmacist owner of a professional corporation who has allowed the corporation's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

Sec. 27. Minnesota Statutes 2022, section 151.555, is amended to read:

151.555 ~~PRESCRIPTION DRUG~~ REPOSITORY PROGRAM.

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

(b) "Central repository" means a wholesale distributor that meets the requirements under subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this section.

(c) "Distribute" means to deliver, other than by administering or dispensing.

(d) "Donor" means:

(1) a health care facility as defined in this subdivision;

(2) a skilled nursing facility licensed under chapter 144A;

(3) an assisted living facility licensed under chapter 144G;

(4) a pharmacy licensed under section 151.19, and located either in the state or outside the state;

(5) a drug wholesaler licensed under section 151.47;

(6) a drug manufacturer licensed under section 151.252; or

(7) an individual at least 18 years of age, provided that the drug or medical supply that is donated was obtained legally and meets the requirements of this section for donation.

(e) "Drug" means any prescription drug that has been approved for medical use in the United States, is listed in the United States Pharmacopoeia or National Formulary, and meets the criteria established under this section for donation; or any over-the-counter medication that meets the criteria established under this section for donation. This definition includes cancer drugs and antirejection drugs, but does not include controlled substances, as defined in section 152.01, subdivision 4, or a prescription drug that can only be dispensed to a patient registered with the drug's manufacturer in accordance with federal Food and Drug Administration requirements.

(f) "Health care facility" means:

(1) a physician's office or health care clinic where licensed practitioners provide health care to patients;

(2) a hospital licensed under section 144.50;

(3) a pharmacy licensed under section 151.19 and located in Minnesota; or

(4) a nonprofit community clinic, including a federally qualified health center; a rural health clinic; public health clinic; or other community clinic that provides health care utilizing a sliding fee scale to patients who are low-income, uninsured, or underinsured.

(g) "Local repository" means a health care facility that elects to accept donated drugs and medical supplies and meets the requirements of subdivision 4.

(h) "Medical supplies" or "supplies" means any prescription ~~and~~ or nonprescription medical supplies needed to administer a ~~prescription~~ drug.

(i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules, part 6800.3750.

(j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that it does not include a veterinarian.

Subd. 2. **Establishment; contract and oversight.** ~~By January 1, 2020, (a) The Board of Pharmacy shall establish a drug medication repository program, through which donors may donate a drug or medical supply for use by an individual who meets the eligibility criteria specified under subdivision 5.~~

~~(b) The board shall contract with a central repository that meets the requirements of subdivision 3 to implement and administer the prescription drug medication repository program. The contract must:~~

~~(1) require payment by the board to the central repository any amount appropriated by the legislature for the operation and administration of the medication repository program;~~

~~(2) require the central repository to report the following performance measures to the board:~~

~~(i) the number of individuals served and the types of medications these individuals received;~~

(ii) the number of clinics, pharmacies, and long-term care facilities with which the central repository partnered;

(iii) the number and cost of medications accepted for inventory, disposed of, and dispensed to individuals in need; and

(iv) locations within the state to which medications were shipped or delivered; and

(3) require the board to annually audit the expenditure by the central repository of any money appropriated by the legislature and paid under a contract by the board to ensure that the amount appropriated is used only for purposes specified in the contract.

Subd. 3. **Central repository requirements.** (a) The board may publish a request for proposal for participants who meet the requirements of this subdivision and are interested in acting as the central repository for the drug medication repository program. If the board publishes a request for proposal, it shall follow all applicable state procurement procedures in the selection process. The board may also work directly with the University of Minnesota to establish a central repository.

(b) To be eligible to act as the central repository, the participant must be a wholesale drug distributor located in Minnesota, licensed pursuant to section 151.47, and in compliance with all applicable federal and state statutes, rules, and regulations.

(c) The central repository shall be subject to inspection by the board pursuant to section 151.06, subdivision 1.

(d) The central repository shall comply with all applicable federal and state laws, rules, and regulations pertaining to the drug medication repository program, drug storage, and dispensing. The facility must maintain in good standing any state license or registration that applies to the facility.

Subd. 4. **Local repository requirements.** (a) To be eligible for participation in the drug medication repository program, a health care facility must agree to comply with all applicable federal and state laws, rules, and regulations pertaining to the drug medication repository program, drug storage, and dispensing. The facility must also agree to maintain in good standing any required state license or registration that may apply to the facility.

(b) A local repository may elect to participate in the program by submitting the following information to the central repository on a form developed by the board and made available on the board's website:

(1) the name, street address, and telephone number of the health care facility and any state-issued license or registration number issued to the facility, including the issuing state agency;

(2) the name and telephone number of a responsible pharmacist or practitioner who is employed by or under contract with the health care facility; and

(3) a statement signed and dated by the responsible pharmacist or practitioner indicating that the health care facility meets the eligibility requirements under this section and agrees to comply with this section.

(c) Participation in the ~~drug~~ medication repository program is voluntary. A local repository may withdraw from participation in the ~~drug~~ medication repository program at any time by providing written notice to the central repository on a form developed by the board and made available on the board's website. The central repository shall provide the board with a copy of the withdrawal notice within ten business days from the date of receipt of the withdrawal notice.

Subd. 5. Individual eligibility and application requirements. (a) To be eligible for the ~~drug~~ medication repository program, an individual must submit to a local repository an intake application form that is signed by the individual and attests that the individual:

(1) is a resident of Minnesota;

(2) is uninsured and is not enrolled in the medical assistance program under chapter 256B or the MinnesotaCare program under chapter 256L, has no prescription drug coverage, or is underinsured;

(3) acknowledges that the drugs or medical supplies to be received through the program may have been donated; and

(4) consents to a waiver of the child-resistant packaging requirements of the federal Poison Prevention Packaging Act.

(b) Upon determining that an individual is eligible for the program, the local repository shall furnish the individual with an identification card. The card shall be valid for one year from the date of issuance and may be used at any local repository. A new identification card may be issued upon expiration once the individual submits a new application form.

(c) The local repository shall send a copy of the intake application form to the central repository by regular mail, facsimile, or secured email within ten days from the date the application is approved by the local repository.

(d) The board shall develop and make available on the board's website an application form and the format for the identification card.

Subd. 6. Standards and procedures for accepting donations of drugs and supplies. (a) A donor may donate ~~prescription~~ drugs or medical supplies to the central repository or a local repository if the drug or supply meets the requirements of this section as determined by a pharmacist or practitioner who is employed by or under contract with the central repository or a local repository.

(b) A ~~prescription~~ drug is eligible for donation under the ~~drug~~ medication repository program if the following requirements are met:

(1) the donation is accompanied by a ~~drug~~ medication repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d);

(2) the drug's expiration date is at least six months after the date the drug was donated. If a donated drug bears an expiration date that is less than six months from the donation date, the drug

may be accepted and distributed if the drug is in high demand and can be dispensed for use by a patient before the drug's expiration date;

(3) the drug is in its original, sealed, unopened, tamper-evident packaging that includes the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging is unopened;

(4) the drug or the packaging does not have any physical signs of tampering, misbranding, deterioration, compromised integrity, or adulteration;

(5) the drug does not require storage temperatures other than normal room temperature as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located in Minnesota; and

(6) the ~~prescription~~ drug is not a controlled substance.

(c) A medical supply is eligible for donation under the ~~drug~~ medication repository program if the following requirements are met:

(1) the supply has no physical signs of tampering, misbranding, or alteration and there is no reason to believe it has been adulterated, tampered with, or misbranded;

(2) the supply is in its original, unopened, sealed packaging;

(3) the donation is accompanied by a ~~drug~~ medication repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d); and

(4) if the supply bears an expiration date, the date is at least six months later than the date the supply was donated. If the donated supply bears an expiration date that is less than six months from the date the supply was donated, the supply may be accepted and distributed if the supply is in high demand and can be dispensed for use by a patient before the supply's expiration date.

(d) The board shall develop the ~~drug~~ medication repository donor form and make it available on the board's website. The form must state that to the best of the donor's knowledge the donated drug or supply has been properly stored under appropriate temperature and humidity conditions and that the drug or supply has never been opened, used, tampered with, adulterated, or misbranded.

(e) Donated drugs and supplies may be shipped or delivered to the premises of the central repository or a local repository, and shall be inspected by a pharmacist or an authorized practitioner who is employed by or under contract with the repository and who has been designated by the repository to accept donations. A drop box must not be used to deliver or accept donations.

(f) The central repository and local repository shall inventory all drugs and supplies donated to the repository. For each drug, the inventory must include the drug's name, strength, quantity, manufacturer, expiration date, and the date the drug was donated. For each medical supply, the inventory must include a description of the supply, its manufacturer, the date the supply was donated, and, if applicable, the supply's brand name and expiration date.

Subd. 7. Standards and procedures for inspecting and storing donated ~~prescription~~ drugs and supplies. (a) A pharmacist or authorized practitioner who is employed by or under contract

with the central repository or a local repository shall inspect all donated ~~prescription~~ drugs and supplies before the drug or supply is dispensed to determine, to the extent reasonably possible in the professional judgment of the pharmacist or practitioner, that the drug or supply is not adulterated or misbranded, has not been tampered with, is safe and suitable for dispensing, has not been subject to a recall, and meets the requirements for donation. The pharmacist or practitioner who inspects the drugs or supplies shall sign an inspection record stating that the requirements for donation have been met. If a local repository receives drugs and supplies from the central repository, the local repository does not need to reinspect the drugs and supplies.

(b) The central repository and local repositories shall store donated drugs and supplies in a secure storage area under environmental conditions appropriate for the drug or supply being stored. Donated drugs and supplies may not be stored with nondonated inventory.

(c) The central repository and local repositories shall dispose of all ~~prescription~~ drugs and medical supplies that are not suitable for donation in compliance with applicable federal and state statutes, regulations, and rules concerning hazardous waste.

(d) In the event that controlled substances or ~~prescription~~ drugs that can only be dispensed to a patient registered with the drug's manufacturer are shipped or delivered to a central or local repository for donation, the shipment delivery must be documented by the repository and returned immediately to the donor or the donor's representative that provided the drugs.

(e) Each repository must develop drug and medical supply recall policies and procedures. If a repository receives a recall notification, the repository shall destroy all of the drug or medical supply in its inventory that is the subject of the recall and complete a record of destruction form in accordance with paragraph (f). If a drug or medical supply that is the subject of a Class I or Class II recall has been dispensed, the repository shall immediately notify the recipient of the recalled drug or medical supply. A drug that potentially is subject to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

(f) A record of destruction of donated drugs and supplies that are not dispensed under subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation shall be maintained by the repository for at least two years. For each drug or supply destroyed, the record shall include the following information:

- (1) the date of destruction;
- (2) the name, strength, and quantity of the drug destroyed; and
- (3) the name of the person or firm that destroyed the drug.

Subd. 8. **Dispensing requirements.** (a) Donated drugs and supplies may be dispensed if the drugs or supplies are prescribed by a practitioner for use by an eligible individual and are dispensed by a pharmacist or practitioner. A repository shall dispense drugs and supplies to eligible individuals in the following priority order: (1) individuals who are uninsured; (2) individuals with no prescription drug coverage; and (3) individuals who are underinsured. A repository shall dispense donated ~~prescription~~ drugs in compliance with applicable federal and state laws and regulations for dispensing

prescription drugs, including all requirements relating to packaging, labeling, record keeping, drug utilization review, and patient counseling.

(b) Before dispensing or administering a drug or supply, the pharmacist or practitioner shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date of expiration. Drugs or supplies that have expired or appear upon visual inspection to be adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

(c) Before a drug or supply is dispensed or administered to an individual, the individual must sign a drug repository recipient form acknowledging that the individual understands the information stated on the form. The board shall develop the form and make it available on the board's website. The form must include the following information:

(1) that the drug or supply being dispensed or administered has been donated and may have been previously dispensed;

(2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure that the drug or supply has not expired, has not been adulterated or misbranded, and is in its original, unopened packaging; and

(3) that the dispensing pharmacist, the dispensing or administering practitioner, the central repository or local repository, the Board of Pharmacy, and any other participant of the drug medication repository program cannot guarantee the safety of the drug or medical supply being dispensed or administered and that the pharmacist or practitioner has determined that the drug or supply is safe to dispense or administer based on the accuracy of the donor's form submitted with the donated drug or medical supply and the visual inspection required to be performed by the pharmacist or practitioner before dispensing or administering.

Subd. 9. Handling fees. (a) The central or local repository may charge the individual receiving a drug or supply a handling fee of no more than 250 percent of the medical assistance program dispensing fee for each drug or medical supply dispensed or administered by that repository.

(b) A repository that dispenses or administers a drug or medical supply through the drug medication repository program shall not receive reimbursement under the medical assistance program or the MinnesotaCare program for that dispensed or administered drug or supply.

Subd. 10. Distribution of donated drugs and supplies. (a) The central repository and local repositories may distribute drugs and supplies donated under the drug medication repository program to other participating repositories for use pursuant to this program.

(b) A local repository that elects not to dispense donated drugs or supplies must transfer all donated drugs and supplies to the central repository. A copy of the donor form that was completed by the original donor under subdivision 6 must be provided to the central repository at the time of transfer.

Subd. 11. Forms and record-keeping requirements. (a) The following forms developed for the administration of this program shall be utilized by the participants of the program and shall be available on the board's website:

- (1) intake application form described under subdivision 5;
- (2) local repository participation form described under subdivision 4;
- (3) local repository withdrawal form described under subdivision 4;
- (4) ~~drug~~ medication repository donor form described under subdivision 6;
- (5) record of destruction form described under subdivision 7; and
- (6) ~~drug~~ medication repository recipient form described under subdivision 8.

(b) All records, including drug inventory, inspection, and disposal of donated ~~prescription~~ drugs and medical supplies, must be maintained by a repository for a minimum of two years. Records required as part of this program must be maintained pursuant to all applicable practice acts.

(c) Data collected by the ~~drug~~ medication repository program from all local repositories shall be submitted quarterly or upon request to the central repository. Data collected may consist of the information, records, and forms required to be collected under this section.

(d) The central repository shall submit reports to the board as required by the contract or upon request of the board.

Subd. 12. **Liability.** (a) The manufacturer of a drug or supply is not subject to criminal or civil liability for injury, death, or loss to a person or to property for causes of action described in clauses (1) and (2). A manufacturer is not liable for:

(1) the intentional or unintentional alteration of the drug or supply by a party not under the control of the manufacturer; or

(2) the failure of a party not under the control of the manufacturer to transfer or communicate product or consumer information or the expiration date of the donated drug or supply.

(b) A health care facility participating in the program, a pharmacist dispensing a drug or supply pursuant to the program, a practitioner dispensing or administering a drug or supply pursuant to the program, or a donor of a drug or medical supply is immune from civil liability for an act or omission that causes injury to or the death of an individual to whom the drug or supply is dispensed and no disciplinary action by a health-related licensing board shall be taken against a pharmacist or practitioner so long as the drug or supply is donated, accepted, distributed, and dispensed according to the requirements of this section. This immunity does not apply if the act or omission involves reckless, wanton, or intentional misconduct, or malpractice unrelated to the quality of the drug or medical supply.

Subd. 13. **Drug returned for credit.** Nothing in this section allows a long-term care facility to donate a drug to a central or local repository when federal or state law requires the drug to be returned to the pharmacy that initially dispensed it, so that the pharmacy can credit the payer for the amount of the drug returned.

Subd. 14. **Cooperation.** The central repository, as approved by the Board of Pharmacy, may enter into an agreement with another state that has an established drug repository or drug donation

program if the other state's program includes regulations to ensure the purity, integrity, and safety of the drugs and supplies donated, to permit the central repository to offer to another state program inventory that is not needed by a Minnesota resident and to accept inventory from another state program to be distributed to local repositories and dispensed to Minnesota residents in accordance with this program.

Subd. 15. **Funding.** The central repository may seek grants and other money from nonprofit charitable organizations, the federal government, and other sources to fund the ongoing operations of the medication repository program.

Sec. 28. Minnesota Statutes 2022, section 151.74, subdivision 3, is amended to read:

Subd. 3. **Access to urgent-need insulin.** (a) MNsure shall develop an application form to be used by an individual who is in urgent need of insulin. The application must ask the individual to attest to the eligibility requirements described in subdivision 2. The form shall be accessible through MNsure's website. MNsure shall also make the form available to pharmacies and health care providers who prescribe or dispense insulin, hospital emergency departments, urgent care clinics, and community health clinics. By submitting a completed, signed, and dated application to a pharmacy, the individual attests that the information contained in the application is correct.

(b) If the individual is in urgent need of insulin, the individual may present a completed, signed, and dated application form to a pharmacy. The individual must also:

(1) have a valid insulin prescription; and

(2) present the pharmacist with identification indicating Minnesota residency in the form of a valid Minnesota identification card, driver's license or permit, individual taxpayer identification number, or Tribal identification card as defined in section 171.072, paragraph (b). If the individual in urgent need of insulin is under the age of 18, the individual's parent or legal guardian must provide the pharmacist with proof of residency.

(c) Upon receipt of a completed and signed application, the pharmacist shall dispense the prescribed insulin in an amount that will provide the individual with a 30-day supply. The pharmacy must notify the health care practitioner who issued the prescription order no later than 72 hours after the insulin is dispensed.

(d) The pharmacy may submit to the manufacturer of the dispensed insulin product or to the manufacturer's vendor a claim for payment that is in accordance with the National Council for Prescription Drug Program standards for electronic claims processing, unless the manufacturer agrees to send to the pharmacy a replacement supply of the same insulin as dispensed in the amount dispensed. If the pharmacy submits an electronic claim to the manufacturer or the manufacturer's vendor, the manufacturer or vendor shall reimburse the pharmacy in an amount that covers the pharmacy's acquisition cost.

(e) The pharmacy may collect an insulin co-payment from the individual to cover the pharmacy's costs of processing and dispensing in an amount not to exceed \$35 for the 30-day supply of insulin dispensed.

(f) The pharmacy shall also provide each eligible individual with the information sheet described in subdivision 7 and a list of trained navigators provided by the Board of Pharmacy for the individual to contact if the individual is in need of accessing ongoing insulin coverage options, including assistance in:

(1) applying for medical assistance or MinnesotaCare;

(2) applying for a qualified health plan offered through MNsure, subject to open and special enrollment periods;

(3) accessing information on providers who participate in prescription drug discount programs, including providers who are authorized to participate in the 340B program under section 340b of the federal Public Health Services Act, United States Code, title 42, section 256b; and

(4) accessing insulin manufacturers' patient assistance programs, co-payment assistance programs, and other foundation-based programs.

(g) The pharmacist shall retain a copy of the application form submitted by the individual to the pharmacy for reporting and auditing purposes.

Sec. 29. Minnesota Statutes 2022, section 151.74, subdivision 4, is amended to read:

Subd. 4. **Continuing safety net program; general.** (a) Each manufacturer shall make a patient assistance program available to any individual who meets the requirements of this subdivision. Each manufacturer's patient assistance programs must meet the requirements of this section. Each manufacturer shall provide the Board of Pharmacy with information regarding the manufacturer's patient assistance program, including contact information for individuals to call for assistance in accessing their patient assistance program.

(b) To be eligible to participate in a manufacturer's patient assistance program, the individual must:

(1) be a Minnesota resident with a valid Minnesota identification card that indicates Minnesota residency in the form of a Minnesota identification card, driver's license or permit, individual taxpayer identification number, or Tribal identification card as defined in section 171.072, paragraph (b). If the individual is under the age of 18, the individual's parent or legal guardian must provide proof of residency;

(2) have a family income that is equal to or less than 400 percent of the federal poverty guidelines;

(3) not be enrolled in medical assistance or MinnesotaCare;

(4) not be eligible to receive health care through a federally funded program or receive prescription drug benefits through the Department of Veterans Affairs; and

(5) not be enrolled in prescription drug coverage through an individual or group health plan that limits the total amount of cost-sharing that an enrollee is required to pay for a 30-day supply of insulin, including co-payments, deductibles, or coinsurance to \$75 or less, regardless of the type or amount of insulin needed.

(c) Notwithstanding the requirement in paragraph (b), clause (4), an individual who is enrolled in Medicare Part D is eligible for a manufacturer's patient assistance program if the individual has spent \$1,000 on prescription drugs in the current calendar year and meets the eligibility requirements in paragraph (b), clauses (1) to (3).

(d) An individual who is interested in participating in a manufacturer's patient assistance program may apply directly to the manufacturer; apply through the individual's health care practitioner, if the practitioner participates; or contact a trained navigator for assistance in finding a long-term insulin supply solution, including assistance in applying to a manufacturer's patient assistance program.

Sec. 30. Minnesota Statutes 2022, section 152.126, subdivision 4, is amended to read:

Subd. 4. **Reporting requirements; notice.** (a) Each dispenser must submit the following data to the board or its designated vendor:

- (1) name of the prescriber;
- (2) national provider identifier of the prescriber;
- (3) name of the dispenser;
- (4) national provider identifier of the dispenser;
- (5) prescription number;
- (6) name of the patient for whom the prescription was written;
- (7) address of the patient for whom the prescription was written;
- (8) date of birth of the patient for whom the prescription was written;
- (9) date the prescription was written;
- (10) date the prescription was filled;
- (11) name and strength of the controlled substance;
- (12) quantity of controlled substance prescribed;
- (13) quantity of controlled substance dispensed; and
- (14) number of days supply.

(b) The dispenser must submit the required information by a procedure and in a format established by the board. The board may allow dispensers to omit data listed in this subdivision or may require the submission of data not listed in this subdivision provided the omission or submission is necessary for the purpose of complying with the electronic reporting or data transmission standards of the American Society for Automation in Pharmacy, the National Council on Prescription Drug Programs, or other relevant national standard-setting body.

(c) A dispenser is not required to submit this data for those controlled substance prescriptions dispensed for:

(1) individuals residing in a health care facility as defined in section 151.58, subdivision 2, paragraph (b), when a drug is distributed through the use of an automated drug distribution system according to section 151.58; ~~and~~

(2) individuals receiving a drug sample that was packaged by a manufacturer and provided to the dispenser for dispensing as a professional sample pursuant to Code of Federal Regulations, title 21, part 203, subpart D-; and

(3) individuals whose prescriptions are being mailed, shipped, or delivered from Minnesota to another state, so long as the data are reported to the prescription drug monitoring program of that state.

(d) A dispenser must provide notice to the patient for whom the prescription was written a ~~conspicuous notice~~, or to that patient's authorized representative, of the reporting requirements of this section and notice that the information may be used for program administration purposes.

(e) The dispenser must submit the required information within the time frame specified by the board; if no reportable prescriptions are dispensed or sold on any day, a report indicating that fact must be filed with the board.

(f) The dispenser must submit accurate information to the database and must correct errors identified during the submission process within seven calendar days.

(g) For the purposes of this paragraph, the term "subject of the data" means the individual reported as being the patient, the practitioner reported as being the prescriber, the client when an animal is reported as being the patient, or an authorized agent of these individuals. The dispenser must correct errors brought to its attention by the subject of the data within seven calendar days, unless the dispenser verifies that an error did not occur and the data were correctly submitted. The dispenser must notify the subject of the data that either the error was corrected or that no error occurred.

Sec. 31. Minnesota Statutes 2022, section 152.126, subdivision 5, is amended to read:

Subd. 5. Use of data by board. (a) The board shall develop and maintain a database of the data reported under subdivision 4. The board shall maintain data that could identify an individual prescriber or dispenser in encrypted form. Except as otherwise allowed under subdivision 6, the database may be used by permissible users identified under subdivision 6 for the identification of:

(1) individuals receiving prescriptions for controlled substances from prescribers who subsequently obtain controlled substances from dispensers in quantities or with a frequency inconsistent with generally recognized standards of use for those controlled substances, including standards accepted by national and international pain management associations; and

(2) individuals presenting forged or otherwise false or altered prescriptions for controlled substances to dispensers.

(b) No permissible user identified under subdivision 6 may access the database for the sole purpose of identifying prescribers of controlled substances for unusual or excessive prescribing patterns without a valid search warrant or court order.

(c) No personnel of a state or federal occupational licensing board or agency may access the database for the purpose of obtaining information to be used to initiate a disciplinary action against a prescriber.

(d) Data reported under subdivision 4 shall be made available to permissible users for a 12-month period beginning the day the data was received and ending 12 months from the last day of the month in which the data was received, except that permissible users defined in subdivision 6, paragraph (b), clauses ~~(6)~~ (7) and ~~(7)~~ (8), may use all data collected under this section for the purposes of administering, operating, and maintaining the prescription monitoring program and conducting trend analyses and other studies necessary to evaluate the effectiveness of the program.

(e) Data reported during the period January 1, 2015, through December 31, 2018, may be retained through December 31, 2019, in an identifiable manner. Effective January 1, 2020, data older than 24 months must be destroyed. Data reported for prescriptions dispensed on or after January 1, 2020, must be destroyed no later than 12 months from the date the ~~data~~ prescription was ~~received~~ reported as dispensed.

Sec. 32. Minnesota Statutes 2022, section 152.126, subdivision 6, is amended to read:

Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision, the data submitted to the board under subdivision 4 is private data on individuals as defined in section 13.02, subdivision 12, and not subject to public disclosure.

(b) Except as specified in subdivision 5, the following persons shall be considered permissible users and may access the data submitted under subdivision 4 in the same or similar manner, and for the same or similar purposes, as those persons who are authorized to access similar private data on individuals under federal and state law:

(1) a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, to the extent the information relates specifically to a current patient, to whom the prescriber is:

(i) prescribing or considering prescribing any controlled substance;

(ii) providing emergency medical treatment for which access to the data may be necessary;

(iii) providing care, and the prescriber has reason to believe, based on clinically valid indications, that the patient is potentially abusing a controlled substance; or

(iv) providing other medical treatment for which access to the data may be necessary for a clinically valid purpose and the patient has consented to access to the submitted data, and with the provision that the prescriber remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(2) a dispenser or an agent or employee of the dispenser to whom the dispenser has delegated the task of accessing the data, to the extent the information relates specifically to a current patient to whom that dispenser is dispensing or considering dispensing any controlled substance and with the provision that the dispenser remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(3) a licensed dispensing practitioner or licensed pharmacist to the extent necessary to determine whether corrections made to the data reported under subdivision 4 are accurate;

(4) a licensed pharmacist who is providing pharmaceutical care for which access to the data may be necessary to the extent that the information relates specifically to a current patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber who is requesting data in accordance with clause (1);

~~(4)~~ (5) an individual who is the recipient of a controlled substance prescription for which data was submitted under subdivision 4, or a guardian of the individual, parent or guardian of a minor, or health care agent of the individual acting under a health care directive under chapter 145C. For purposes of this clause, access by individuals includes persons in the definition of an individual under section 13.02;

~~(5)~~ (6) personnel or designees of a health-related licensing board listed in section 214.01, subdivision 2, or of the Emergency Medical Services Regulatory Board, assigned to conduct a bona fide investigation of a complaint received by that board that alleges that a specific licensee is impaired by use of a drug for which data is collected under subdivision 4, has engaged in activity that would constitute a crime as defined in section 152.025, or has engaged in the behavior specified in subdivision 5, paragraph (a);

~~(6)~~ (7) personnel of the board engaged in the collection, review, and analysis of controlled substance prescription information as part of the assigned duties and responsibilities under this section;

~~(7)~~ (8) authorized personnel of a vendor under contract with the board, or under contract with the state of Minnesota and approved by the board, who are engaged in the design, evaluation, implementation, operation, and or maintenance of the prescription monitoring program as part of the assigned duties and responsibilities of their employment, provided that access to data is limited to the minimum amount necessary to carry out such duties and responsibilities, and subject to the requirement of de-identification and time limit on retention of data specified in subdivision 5, paragraphs (d) and (e);

~~(8)~~ (9) federal, state, and local law enforcement authorities acting pursuant to a valid search warrant;

~~(9)~~ (10) personnel of the Minnesota health care programs assigned to use the data collected under this section to identify and manage recipients whose usage of controlled substances may warrant restriction to a single primary care provider, a single outpatient pharmacy, and a single hospital;

~~(10)~~ (11) personnel of the Department of Human Services assigned to access the data pursuant to paragraph (k);

~~(11)~~ (12) personnel of the health professionals services program established under section 214.31, to the extent that the information relates specifically to an individual who is currently enrolled in and being monitored by the program, and the individual consents to access to that information. The health professionals services program personnel shall not provide this data to a health-related licensing board or the Emergency Medical Services Regulatory Board, except as permitted under section 214.33, subdivision 3; ~~and~~

~~(12)~~ (13) personnel or designees of a health-related licensing board other than the Board of Pharmacy listed in section 214.01, subdivision 2, assigned to conduct a bona fide investigation of a complaint received by that board that alleges that a specific licensee is inappropriately prescribing controlled substances as defined in this section. For the purposes of this clause, the health-related licensing board may also obtain utilization data; and

(14) personnel of the board specifically assigned to conduct a bona fide investigation of a specific licensee or registrant. For the purposes of this clause, the board may also obtain utilization data.

(c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe controlled substances for humans and who holds a current registration issued by the federal Drug Enforcement Administration, and every pharmacist licensed by the board and practicing within the state, shall register and maintain a user account with the prescription monitoring program. Data submitted by a prescriber, pharmacist, or their delegate during the registration application process, other than their name, license number, and license type, is classified as private pursuant to section 13.02, subdivision 12.

(d) Notwithstanding paragraph (b), beginning January 1, 2021, a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, must access the data submitted under subdivision 4 to the extent the information relates specifically to the patient:

(1) before the prescriber issues an initial prescription order for a Schedules II through IV opiate controlled substance to the patient; and

(2) at least once every three months for patients receiving an opiate for treatment of chronic pain or participating in medically assisted treatment for an opioid addiction.

(e) Paragraph (d) does not apply if:

(1) the patient is receiving palliative care, or hospice or other end-of-life care;

(2) the patient is being treated for pain due to cancer or the treatment of cancer;

(3) the prescription order is for a number of doses that is intended to last the patient five days or less and is not subject to a refill;

(4) the prescriber and patient have a current or ongoing provider/patient relationship of a duration longer than one year;

(5) the prescription order is issued within 14 days following surgery or three days following oral surgery or follows the prescribing protocols established under the opioid prescribing improvement program under section 256B.0638;

(6) the controlled substance is prescribed or administered to a patient who is admitted to an inpatient hospital;

(7) the controlled substance is lawfully administered by injection, ingestion, or any other means to the patient by the prescriber, a pharmacist, or by the patient at the direction of a prescriber and in the presence of the prescriber or pharmacist;

(8) due to a medical emergency, it is not possible for the prescriber to review the data before the prescriber issues the prescription order for the patient; or

(9) the prescriber is unable to access the data due to operational or other technological failure of the program so long as the prescriber reports the failure to the board.

(f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), ~~(6), (4), (7), (9), and (8)~~, (10), and (11), may directly access the data electronically. No other permissible users may directly access the data electronically. If the data is directly accessed electronically, the permissible user shall implement and maintain a comprehensive information security program that contains administrative, technical, and physical safeguards that are appropriate to the user's size and complexity, and the sensitivity of the personal information obtained. The permissible user shall identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of personal information that could result in the unauthorized disclosure, misuse, or other compromise of the information and assess the sufficiency of any safeguards in place to control the risks.

(g) The board shall not release data submitted under subdivision 4 unless it is provided with evidence, satisfactory to the board, that the person requesting the information is entitled to receive the data.

(h) The board shall maintain a log of all persons who access the data for a period of at least three years and shall ensure that any permissible user complies with paragraph (c) prior to attaining direct access to the data.

(i) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant to subdivision 2. A vendor shall not use data collected under this section for any purpose not specified in this section.

(j) The board may participate in an interstate prescription monitoring program data exchange system provided that permissible users in other states have access to the data only as allowed under this section, and that section 13.05, subdivision 6, applies to any contract or memorandum of understanding that the board enters into under this paragraph.

(k) With available appropriations, the commissioner of human services shall establish and implement a system through which the Department of Human Services shall routinely access the

data for the purpose of determining whether any client enrolled in an opioid treatment program licensed according to chapter 245A has been prescribed or dispensed a controlled substance in addition to that administered or dispensed by the opioid treatment program. When the commissioner determines there have been multiple prescribers or multiple prescriptions of controlled substances, the commissioner shall:

(1) inform the medical director of the opioid treatment program only that the commissioner determined the existence of multiple prescribers or multiple prescriptions of controlled substances; and

(2) direct the medical director of the opioid treatment program to access the data directly, review the effect of the multiple prescribers or multiple prescriptions, and document the review.

If determined necessary, the commissioner of human services shall seek a federal waiver of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section 2.34, paragraph (c), prior to implementing this paragraph.

(l) The board shall review the data submitted under subdivision 4 on at least a quarterly basis and shall establish criteria, in consultation with the advisory task force, for referring information about a patient to prescribers and dispensers who prescribed or dispensed the prescriptions in question if the criteria are met.

(m) The board shall conduct random audits, on at least a quarterly basis, of electronic access by permissible users, as identified in paragraph (b), clauses (1), (2), (3), ~~(6) (4)~~, (7), ~~(9)~~, and (8), (10), and (11), to the data in subdivision 4, to ensure compliance with permissible use as defined in this section. A permissible user whose account has been selected for a random audit shall respond to an inquiry by the board, no later than 30 days after receipt of notice that an audit is being conducted. Failure to respond may result in deactivation of access to the electronic system and referral to the appropriate health licensing board, or the commissioner of human services, for further action. The board shall report the results of random audits to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance and government data practices.

(n) A permissible user who has delegated the task of accessing the data in subdivision 4 to an agent or employee shall audit the use of the electronic system by delegated agents or employees on at least a quarterly basis to ensure compliance with permissible use as defined in this section. When a delegated agent or employee has been identified as inappropriately accessing data, the permissible user must immediately remove access for that individual and notify the board within seven days. The board shall notify all permissible users associated with the delegated agent or employee of the alleged violation.

(o) A permissible user who delegates access to the data submitted under subdivision 4 to an agent or employee shall terminate that individual's access to the data within three business days of the agent or employee leaving employment with the permissible user. The board may conduct random audits to determine compliance with this requirement.

Sec. 33. [245A.245] CHILDREN'S RESIDENTIAL FACILITY SUBSTANCE USE DISORDER TREATMENT PROGRAMS.

Subdivision 1. **Applicability.** A license holder of a children's residential facility substance use disorder treatment program license issued under this chapter and Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0430 to 2960.0490, must comply with this section.

Subd. 2. **Former students.** (a) "Alcohol and drug counselor" means an individual qualified according to Minnesota Rules, part 2960.0460, subpart 5.

(b) "Former student" means an individual that meets the requirements in section 148F.11, subdivision 2a, to practice as a former student.

(c) An alcohol and drug counselor must supervise and be responsible for a treatment service performed by a former student and must review and sign each assessment, individual treatment plan, progress note, and treatment plan review prepared by a former student.

(d) A former student must receive the orientation and training required for permanent staff members.

Sec. 34. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 13c. **Former student.** "Former student" means a staff person that meets the requirements in section 148F.11, subdivision 2a, to practice as a former student.

Sec. 35. Minnesota Statutes 2022, section 245G.11, subdivision 10, is amended to read:

Subd. 10. **Student interns and former students.** (a) A qualified staff member must supervise and be responsible for a treatment service performed by a student intern and must review and sign each assessment, individual treatment plan, and treatment plan review prepared by a student intern.

(b) An alcohol and drug counselor must supervise and be responsible for a treatment service performed by a former student and must review and sign each assessment, individual treatment plan, and treatment plan review prepared by the former student.

(c) A student intern or former student must receive the orientation and training required in section 245G.13, subdivisions 1, clause (7), and 2. No more than 50 percent of the treatment staff may be students, former students, or licensing candidates with time documented to be directly related to the provision of treatment services for which the staff are authorized.

Sec. 36. **REPEALER.**

Minnesota Rules, parts 5610.0100; 5610.0200; and 5610.0300, are repealed.

ARTICLE 7

BACKGROUND STUDIES

Section 1. Minnesota Statutes 2022, section 13.46, subdivision 4, is amended to read:

Subd. 4. **Licensing data.** (a) As used in this subdivision:

(1) "licensing data" are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license holders, and former licensees are public: name, address, telephone number of licensees, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services, the local social services agency, or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

(ii) Except as provided in item (v), when a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and former licensees and applicants are public: the general nature of the complaint or allegations leading to the temporary immediate suspension; the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence of settlement negotiations; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions.

(iii) When a license denial under section 245A.05 or a sanction under section 245A.07 is based on a determination that a license holder, applicant, or controlling individual is responsible for maltreatment under section 626.557 or chapter 260E, the identity of the applicant, license holder, or controlling individual as the individual responsible for maltreatment is public data at the time of the issuance of the license denial or sanction.

(iv) When a license denial under section 245A.05 or a sanction under section 245A.07 is based on a determination that a license holder, applicant, or controlling individual is disqualified under chapter 245C, the identity of the license holder, applicant, or controlling individual as the disqualified individual ~~and the reason for the disqualification are~~ is public data at the time of the issuance of the licensing sanction or denial. If the applicant, license holder, or controlling individual requests reconsideration of the disqualification and the disqualification is affirmed, the reason for the disqualification and the reason to not set aside the disqualification are ~~public~~ private data.

(v) A correction order or fine issued to a child care provider for a licensing violation is private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

(2) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

(3) For applicants who are denied a license, the following data are public: the name and address of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, the existence of settlement negotiations, the record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, specifications of the final order of denial, and the status of any appeal of the denial.

(4) When maltreatment is substantiated under section 626.557 or chapter 260E and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 245A, the commissioner of human services, local social services agency, or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(5) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public if the county attorney has requested that data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters of complaints or alleged violations of licensing standards under chapters 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment under section 626.557 and chapter 260E, are confidential data and may be disclosed only as provided in section 260E.21, subdivision 4; 260E.35; or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 260E.03, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35, subdivision 6, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.557 or chapter 260E may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 245A and 245C, data on individuals collected by the commissioner of human services according to investigations under section 626.557 and chapters 245A, 245B, 245C, 245D, and 260E may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated or the information may otherwise be relevant to the board's regulatory jurisdiction. Background study data on an individual who is the subject of a background study under chapter 245C for a licensed service for which the commissioner of human services is the license holder may be shared with the commissioner and the commissioner's delegate by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under sections 260E.24, subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the commissioner or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 260E.03, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

Sec. 2. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 7a. **Conservator.** "Conservator" has the meaning given in section 524.1-201, clause (10), and includes proposed and current conservators.

Sec. 3. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 11g. **Guardian.** "Guardian" has the meaning given in section 524.1-201, clause (27), and includes proposed and current guardians.

Sec. 4. Minnesota Statutes 2022, section 245C.02, subdivision 13e, is amended to read:

Subd. 13e. **NETStudy 2.0.** "NETStudy 2.0" means the commissioner's system that replaces both NETStudy and the department's internal background study processing system. NETStudy 2.0 is designed to enhance protection of children and vulnerable adults by improving the accuracy of background studies through fingerprint-based criminal record checks and expanding the background studies to include a review of information from the Minnesota Court Information System and the national crime information database. NETStudy 2.0 is also designed to increase efficiencies in and the speed of the hiring process by:

- (1) providing access to and updates from public web-based data related to employment eligibility;
- (2) decreasing the need for repeat studies through electronic updates of background study subjects' criminal records;
- (3) supporting identity verification using subjects' Social Security numbers and photographs;
- (4) using electronic employer notifications; ~~and~~
- (5) issuing immediate verification of subjects' eligibility to provide services as more studies are completed under the NETStudy 2.0 system-; and
- (6) providing electronic access to certain notices for entities and background study subjects.

Sec. 5. Minnesota Statutes 2022, section 245C.03, subdivision 1, is amended to read:

Subdivision 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) 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)~~ (12) detoxification programs;

~~(14)~~ (13) community residential settings; ~~and~~

~~(15)~~ (14) intensive residential treatment services and residential crisis stabilization under chapter 245I; and

(15) treatment programs for persons with sexual psychopathic personality or sexually dangerous persons, licensed under chapter 245A and according to Minnesota Rules, parts 9515.3000 to 9515.3110.

EFFECTIVE DATE. The changes to paragraph (a) are effective July 1, 2023; the change to paragraph (c), clause (12), is effective the day following final enactment; and the new paragraph (c), clause (15), is effective January 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 245C.03, subdivision 1a, is amended to read:

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

(c) All data obtained by the commissioner for a background study completed under this section is classified as private data on individuals, as defined in section 13.02, subdivision 12.

Sec. 7. 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.

(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.051.

(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.

(h) All data obtained by the commissioner for a background study completed under this section is classified as private data on individuals, as defined in section 13.02, subdivision 12.

Sec. 8. [245C.033] GUARDIANS AND CONSERVATORS; MALTREATMENT AND STATE LICENSING AGENCY CHECKS.

Subdivision 1. **Maltreatment data.** Requests for maltreatment data submitted pursuant to section 524.5-118 must include information regarding whether the guardian or conservator has been a perpetrator of substantiated maltreatment of a vulnerable adult under section 626.557 or a minor under chapter 260E. If the guardian or conservator has been the perpetrator of substantiated maltreatment of a vulnerable adult or a minor, the commissioner must include a copy of any available public portion of the investigation memorandum under section 626.557, subdivision 12b, or any available public portion of the investigation memorandum under section 260E.30.

Subd. 2. **State licensing agency data.** (a) Requests for state licensing agency data submitted pursuant to section 524.5-118 must include information from a check of state licensing agency records.

(b) The commissioner shall provide the court with licensing agency data for licenses directly related to the responsibilities of a guardian or conservator if the guardian or conservator has a current or prior affiliation with the:

- (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 Education;
- (8) Department of Commerce;
- (9) Board of Chiropractic Examiners;
- (10) Board of Dentistry;
- (11) Board of Marriage and Family Therapy;
- (12) Department of Human Services;
- (13) Peace Officer Standards and Training (POST) Board; or
- (14) Professional Educator Licensing and Standards Board.

(c) The commissioner shall provide to the court the electronically available data maintained in the agency's database, including whether the guardian or conservator is or has been licensed by the agency and whether a disciplinary action or a sanction against the individual's license, including a condition, suspension, revocation, or cancellation, is in the licensing agency's database.

Subd. 3. **Procedure; maltreatment and state licensing agency data.** Requests for maltreatment and state licensing agency data checks must be submitted by the guardian or conservator to the commissioner on the form or in the manner prescribed by the commissioner. Upon receipt of a signed informed consent and payment under section 245C.10, the commissioner shall complete the maltreatment and state licensing agency checks. Upon completion of the checks, the commissioner shall provide the requested information to the courts on the form or in the manner prescribed by the commissioner.

Subd. 4. **Classification of maltreatment and state licensing agency data; access to information.** All data obtained by the commissioner for maltreatment and state licensing agency

checks completed under this section is classified as private data on individuals, as defined in section 13.02, subdivision 12.

Sec. 9. Minnesota Statutes 2022, section 245C.04, subdivision 1, is amended to read:

Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, at least upon application for initial license for all license types.

(b) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, including a child care background study subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed child care center, certified license-exempt child care center, or legal nonlicensed child care provider, on a schedule determined by the commissioner. Except as provided in section 245C.05, subdivision 5a, a child care background study must include submission of fingerprints for a national criminal history record check and a review of the information under section 245C.08. A background study for a child care program must be repeated within five years from the most recent study conducted under this paragraph.

(c) At reauthorization or when a new background study is needed under section 119B.125, subdivision 1a, for a legal nonlicensed child care provider authorized under chapter 119B:

(1) for a background study affiliated with a legal nonlicensed child care provider, the individual shall provide information required under section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the commissioner and be fingerprinted and photographed under section 245C.05, subdivision 5; and

(2) the commissioner shall verify the information received under clause (1) and submit the request in NETStudy 2.0 to complete the background study.

~~(c)~~ (d) At reapplication for a family child care license:

(1) for a background study affiliated with a licensed family child care center ~~or legal nonlicensed child care provider~~, the individual shall provide information required under section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be fingerprinted and photographed under section 245C.05, subdivision 5;

(2) the county agency shall verify the information received under clause (1) and forward the information to the commissioner and submit the request in NETStudy 2.0 to complete the background study; and

(3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08.

~~(d)~~ (e) The commissioner is not required to conduct a study of an individual at the time of reapplication for a license if the individual's background study was completed by the commissioner of human services and the following conditions are met:

(1) a study of the individual was conducted either at the time of initial licensure or when the individual became affiliated with the license holder;

(2) the individual has been continuously affiliated with the license holder since the last study was conducted; and

(3) the last study of the individual was conducted on or after October 1, 1995.

~~(e)~~ (f) The commissioner of human services shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with a child foster family setting license holder:

(1) the county or private agency shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1 and 5, when the child foster family setting applicant or license holder resides in the home where child foster care services are provided; and

(2) the background study conducted by the commissioner of human services under this paragraph must include a review of the information required under section 245C.08, subdivisions 1, 3, and 4.

~~(f)~~ (g) The commissioner shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with an adult foster care or family adult day services and with a family child care license holder or a legal nonlicensed child care provider authorized under chapter 119B and:

(1) except as provided in section 245C.05, subdivision 5a, the county shall collect and forward to the commissioner the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted by the commissioner for all family adult day services, for adult foster care when the adult foster care license holder resides in the adult foster care residence, and for family child care and legal nonlicensed child care authorized under chapter 119B;

(2) the license holder shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs (a) and (b), for background studies conducted by the commissioner for adult foster care when the license holder does not reside in the adult foster care residence; and

(3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.

~~(g)~~ (h) Applicants for licensure, license holders, and other entities as provided in this chapter must submit completed background study requests to the commissioner using the electronic system known as NETStudy before individuals specified in section 245C.03, subdivision 1, begin positions allowing direct contact in any licensed program.

~~(h)~~ (i) For an individual who is not on the entity's active roster, the entity must initiate a new background study through NETStudy when:

(1) an individual returns to a position requiring a background study following an absence of 120 or more consecutive days; or

(2) a program that discontinued providing licensed direct contact services for 120 or more consecutive days begins to provide direct contact licensed services again.

The license holder shall maintain a copy of the notification provided to the commissioner under this paragraph in the program's files. If the individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

~~(j)~~ (j) For purposes of this section, a physician licensed under chapter 147, advanced practice registered nurse licensed under chapter 148, or physician assistant licensed under chapter 147A is considered to be continuously affiliated upon the license holder's receipt from the commissioner of health or human services of the physician's, advanced practice registered nurse's, or physician assistant's background study results.

~~(k)~~ (k) For purposes of family child care, a substitute caregiver must receive repeat background studies at the time of each license renewal.

~~(l)~~ (l) A repeat background study at the time of license renewal is not required if the family child care substitute caregiver's background study was completed by the commissioner on or after October 1, 2017, and the substitute caregiver is on the license holder's active roster in NETStudy 2.0.

~~(m)~~ (m) Before and after school programs authorized under chapter 119B, are exempt from the background study requirements under section 123B.03, for an employee for whom a background study under this chapter has been completed.

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

Sec. 10. 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.

(f) A background study subject who has access to the NETStudy 2.0 applicant portal must provide updated contact information to the commissioner via NETStudy 2.0 any time the subject's personal information changes for as long as they remain affiliated on any roster.

(g) An entity must update contact information in NETStudy 2.0 for a background study subject on the entity's roster any time the entity receives new contact information from the study subject.

Sec. 11. Minnesota Statutes 2022, section 245C.05, subdivision 2c, is amended to read:

Subd. 2c. **Privacy notice to background study subject.** (a) Prior to initiating each background study, the entity initiating the study must provide the commissioner's privacy notice to the background study subject required under section 13.04, subdivision 2. The notice must be available through the commissioner's electronic NETStudy and NETStudy 2.0 systems and shall include the information in paragraphs (b) and (c).

(b) The background study subject shall be informed that any previous background studies that received a set-aside will be reviewed, and without further contact with the background study subject, the commissioner may notify the agency that initiated the subsequent background study:

~~(1) that the individual has a disqualification that has been set aside for the program or agency that initiated the study;~~

~~(2) the reason for the disqualification; and~~

~~(3) that information about the decision to set aside the disqualification will be available to the license holder upon request without the consent of the background study subject.~~

(c) The background study subject must also be informed that:

(1) the subject's fingerprints collected for purposes of completing the background study under this chapter must not be retained by the Department of Public Safety, Bureau of Criminal

Apprehension, or by the commissioner. The Federal Bureau of Investigation will not retain background study subjects' fingerprints;

(2) effective upon implementation of NETStudy 2.0, the subject's photographic image will be retained by the commissioner, and if the subject has provided the subject's Social Security number for purposes of the background study, the photographic image will be available to prospective employers and agencies initiating background studies under this chapter to verify the identity of the subject of the background study;

(3) the authorized fingerprint collection vendor or vendors shall, for purposes of verifying the identity of the background study subject, be able to view the identifying information entered into NETStudy 2.0 by the entity that initiated the background study, but shall not retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The authorized fingerprint collection vendor or vendors shall retain no more than the subject's name and the date and time the subject's fingerprints were recorded and sent, only as necessary for auditing and billing activities;

(4) the commissioner shall provide the subject notice, as required in section 245C.17, subdivision 1, paragraph (a), when an entity initiates a background study on the individual;

(5) the subject may request in writing a report listing the entities that initiated a background study on the individual as provided in section 245C.17, subdivision 1, paragraph (b);

(6) the subject may request in writing that information used to complete the individual's background study in NETStudy 2.0 be destroyed if the requirements of section 245C.051, paragraph (a), are met; and

(7) notwithstanding clause (6), the commissioner shall destroy:

(i) the subject's photograph after a period of two years when the requirements of section 245C.051, paragraph (c), are met; and

(ii) any data collected on a subject under this chapter after a period of two years following the individual's death as provided in section 245C.051, paragraph (d).

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

Sec. 12. Minnesota Statutes 2022, section 245C.05, subdivision 4, is amended to read:

Subd. 4. **Electronic transmission.** (a) For background studies conducted by the Department of Human Services, the commissioner shall implement a secure system for the electronic transmission of:

(1) background study information to the commissioner;

(2) background study results to the license holder;

(3) background study information obtained under this section and section 245C.08 to counties and private agencies for background studies conducted by the commissioner for child foster care, including a summary of nondisqualifying results, except as prohibited by law; and

(4) background study results to county agencies for background studies conducted by the commissioner for adult foster care and family adult day services and, upon implementation of NETStudy 2.0, family child care ~~and legal nonlicensed child care authorized under chapter 119B.~~

(b) Unless the commissioner has granted a hardship variance under paragraph (c), a license holder or an applicant must use the electronic transmission system known as NETStudy or NETStudy 2.0 to submit all requests for background studies to the commissioner as required by this chapter.

(c) A license holder or applicant whose program is located in an area in which high-speed Internet is inaccessible may request the commissioner to grant a variance to the electronic transmission requirement.

(d) Section 245C.08, subdivision 3, paragraph (c), applies to results transmitted under this subdivision.

(e) The background study subject shall access background study-related documents electronically in the applicant portal. A background study subject may request for the commissioner to grant a variance to the requirement to access documents electronically in the NETStudy 2.0 applicant portal and may also request paper documentation of their background studies.

EFFECTIVE DATE. The amendments to paragraph (a), clause (4), are effective April 28, 2025, and paragraph (e) is effective November 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information received as a result of submission of fingerprints for a national criminal history record check, as defined in section 245C.02, subdivision 13c, when the commissioner has reasonable cause for a national criminal history record check as defined under section 245C.02, subdivision 15a, or as required under section 144.057, subdivision 1, clause (2);

(6) for a background study related to a child foster family setting application for licensure, foster residence settings, children's residential facilities, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a background study required

for family child care, certified license-exempt child care, child care centers, and legal nonlicensed child care authorized under chapter 119B, the commissioner shall also review:

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

(ii) when the background study subject is 18 years of age or older, or a minor under section 245C.05, subdivision 5a, paragraph (c), information received following submission of fingerprints for a national criminal history record check; and

(iii) when the background study subject is 18 years of age or older or a minor under section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified license-exempt child care, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, information obtained using non-fingerprint-based data including information from the criminal and sex offender registries for any state in which the background study subject resided for the past five years and information from the national crime information database and the national sex offender registry; ~~and~~

(7) for a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, the background study shall also include, to the extent practicable, a name and date-of-birth search of the National Sex Offender Public website; and

(8) for a background study required for treatment programs for sexual psychopathic personalities or sexually dangerous persons, the background study shall only include a review of the information required under paragraph (a), clauses (1) to (4).

(b) Notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

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

Sec. 14. Minnesota Statutes 2022, section 245C.10, subdivision 1d, is amended to read:

Subd. 1d. **State; national criminal history record check fees.** The commissioner may increase background study fees as necessary, commensurate with an increase in state Bureau of Criminal Apprehension or the national criminal history record check fee fees. ~~The commissioner shall report any fee increase under this subdivision to the legislature during the legislative session following the fee increase, so that the legislature may consider adoption of the fee increase into statute. By July 1 of every year, background study fees shall be set at the amount adopted by the legislature under this section.~~

Sec. 15. Minnesota Statutes 2022, section 245C.10, subdivision 2, is amended to read:

Subd. 2. **Supplemental nursing services agencies.** The commissioner shall recover the cost of the background studies initiated by supplemental nursing services agencies registered under section 144A.71, subdivision 1, through a fee of no more than ~~\$42~~ \$44 per study charged to the agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 16. Minnesota Statutes 2022, section 245C.10, subdivision 2a, is amended to read:

Subd. 2a. **Occupations regulated by commissioner of health.** The commissioner shall set fees to recover the cost of combined background studies and criminal background checks initiated by applicants, licensees, and certified practitioners regulated under sections 148.511 to 148.5198 and chapter 153A through a fee of no more than \$44 per study charged to the entity. The fees collected under this subdivision shall be deposited in the special revenue fund and are appropriated to the commissioner for the purpose of conducting background studies and criminal background checks.

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

Sec. 17. Minnesota Statutes 2022, section 245C.10, subdivision 3, is amended to read:

Subd. 3. **Personal care provider organizations.** The commissioner shall recover the cost of background studies initiated by a personal care provider organization under sections 256B.0651 to 256B.0654 and 256B.0659 through a fee of no more than ~~\$42~~ \$44 per study charged to the organization responsible for submitting the background study form. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 18. Minnesota Statutes 2022, section 245C.10, subdivision 4, is amended to read:

Subd. 4. **Temporary personnel agencies, personnel pool agencies, educational programs, and professional services agencies.** The commissioner shall recover the cost of the background studies initiated by temporary personnel agencies, personnel pool agencies, educational programs, and professional services agencies that initiate background studies under section 245C.03, subdivision 4, through a fee of no more than ~~\$42~~ \$44 per study charged to the agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 19. Minnesota Statutes 2022, section 245C.10, subdivision 5, is amended to read:

Subd. 5. **Adult foster care and family adult day services.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 1, for the purposes of adult foster care and family adult day services licensing, through a fee of no more than ~~\$42~~ \$44 per study charged to the license holder. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 20. Minnesota Statutes 2022, section 245C.10, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities.** The commissioner shall recover the cost of background studies initiated by unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities under section 256B.4912 through a fee of no more than ~~\$42~~ \$44 per study.

Sec. 21. Minnesota Statutes 2022, section 245C.10, subdivision 8, is amended to read:

Subd. 8. **Children's therapeutic services and supports providers.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 7, for the purposes of children's therapeutic services and supports under section 256B.0943, through a fee of no more than ~~\$42~~ \$44 per study charged to the license holder. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 22. Minnesota Statutes 2022, section 245C.10, subdivision 9, is amended to read:

Subd. 9. **Human services licensed programs.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 1, for all programs that are licensed by the commissioner, except child foster care when the applicant or license holder resides in the home where child foster care services are provided, family child care, child care centers, certified license-exempt child care centers, and legal nonlicensed child care authorized under chapter 119B, through a fee of no more than ~~\$42~~ \$44 per study charged to the license holder. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 23. Minnesota Statutes 2022, section 245C.10, subdivision 9a, is amended to read:

Subd. 9a. **Child care programs.** The commissioner shall recover the cost of a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care providers authorized under chapter 119B through a fee of no more than ~~\$40~~ \$44 per study charged to the license holder. A fee of no more than ~~\$42~~ \$44 per study shall be charged for studies conducted under section 245C.05, subdivision 5a, paragraph (a). The fees collected under this subdivision are appropriated to the commissioner to conduct background studies.

Sec. 24. Minnesota Statutes 2022, section 245C.10, subdivision 10, is amended to read:

Subd. 10. **Community first services and supports organizations.** The commissioner shall recover the cost of background studies initiated by an agency-provider delivering services under section 256B.85, subdivision 11, or a financial management services provider providing service functions under section 256B.85, subdivision 13, through a fee of no more than ~~\$42~~ \$44 per study, charged to the organization responsible for submitting the background study form. The fees collected

under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 25. Minnesota Statutes 2022, section 245C.10, subdivision 11, is amended to read:

Subd. 11. **Providers of housing support.** The commissioner shall recover the cost of background studies initiated by providers of housing support under section 256I.04 through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 26. Minnesota Statutes 2022, section 245C.10, subdivision 12, is amended to read:

Subd. 12. **Child protection workers or social services staff having responsibility for child protective duties.** The commissioner shall recover the cost of background studies initiated by county social services agencies and local welfare agencies for individuals who are required to have a background study under section 260E.36, subdivision 3, through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 27. Minnesota Statutes 2022, section 245C.10, subdivision 13, is amended to read:

Subd. 13. **Providers of special transportation service.** The commissioner shall recover the cost of background studies initiated by providers of special transportation service under section 174.30 through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 28. Minnesota Statutes 2022, section 245C.10, subdivision 14, is amended to read:

Subd. 14. **Children's residential facilities.** The commissioner shall recover the cost of background studies initiated by a licensed children's residential facility through a fee of no more than ~~\$51~~ \$53 per study. Fees collected under this subdivision are appropriated to the commissioner for purposes of conducting background studies.

Sec. 29. Minnesota Statutes 2022, section 245C.10, subdivision 15, is amended to read:

Subd. 15. **Guardians and conservators.** The commissioner shall recover the cost of conducting ~~background studies~~ maltreatment and state licensing agency checks for guardians and conservators under section ~~524.5-118~~ 245C.033 through a fee of no more than ~~\$110 per study~~ \$50. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting ~~background studies~~ maltreatment and state licensing agency checks. ~~The fee for conducting an alternative background study for appointment of a professional guardian or conservator must be paid by the guardian or conservator. In other cases, the fee must be paid as follows:~~ must be paid directly to and in the manner prescribed by the commissioner before any maltreatment and state licensing agency checks under section 245C.033 may be conducted.

(1) ~~if the matter is proceeding in forma pauperis, the fee must be paid as an expense for purposes of section 524.5-502, paragraph (a);~~

(2) ~~if there is an estate of the ward or protected person, the fee must be paid from the estate; or~~

~~(3) in the case of a guardianship or conservatorship of a person that is not proceeding in forma pauperis, the fee must be paid by the guardian, conservator, or the court.~~

Sec. 30. Minnesota Statutes 2022, section 245C.10, subdivision 16, is amended to read:

Subd. 16. **Providers of housing support stabilization services.** The commissioner shall recover the cost of background studies initiated by providers of housing support stabilization services under section 256B.051 through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 31. Minnesota Statutes 2022, section 245C.10, subdivision 17, is amended to read:

Subd. 17. **Early intensive developmental and behavioral intervention providers.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 15, for the purposes of early intensive developmental and behavioral intervention under section 256B.0949, through a fee of no more than ~~\$42~~ \$44 per study charged to the enrolled agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 32. Minnesota Statutes 2022, section 245C.10, subdivision 20, is amended to read:

Subd. 20. **Professional Educators Licensing Standards Board.** The commissioner shall recover the cost of background studies initiated by the Professional Educators Licensing Standards Board through a fee of no more than ~~\$51~~ \$53 per study. Fees collected under this subdivision are appropriated to the commissioner for purposes of conducting background studies.

Sec. 33. Minnesota Statutes 2022, section 245C.10, subdivision 21, is amended to read:

Subd. 21. **Board of School Administrators.** The commissioner shall recover the cost of background studies initiated by the Board of School Administrators through a fee of no more than ~~\$51~~ \$53 per study. Fees collected under this subdivision are appropriated to the commissioner for purposes of conducting background studies.

Sec. 34. Minnesota Statutes 2022, section 245C.15, subdivision 2, is amended to read:

Subd. 2. **15-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than 15 years have passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a felony-level violation of any of the following offenses: sections 152.021, subdivision 1 or 2b, (aggravated controlled substance crime in the first degree; sale crimes); 152.022, subdivision 1 (controlled substance crime in the second degree; sale crimes); 152.023, subdivision 1 (controlled substance crime in the third degree; sale crimes); 152.024, subdivision 1 (controlled substance crime in the fourth degree; sale crimes); 256.98 (wrongfully obtaining assistance); 268.182 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.165 (felon ineligible to possess firearm); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.215 (suicide); 609.223 or 609.2231 (assault in the third or fourth degree); repeat offenses under 609.224 (assault in the fifth degree); 609.229 (crimes committed for benefit of a gang); 609.2325 (criminal abuse of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.255 (false imprisonment); 609.2664 (manslaughter of an unborn child in the first degree);

609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.27 (coercion); 609.275 (attempt to coerce); 609.466 (medical assistance fraud); 609.495 (aiding an offender); 609.498, subdivision 1 or 1b (aggravated first-degree or first-degree tampering with a witness); 609.52 (theft); 609.521 (possession of shoplifting gear); 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.562 (arson in the second degree); 609.563 (arson in the third degree); 609.582 (burglary); 609.59 (possession of burglary tools); 609.611 (insurance fraud); 609.625 (aggravated forgery); 609.63 (forgery); 609.631 (check forgery; offering a forged check); 609.635 (obtaining signature by false pretense); 609.66 (dangerous weapons); 609.67 (machine guns and short-barreled shotguns); 609.687 (adulteration); 609.71 (riot); 609.713 (terroristic threats); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; repeat offenses under 617.241 (obscene materials and performances; distribution and exhibition prohibited; penalty); or 624.713 (certain persons not to possess firearms); ~~chapter 152 (drugs; controlled substance); or Minnesota Statutes 2012, section 609.21; or a felony level conviction involving alcohol or drug use.~~

(b) An individual is disqualified under section 245C.14 if less than 15 years has passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

(c) An individual is disqualified under section 245C.14 if less than 15 years has passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or subdivision 3.

(d) An individual is disqualified under section 245C.14 if less than 15 years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of the offenses listed in paragraph (a).

(e) If the individual studied commits one of the offenses listed in paragraph (a), but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified but the disqualification look-back period for the offense is the period applicable to the gross misdemeanor or misdemeanor disposition.

(f) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on an Alford Plea, the disqualification period begins from the date the Alford Plea is entered in court. When a disqualification is based on a preponderance of evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

EFFECTIVE DATE. This section is effective for background studies requested on or after August 1, 2024.

Sec. 35. Minnesota Statutes 2022, section 245C.15, is amended by adding a subdivision to read:

Subd. 4b. **Five-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than five years have passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a felony, gross misdemeanor, or misdemeanor-level violation of any of the following offenses: section 152.021, subdivision 2 or 2a (controlled substance possession crime in the first degree; methamphetamine manufacture crime); 152.022, subdivision 2 (controlled substance possession crime in the second degree); 152.023, subdivision 2 (controlled substance possession crime in the third degree); 152.024, subdivision 2 (controlled substance possession crime in the fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing controlled substances across state borders); 152.0262 (possession of substances with intent to manufacture methamphetamine); 152.027, subdivision 6, paragraph (c) (sale of synthetic cannabinoids); 152.096 (conspiracy to commit controlled substance crime); or 152.097 (simulated controlled substances).

(b) An individual is disqualified under section 245C.14 if less than five years have passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

(c) An individual is disqualified under section 245C.14 if less than five years have passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in paragraph (a).

(d) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on an Alford plea, the disqualification period begins from the date the Alford plea is entered in court. When a disqualification is based on a preponderance of evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

EFFECTIVE DATE. This section is effective for background studies requested on or after August 1, 2024.

Sec. 36. Minnesota Statutes 2022, section 245C.17, subdivision 2, is amended to read:

Subd. 2. Disqualification notice sent to subject. (a) If the information in the study indicates the individual is disqualified from direct contact with, or from access to, persons served by the program, the commissioner shall disclose to the individual studied:

- (1) the information causing disqualification;
- (2) instructions on how to request a reconsideration of the disqualification;
- (3) an explanation of any restrictions on the commissioner's discretion to set aside the disqualification under section 245C.24, when applicable to the individual;
- ~~(4) a statement that, if the individual's disqualification is set aside under section 245C.22, the applicant, license holder, or other entity that initiated the background study will be provided with the reason for the individual's disqualification and an explanation that the factors under section~~

~~245C.22, subdivision 4, which were the basis of the decision to set aside the disqualification shall be made available to the license holder upon request without the consent of the subject of the background study;~~

~~(5) a statement indicating that if the individual's disqualification is set aside or the facility is granted a variance under section 245C.30, the individual's identity and the reason for the individual's disqualification will become public data under section 245C.22, subdivision 7, when applicable to the individual;~~

~~(6)~~ (4) a statement that when a subsequent background study is initiated on the individual following a set-aside of the individual's disqualification, and the commissioner makes a determination under section 245C.22, subdivision 5, paragraph (b), that the previous set-aside applies to the subsequent background study, the applicant, license holder, or other entity that initiated the background study will be informed in the notice under section 245C.22, subdivision 5, paragraph (c);

~~(i) of the reason for the individual's disqualification;~~

~~(ii) that the individual's disqualification is set aside for that program or agency; and~~

~~(iii) that information about the factors under section 245C.22, subdivision 4, that were the basis of the decision to set aside the disqualification are available to the license holder upon request without the consent of the background study subject; and~~

~~(7)~~ (5) the commissioner's determination of the individual's immediate risk of harm under section 245C.16.

(b) If the commissioner determines under section 245C.16 that an individual poses an imminent risk of harm to persons served by the program where the individual will have direct contact with, or access to, people receiving services, the commissioner's notice must include an explanation of the basis of this determination.

(c) If the commissioner determines under section 245C.16 that an individual studied does not pose a risk of harm that requires immediate removal, the individual shall be informed of the conditions under which the agency that initiated the background study may allow the individual to have direct contact with, or access to, people receiving services, as provided under subdivision 3.

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

Sec. 37. Minnesota Statutes 2022, section 245C.17, subdivision 3, is amended to read:

Subd. 3. **Disqualification notification.** (a) The commissioner shall notify an applicant, license holder, or other entity as provided in this chapter who is not the subject of the study:

(1) that the commissioner has found information that disqualifies the individual studied from being in a position allowing direct contact with, or access to, people served by the program; and

(2) the commissioner's determination of the individual's risk of harm under section 245C.16.

(b) If the commissioner determines under section 245C.16 that an individual studied poses an imminent risk of harm to persons served by the program where the individual studied will have direct contact with, or access to, people served by the program, the commissioner shall order the license holder to immediately remove the individual studied from any position allowing direct contact with, or access to, people served by the program.

(c) If the commissioner determines under section 245C.16 that an individual studied poses a risk of harm that requires continuous, direct supervision, the commissioner shall order the applicant, license holder, or other entities as provided in this chapter to:

(1) immediately remove the individual studied from any position allowing direct contact with, or access to, people receiving services; or

(2) before allowing the disqualified individual to be in a position allowing direct contact with, or access to, people receiving services, the applicant, license holder, or other entity, as provided in this chapter, must:

~~(i) obtain from the disqualified individual a copy of the individual's notice of disqualification from the commissioner that explains the reason for disqualification;~~

~~(ii) (i) ensure that the individual studied is under continuous, direct supervision when in a position allowing direct contact with, or access to, people receiving services during the period in which the individual may request a reconsideration of the disqualification under section 245C.21; and~~

~~(iii) (ii) ensure that the disqualified individual requests reconsideration within 30 days of receipt of the notice of disqualification.~~

(d) If the commissioner determines under section 245C.16 that an individual studied does not pose a risk of harm that requires continuous, direct supervision, the commissioner shall order the applicant, license holder, or other entities as provided in this chapter to:

(1) immediately remove the individual studied from any position allowing direct contact with, or access to, people receiving services; or

(2) before allowing the disqualified individual to be in any position allowing direct contact with, or access to, people receiving services, the applicant, license holder, or other entity as provided in this chapter must:

~~(i) obtain from the disqualified individual a copy of the individual's notice of disqualification from the commissioner that explains the reason for disqualification; and~~

~~(ii) ensure that the disqualified individual requests reconsideration within 15 days of receipt of the notice of disqualification.~~

(e) The commissioner shall not notify the applicant, license holder, or other entity as provided in this chapter of the information contained in the subject's background study unless:

(1) the basis for the disqualification is failure to cooperate with the background study or substantiated maltreatment under section 626.557 or chapter 260E;

- (2) the Data Practices Act under chapter 13 provides for release of the information; or
- (3) the individual studied authorizes the release of the information.

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

Sec. 38. Minnesota Statutes 2022, section 245C.17, subdivision 6, is amended to read:

Subd. 6. **Notice to county agency.** For studies on individuals related to a license to provide adult foster care when the applicant or license holder resides in the adult foster care residence and family adult day services and, effective upon implementation of NETStudy 2.0, family child care ~~and legal nonlicensed child care authorized under chapter 119B~~, the commissioner shall also provide a notice of the background study results to the county agency that initiated the background study.

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

Sec. 39. Minnesota Statutes 2022, section 245C.21, subdivision 1a, is amended to read:

Subd. 1a. **Submission of reconsideration request.** (a) For disqualifications related to studies conducted by county agencies for family child care, and for disqualifications related to studies conducted by the commissioner for child foster care, adult foster care, and family adult day services when the applicant or license holder resides in the home where services are provided, the individual shall submit the request for reconsideration to the county agency that initiated the background study.

(b) For disqualifications related to studies conducted by the commissioner for child foster care providers monitored by private licensing agencies under section 245A.16, the individual shall submit the request for reconsideration to the private agency that initiated the background study.

(c) A reconsideration request shall be submitted within 30 days of the individual's receipt of the disqualification notice ~~or the time frames specified in subdivision 2, whichever time frame is shorter.~~

(d) The county or private agency shall forward the individual's request for reconsideration and provide the commissioner with a recommendation whether to set aside the individual's disqualification.

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

Sec. 40. Minnesota Statutes 2022, section 245C.21, subdivision 2, is amended to read:

Subd. 2. **Time frame for requesting reconsideration.** (a) When the commissioner sends an individual a notice of disqualification based on a finding under section 245C.16, subdivision 2, paragraph (a), clause (1) or (2), the disqualified individual must submit the request for a reconsideration within 30 calendar days of the individual's receipt of the notice of disqualification. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 30 calendar days of the individual's receipt of the notice of disqualification. If a request for reconsideration is made by personal service, it must be received by the commissioner within 30 calendar days after the individual's receipt of the notice of disqualification. Upon showing that the information under subdivision 3 cannot be obtained within 30 days, the disqualified individual may request additional time, not to exceed 30 days, to obtain the information.

(b) When the commissioner sends an individual a notice of disqualification based on a finding under section 245C.16, subdivision 2, paragraph (a), clause (3), the disqualified individual must submit the request for reconsideration within ~~15~~ 30 calendar days of the individual's receipt of the notice of disqualification. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within ~~15~~ 30 calendar days of the individual's receipt of the notice of disqualification. If a request for reconsideration is made by personal service, it must be received by the commissioner within ~~15~~ 30 calendar days after the individual's receipt of the notice of disqualification.

(c) An individual who was determined to have maltreated a child under chapter 260E or a vulnerable adult under section 626.557, and who is disqualified on the basis of serious or recurring maltreatment, may request a reconsideration of both the maltreatment and the disqualification determinations. The request must be submitted within 30 calendar days of the individual's receipt of the notice of disqualification. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 30 calendar days of the individual's receipt of the notice of disqualification. If a request for reconsideration is made by personal service, it must be received by the commissioner within 30 calendar days after the individual's receipt of the notice of disqualification.

(d) Except for family child care and child foster care, reconsideration of a maltreatment determination under sections 260E.33 and 626.557, subdivision 9d, and reconsideration of a disqualification under section 245C.22, shall not be conducted when:

(1) a denial of a license under section 245A.05, or a licensing sanction under section 245A.07, is based on a determination that the license holder is responsible for maltreatment or the disqualification of a license holder based on serious or recurring maltreatment;

(2) the denial of a license or licensing sanction is issued at the same time as the maltreatment determination or disqualification; and

(3) the license holder appeals the maltreatment determination, disqualification, and denial of a license or licensing sanction. In such cases, a fair hearing under section 256.045 must not be conducted under sections 245C.27, 260E.33, and 626.557, subdivision 9d. Under section 245A.08, subdivision 2a, the scope of the consolidated contested case hearing must include the maltreatment determination, disqualification, and denial of a license or licensing sanction.

Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification, but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under sections 260E.33 and 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under sections 245C.27, 260E.33, and 626.557, subdivision 9d.

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

Sec. 41. Minnesota Statutes 2022, section 245C.22, subdivision 7, is amended to read:

Subd. 7. **Classification of certain data.** (a) Notwithstanding section 13.46, except as provided in paragraph ~~(f)~~ (e), upon setting aside a disqualification under this section, the identity of the

disqualified individual who received the set-aside and the individual's disqualifying characteristics are ~~public~~ private data if ~~the set-aside was:~~ on individuals, as defined in section 13.02, subdivision 12.

~~(1) for any disqualifying characteristic under section 245C.15, except a felony level conviction for a drug-related offense within the past five years, when the set-aside relates to a child care center or a family child care provider licensed under chapter 245A, certified license-exempt child care center, or legal nonlicensed family child care; or~~

~~(2) for a disqualifying characteristic under section 245C.15, subdivision 2.~~

(b) Notwithstanding section 13.46, upon granting a variance to a license holder under section 245C.30, the identity of the disqualified individual who is the subject of the variance, the individual's disqualifying characteristics under section 245C.15, and the terms of the variance are ~~public data, except as provided in paragraph (e), clause (6), when the variance:~~ private data on individuals, as defined in section 13.02, subdivision 12.

~~(1) is issued to a child care center or a family child care provider licensed under chapter 245A; or~~

~~(2) relates to an individual with a disqualifying characteristic under section 245C.15, subdivision 2.~~

(c) The identity of a disqualified individual and the reason for disqualification remain private data when:

(1) a disqualification is not set aside and no variance is granted, except as provided under section 13.46, subdivision 4;

(2) the data are not public under paragraph (a) or (b);

(3) the disqualification is rescinded because the information relied upon to disqualify the individual is incorrect;

(4) the disqualification relates to a license to provide relative child foster care. As used in this clause, "relative" has the meaning given it under section 260C.007, subdivision 26b or 27;

(5) the disqualified individual is a household member of a licensed foster care provider and:

(i) the disqualified individual previously received foster care services from this licensed foster care provider;

(ii) the disqualified individual was subsequently adopted by this licensed foster care provider; and

(iii) the disqualifying act occurred before the adoption; or

(6) a variance is granted to a child care center or family child care license holder for an individual's disqualification that is based on a felony-level conviction for a drug-related offense that occurred within the past five years.

~~(d) Licensed family child care providers and child care centers must provide notices as required under section 245C.301.~~

~~(e)~~ (d) Notwithstanding paragraphs (a) and (b), the identity of household members who are the subject of a disqualification related set-aside or variance is not public data if:

(1) the household member resides in the residence where the family child care is provided;

(2) the subject of the set-aside or variance is under the age of 18 years; and

(3) the set-aside or variance only relates to a disqualification under section 245C.15, subdivision 4, for a misdemeanor-level theft crime as defined in section 609.52.

~~(f)~~ (e) When the commissioner has reason to know that a disqualified individual has received an order for expungement for the disqualifying record that does not limit the commissioner's access to the record, and the record was opened or exchanged with the commissioner for purposes of a background study under this chapter, the data that would otherwise become public under paragraph (a) or (b) remain private data.

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

Sec. 42. Minnesota Statutes 2022, section 245C.23, subdivision 1, is amended to read:

Subdivision 1. **Disqualification that is rescinded or set aside.** (a) If the commissioner rescinds or sets aside a disqualification, the commissioner shall notify the applicant, license holder, or other entity in writing or by electronic transmission of the decision.

(b) In the notice from the commissioner that a disqualification has been rescinded, the commissioner must inform the applicant, license holder, or other entity that the information relied upon to disqualify the individual was incorrect.

~~(c) Except as provided in paragraphs (d) and (e), in the notice from the commissioner that a disqualification has been set aside, the commissioner must inform the applicant, license holder, or other entity of the reason for the individual's disqualification and that information about which factors under section 245C.22, subdivision 4, were the basis of the decision to set aside the disqualification are available to the license holder upon request without the consent of the background study subject.~~

~~(d) When the commissioner has reason to know that a disqualified individual has received an order for expungement for the disqualifying record that does not limit the commissioner's access to the record, and the record was opened or exchanged with the commissioner for purposes of a background study under this chapter, the information provided under paragraph (c) must only inform the applicant, license holder, or other entity that the disqualifying criminal record is sealed under a court order.~~

~~(e) The notification requirements in paragraph (c) do not apply when the set aside is granted to an individual related to a background study for a licensed child care center, certified license-exempt child care center, or family child care license holder, or for a legal nonlicensed child care provider authorized under chapter 119B, and the individual is disqualified for a felony-level conviction for~~

~~a drug-related offense that occurred within the past five years. The notice that the individual's disqualification is set aside must inform the applicant, license holder, or legal nonlicensed child care provider that the disqualifying criminal record is not public.~~

(c) In response to a reconsideration request, the commissioner must inform the applicant, license holder, or other entity that the reason for the individual's disqualification and the information about which factors under section 245C.22, subdivision 4, were the basis of the reconsideration decision are not public data.

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

Sec. 43. Minnesota Statutes 2022, section 245C.23, subdivision 2, is amended to read:

Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The commissioner shall notify the license holder of the disqualification and order the license holder to immediately remove the individual from any position allowing direct contact with persons receiving services from the license holder if:

(1) the individual studied does not submit a timely request for reconsideration under section 245C.21;

(2) the individual submits a timely request for reconsideration, but the commissioner does not set aside the disqualification for that license holder under section 245C.22, unless the individual has a right to request a hearing under section 245C.27, 245C.28, or 256.045;

(3) an individual who has a right to request a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does not request a hearing within the specified time; or

(4) an individual submitted a timely request for a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the disqualification under section 245A.08, subdivision 5, or 256.045.

(b) If the commissioner does not set aside the disqualification under section 245C.22, and the license holder was previously ordered under section 245C.17 to immediately remove the disqualified individual from direct contact with persons receiving services or to ensure that the individual is under continuous, direct supervision when providing direct contact services, the order remains in effect pending the outcome of a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14.

(c) If the commissioner does not set aside the disqualification under section 245C.22, and the license holder was not previously ordered under section 245C.17 to immediately remove the disqualified individual from direct contact with persons receiving services or to ensure that the individual is under continuous direct supervision when providing direct contact services, the commissioner shall order the individual to remain under continuous direct supervision pending the outcome of a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14.

(d) For background studies related to child foster care when the applicant or license holder resides in the home where services are provided, the commissioner shall also notify the county or private agency that initiated the study of the results of the reconsideration.

(e) For background studies related to family child care, ~~legal nonlicensed child care~~, adult foster care programs when the applicant or license holder resides in the home where services are provided, and family adult day services, the commissioner shall also notify the county that initiated the study of the results of the reconsideration.

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

Sec. 44. Minnesota Statutes 2022, section 245C.30, subdivision 2, is amended to read:

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.~~

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

Sec. 45. Minnesota Statutes 2022, section 245C.32, subdivision 2, is amended to read:

Subd. 2. **Use.** (a) The commissioner may also use these systems and records to obtain and provide criminal history data from the Bureau of Criminal Apprehension, criminal history data held by the commissioner, and data about substantiated maltreatment under section 626.557 or chapter 260E, for other purposes, provided that:

(1) the background study is specifically authorized in statute; or

(2) the request is made with the informed consent of the subject of the study as provided in section 13.05, subdivision 4.

(b) An individual making a request under paragraph (a), clause (2), must agree in writing not to disclose the data to any other individual without the consent of the subject of the data.

(c) The commissioner may use these systems to share background study documentation electronically with entities and individuals who are the subject of a background study.

(d) The commissioner may recover the cost of obtaining and providing background study data by charging the individual or entity requesting the study a fee of no more than \$42 per study as

described in section 245C.10. The fees collected under this paragraph are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 46. Minnesota Statutes 2022, section 524.5-118, is amended to read:

524.5-118 BACKGROUND STUDY MALTREATMENT AND STATE LICENSING AGENCY CHECKS; CRIMINAL HISTORY CHECK.

Subdivision 1. **When required; exception.** (a) The court shall require a background study, maltreatment and state licensing agency checks and a criminal history check under this section:

(1) before the appointment of a guardian or conservator, unless a background study has maltreatment and state licensing agency checks and a criminal history check have been done on the person under this section within the previous five years; and

(2) once every five years after the appointment, if the person continues to serve as a guardian or conservator.

(b) The background study, maltreatment and state licensing agency checks and the criminal history check must include:

(1) criminal history data from the Bureau of Criminal Apprehension, other criminal history data held by the commissioner of human services, and data regarding whether the person has been a perpetrator of substantiated maltreatment of a vulnerable adult or minor;

(2) criminal history data from a national criminal history record check as defined in section 245C.02, subdivision 13e; and

(3) state licensing agency data if a search of the database or databases of the agencies listed in subdivision 2a shows that the proposed guardian or conservator has ever held a professional license directly related to the responsibilities of a professional fiduciary from an agency listed in subdivision 2a that was conditioned, suspended, revoked, or canceled; and

(4) data on whether the person has been a perpetrator of substantiated maltreatment of a vulnerable adult or a minor.

(c) If the guardian or conservator is not an individual, the background study, maltreatment and state licensing agency checks and the criminal history check must be done on all individuals currently employed by the proposed guardian or conservator who will be responsible for exercising powers and duties under the guardianship or conservatorship.

(d) Notwithstanding paragraph (a), if the court determines that it would be in the best interests of the person subject to guardianship or conservatorship to appoint a guardian or conservator before the background study, maltreatment and state licensing agency checks and the criminal history check can be completed, the court may make the appointment pending the results of the study checks, however, the background study, maltreatment and state licensing agency checks and the criminal history check must then be completed as soon as reasonably possible after appointment, no later than 30 days after appointment.

(e) ~~The fee fees for background studies the maltreatment and state licensing agency checks and the criminal history check conducted under this section is~~ are specified in ~~section sections~~ sections 245C.10, subdivision 14 15, and 299C.10, subdivisions 4 and 5. ~~The fee fees for conducting a background study maltreatment and state licensing agency checks and the criminal history check for the appointment of a professional guardian or conservator must be paid by the guardian or conservator. In other cases, the fee must be paid as follows:~~

(1) if the matter is proceeding in forma pauperis, the fee is an expense for purposes of section 524.5-502, paragraph (a);

(2) if there is an estate of the person subject to guardianship or conservatorship, the fee must be paid from the estate; or

(3) in the case of a guardianship or conservatorship of the person that is not proceeding in forma pauperis, the court may order that the fee be paid by the guardian or conservator or by the court.

(f) The requirements of this subdivision do not apply if the guardian or conservator is:

(1) a state agency or county;

(2) a parent or guardian of a person proposed to be subject to guardianship or conservatorship who has a developmental disability, if the parent or guardian has raised the person proposed to be subject to guardianship or conservatorship in the family home until the time the petition is filed, unless counsel appointed for the person proposed to be subject to guardianship or conservatorship under section 524.5-205, paragraph (e); 524.5-304, paragraph (b); 524.5-405, paragraph (a); or 524.5-406, paragraph (b), recommends a background study check; or

(3) a bank with trust powers, bank and trust company, or trust company, organized under the laws of any state or of the United States and which is regulated by the commissioner of commerce or a federal regulator.

Subd. 2. Procedure; ~~eriminal history and maltreatment records background maltreatment and state licensing agency checks and criminal history check.~~ (a) ~~The court~~ guardian or conservator shall request the ~~commissioner of human services~~ Bureau of Criminal Apprehension to complete a ~~background study under section 245C.32~~ criminal history check. The request must be accompanied by the applicable fee and acknowledgment that the ~~study subject~~ guardian or conservator received a privacy notice ~~required under subdivision 3~~. The ~~commissioner of human services~~ Bureau of Criminal Apprehension shall conduct a national criminal history record check. The ~~study subject~~ guardian or conservator shall submit a set of classifiable fingerprints. The fingerprints must be recorded on a fingerprint card provided by the ~~commissioner of human services~~ Bureau of Criminal Apprehension.

(b) ~~The commissioner of human services~~ Bureau of Criminal Apprehension shall provide the court with criminal history data as defined in section 13.87 ~~from the Bureau of Criminal Apprehension in the Department of Public Safety, other criminal history data held by the commissioner of human services, data regarding substantiated maltreatment of vulnerable adults under section 626.557, and substantiated maltreatment of minors under chapter 260E,~~ and criminal history information from other states or jurisdictions as indicated from a national criminal history record check within 20 working days of receipt of a request. ~~If the subject of the study has been the perpetrator of~~

~~substantiated maltreatment of a vulnerable adult or minor, the response must include a copy of the public portion of the investigation memorandum under section 626.557, subdivision 12b, or the public portion of the investigation memorandum under section 260E.30. The commissioner shall provide the court with information from a review of information according to subdivision 2a if the study subject provided information indicating current or prior affiliation with a state licensing agency.~~

(c) In accordance with section 245C.033, the commissioner of human services shall provide the court with data regarding substantiated maltreatment of vulnerable adults under section 626.557 and substantiated maltreatment of minors under chapter 260E within 25 working days of receipt of a request. If the guardian or conservator has been the perpetrator of substantiated maltreatment of a vulnerable adult or minor, the response must include a copy of any available public portion of the investigation memorandum under section 626.557, subdivision 12b, or any available public portion of the investigation memorandum under section 260E.30.

(d) Notwithstanding section 260E.30 or 626.557, subdivision 12b, if the commissioner of human services or a county lead agency or lead investigative agency has information that a person ~~on whom a background study was previously done~~ under this section has been determined to be a perpetrator of maltreatment of a vulnerable adult or minor, the commissioner or the county may provide this information to the court that requested the background study. ~~The commissioner may also provide the court with additional criminal history or substantiated maltreatment information that becomes available after the background study is done~~ is determining eligibility for the guardian or conservator.

Subd. 2a. Procedure; state licensing agency data. (a) ~~The court shall request~~ In response to a request submitted under section 245C.033, the commissioner of human services ~~to shall 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~~ guardian or conservator has a 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 Education;
- (8) Department of Commerce;
- (9) Board of Chiropractic Examiners;
- (10) Board of Dentistry;
- (11) Board of Marriage and Family Therapy;

(12) Department of Human Services;

(13) Peace Officer Standards and Training (POST) Board; and

(14) Professional Educator Licensing and Standards Board.

~~(b) The commissioner shall enter into agreements with these agencies to provide the 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 information 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 annulment in accordance with section 245C.033.~~

~~(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.~~

~~Subd. 3. **Forms and systems.** The court In accordance with section 245C.033, the commissioner must provide the study subject guardian or conservator with a privacy notice for maltreatment and state licensing agency checks that complies with section 245C.05, subdivision 2e. The commissioner of human services shall use the NETStudy 2.0 system to conduct a background study under this section 13.04, subdivision 2. The Bureau of Criminal Apprehension must provide the guardian or conservator with a privacy notice for a criminal history check.~~

~~Subd. 4. **Rights.** The court shall notify the subject of a background study guardian or conservator that the subject guardian or conservator has the following rights:~~

(1) the right to be informed that the court will request ~~a background study on the subject maltreatment and state licensing checks and a criminal history check on the guardian or conservator~~ for the purpose of determining whether the person's appointment or continued appointment is in the best interests of the person subject to guardianship or conservatorship;

(2) the right to be informed of the results of the ~~study~~ checks and to obtain from the court a copy of the results; and

(3) the right to challenge the accuracy and completeness of information contained in the results under section 13.04, subdivision 4, except to the extent precluded by section 256.045, subdivision 3.

Sec. 47. **REPEALER.**

(a) Minnesota Statutes 2022, sections 245C.02, subdivision 14b; 245C.032; and 245C.30, subdivision 1a, are repealed.

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

(c) Minnesota Statutes 2022, section 245C.031, subdivisions 5, 6, and 7, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024, paragraph (b) is effective April 28, 2025, and paragraph (c) is effective July 1, 2023.

ARTICLE 8

LICENSING

Section 1. Minnesota Statutes 2022, section 119B.16, subdivision 1a, is amended to read:

Subd. 1a. **Fair hearing allowed for providers.** (a) This subdivision applies to providers caring for children receiving child care assistance.

(b) A provider may request a fair hearing according to sections 256.045 and 256.046 only if a county agency or the commissioner:

(1) denies or revokes a provider's authorization, unless the action entitles the provider to:

(i) an administrative review under section 119B.161; or

(ii) a contested case hearing or an administrative reconsideration under section 245.095;

(2) assigns responsibility for an overpayment to a provider under section 119B.11, subdivision 2a;

(3) establishes an overpayment for failure to comply with section 119B.125, subdivision 6;

(4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4, paragraph (c), clause (2);

(5) initiates an administrative fraud disqualification hearing; or

(6) issues a payment and the provider disagrees with the amount of the payment.

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 2022, section 245.095, is amended to read:

245.095 LIMITS ON RECEIVING PUBLIC FUNDS.

Subdivision 1. **Prohibition.** (a) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by the commissioner, including under the commissioner's powers and authorities in section 256.01, is excluded from that program, the commissioner shall:

(1) prohibit the excluded provider, vendor, or individual from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

(2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider, vendor, or individual in any other program administered by the commissioner.

(b) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by the commissioner, including under the commissioner's powers and authorities in section 256.01, is excluded from that program, the commissioner may:

(1) prohibit any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

(2) disenroll, revoke or suspend a license of, disqualify, or debar any associated entities or associated individuals in any other program administered by the commissioner.

(c) If a provider, vendor, or individual enrolled, licensed, or otherwise receiving funds under any contract or registered in any program administered by a Minnesota state or federal agency is excluded from that program, the commissioner of human services may:

(1) prohibit the excluded provider, vendor, individual, or any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any program administered by the commissioner; and

(2) disenroll, revoke or suspend a license of, disqualify, or debar the excluded provider, vendor, individual, or any associated entities or associated individuals in any program administered by the commissioner.

~~(b)~~ (d) The duration of this a prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraph (a) must last for the longest applicable sanction or disqualifying period in effect for the provider, vendor, or individual permitted by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraphs (b) and (c) may last until up to the longest applicable sanction or disqualifying period in effect for the provider, vendor, individual, associated entity, or associated individual as permitted by state or federal law.

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions have the meanings given ~~them~~.

(b) "Associated entity" means a provider or vendor owned or controlled by an excluded individual.

(c) "Associated individual" means an individual or entity that has a relationship with the business or its owners or controlling individuals, such that the individual or entity would have knowledge of the financial practices of the program in question.

~~(b)~~ (d) "Excluded" means disenrolled, disqualified, having a license that has been revoked or suspended under chapter 245A, or debarred or suspended under Minnesota Rules, part 1230.1150, or excluded pursuant to section 256B.064, subdivision 3 removed under other authorities from a program administered by a Minnesota state or federal agency, including a final determination to stop payments.

~~(e)~~ (e) "Individual" means a natural person providing products or services as a provider or vendor.

~~(d)~~ (f) "Provider" includes any entity or individual receiving payment from a program administered by the Department of Human Services, and an owner, controlling individual, license holder, director, or managerial official of an entity receiving payment from a program administered by the Department of Human Services means any entity, individual, owner, controlling individual, license holder, director, or managerial official of an entity receiving payment from a program administered by a Minnesota state or federal agency.

Subd. 3. **Notice.** Within five days of taking an action under subdivision (1), paragraph (a), (b), or (c), against a provider, vendor, individual, associated individual, or associated entity, the commissioner must send notice of the action to the provider, vendor, individual, associated individual, or associated entity. The notice must state:

(1) the basis for the action;

(2) the effective date of the action;

(3) the right to appeal the action; and

(4) the requirements and procedures for reinstatement.

Subd. 4. **Appeal.** Upon receipt of a notice under subdivision 3, a provider, vendor, individual, associated individual, or associated entity may request a contested case hearing, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The scope of any contested case hearing is solely limited to action taken under this section. The commissioner must receive the appeal request no later than 30 days after the date the notice was mailed to the provider, vendor, individual, associated individual, or associated entity. The appeal request must specify:

(1) each disputed item and the reason for the dispute;

(2) the authority in statute or rule upon which the provider, vendor, individual, associated individual, or associated entity relies for each disputed item;

(3) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(4) any other information required by the commissioner.

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; and

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants.

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.045 or chapter 14.

Sec. 3. Minnesota Statutes 2022, section 245A.02, subdivision 2c, is amended to read:

Subd. 2c. **Annual or annually; family child care training requirements.** For the purposes of sections 245A.50 to 245A.53, "annual" or "annually" means ~~the 12-month period beginning on the license effective date or the annual anniversary of the effective date and ending on the day prior to the annual anniversary of the license effective date~~ each calendar year.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 4. 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 often has a frame extending to protect the infant's head. The infant is always placed with the infant's head facing outward, and the infant remains supervised in the cradleboard while sleeping or being carried.

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

Sec. 5. Minnesota Statutes 2022, section 245A.02, subdivision 6b, is amended to read:

Subd. 6b. **Experience.** For purposes of child care centers, "experience" ~~includes means~~ paid or unpaid employment serving children as a teacher, assistant teacher, aide, or a student intern in a licensed child care center, in a public or nonpublic school, or in a program licensed as a family day care or group family day care provider.;

(1) caring for children as a teacher, assistant teacher, aide, or student intern:

(i) in a licensed child care center, a licensed family day care or group family day care, or a Tribally licensed child care program in any United States state or territory; or

(ii) in a public or nonpublic school;

(2) caring for children as a staff person or unsupervised volunteer in a certified, license-exempt child care center under chapter 245H; or

(3) providing direct contact services in a home or residential facility serving children with disabilities that requires a background study under section 245C.03.

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

Sec. 6. Minnesota Statutes 2022, section 245A.03, subdivision 2, is amended to read:

Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related unless the residential program is a child foster care placement made by a local social services agency or a licensed child-placing agency, except as provided in subdivision 2a;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not misuse substances or have a substance use disorder, a mental illness, a developmental disability, a functional impairment, or a physical disability;

(4) sheltered workshops or work activity programs that are certified by the commissioner of employment and economic development;

(5) programs operated by a public school for children 33 months or older;

(6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that do not provide children's residential services under Minnesota Rules, chapter 2960, mental health or substance use disorder treatment;

(9) homes providing programs for persons placed by a county or a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that are operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities;

(12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in section 315.51, whose primary purpose is to provide child care or services to school-age children;

(13) Head Start nonresidential programs which operate for less than 45 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or a developmental disability;

(15) programs for children such as scouting, boys clubs, girls clubs, and sports and art programs, and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregational care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance;

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(21) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17;

(22) the placement of a child by a birth parent or legal guardian in a preadoptive home for purposes of adoption as authorized by section 259.47;

(23) settings registered under chapter 144D which provide home care services licensed by the commissioner of health to fewer than seven adults;

(24) substance use disorder treatment activities of licensed professionals in private practice as defined in section 245G.01, subdivision 17;

(25) consumer-directed community support service funded under the Medicaid waiver for persons with developmental disabilities when the individual who provided the service is:

(i) the same individual who is the direct payee of these specific waiver funds or paid by a fiscal agent, fiscal intermediary, or employer of record; and

(ii) not otherwise under the control of a residential or nonresidential program that is required to be licensed under this chapter when providing the service;

(26) a program serving only children who are age 33 months or older, that is operated by a nonpublic school, for no more than four hours per day per child, with no more than 20 children at any one time, and that is accredited by:

(i) an accrediting agency that is formally recognized by the commissioner of education as a nonpublic school accrediting organization; or

(ii) an accrediting agency that requires background studies and that receives and investigates complaints about the services provided.

A program that asserts its exemption from licensure under item (ii) shall, upon request from the commissioner, provide the commissioner with documentation from the accrediting agency that verifies: that the accreditation is current; that the accrediting agency investigates complaints about services; and that the accrediting agency's standards require background studies on all people providing direct contact services;

(27) a program operated by a nonprofit organization incorporated in Minnesota or another state that serves youth in kindergarten through grade 12; provides structured, supervised youth development activities; and has learning opportunities take place before or after school, on weekends, or during the summer or other seasonal breaks in the school calendar. A program exempt under this clause is not eligible for child care assistance under chapter 119B. A program exempt under this clause must:

(i) have a director or supervisor on site who is responsible for overseeing written policies relating to the management and control of the daily activities of the program, ensuring the health and safety of program participants, and supervising staff and volunteers;

(ii) have obtained written consent from a parent or legal guardian for each youth participating in activities at the site; and

(iii) have provided written notice to a parent or legal guardian for each youth at the site that the program is not licensed or supervised by the state of Minnesota and is not eligible to receive child care assistance payments;

(28) a county that is an eligible vendor under section 254B.05 to provide care coordination and comprehensive assessment services; ~~or~~

(29) a recovery community organization that is an eligible vendor under section 254B.05 to provide peer recovery support services; or

(30) Head Start programs that serve only children who are at least three years old but not yet six years old.

(b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

(c) Except for the home and community-based services identified in section 245D.03, subdivision 1, nothing in this chapter shall be construed to require licensure for any services provided and funded according to an approved federal waiver plan where licensure is specifically identified as not being a condition for the services and funding.

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

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. 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 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. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. 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 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;

(5) 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.

(h) 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. 8. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:

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 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.

(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 7a, is amended to read:

Subd. 7a. **Notification required.** (a) A license holder must notify the commissioner, in a manner prescribed by the commissioner, and obtain the commissioner's approval before making any change that would alter the license information listed under subdivision 7, paragraph (a).

(b) A license holder must also notify the commissioner, in a manner prescribed by the commissioner, before making any change:

- (1) to the license holder's authorized agent as defined in section 245A.02, subdivision 3b;
- (2) to the license holder's controlling individual as defined in section 245A.02, subdivision 5a;
- (3) to the license holder information on file with the secretary of state;
- (4) in the location of the program or service licensed under this chapter; and
- (5) to the federal or state tax identification number associated with the license holder.

(c) When, for reasons beyond the license holder's control, a license holder cannot provide the commissioner with prior notice of the changes in paragraph (b), clauses (1) to (3), the license holder must notify the commissioner by the tenth business day after the change and must provide any additional information requested by the commissioner.

(d) When a license holder notifies the commissioner of a change to the license holder information on file with the secretary of state, the license holder must provide amended articles of incorporation and other documentation of the change.

(e) Upon implementation of the provider licensing and reporting hub, license holders must enter and update information in the hub in a manner prescribed by the commissioner.

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

Sec. 10. 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.

(b) 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~~, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

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

Sec. 11. Minnesota Statutes 2022, section 245A.055, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of closure.** If a license is closed, the commissioner must notify the license holder of closure by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed, the notice of closure must be mailed to the last known address of the license holder and must inform the license holder why the license was closed and that the license holder has the right to request reconsideration of the closure. If the license holder believes that the license was closed in error, the license holder may ask the commissioner to reconsider the closure. The license holder's request for reconsideration must be made in writing and must include documentation that the licensed program has served a client in the previous 12 months. The request

for reconsideration must be postmarked and sent to the commissioner or submitted through the provider licensing and reporting hub within 20 calendar days after the license holder receives the notice of closure. Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. If the order is issued through the provider hub, the reconsideration must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. A timely request for reconsideration stays imposition of the license closure until the commissioner issues a decision on the request for reconsideration.

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

Sec. 12. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, 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. The correction order or conditional license must state the following in plain language:

(1) the conditions that constitute a violation of the law or rule;

(2) the specific law or rule violated;

(3) the time allowed to correct each violation; and

(4) if a license is made conditional, the length and terms of the conditional license, and the reasons for making the license conditional.

(b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 245A.07, prior to issuing a correction order or conditional license.

(c) The commissioner may issue a correction order and an order of conditional license to the applicant or license holder through the provider licensing and reporting hub.

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

Sec. 13. Minnesota Statutes 2022, section 245A.06, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of correction orders.** (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder 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 20 calendar days after receipt of the correction order by the applicant or license holder or submitted in the provider licensing and reporting hub within 20 calendar days from the date the commissioner issued the order through the hub, 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.

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

(b) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

(1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and

(2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

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

Sec. 14. Minnesota Statutes 2022, section 245A.06, subdivision 4, is amended to read:

Subd. 4. **Notice of conditional license; reconsideration of conditional license.** (a) If a license is made conditional, the license holder must be notified of the order by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. 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 the reasons the conditional license was ordered and must inform the license holder of the right to request reconsideration of the conditional license by the commissioner. The license holder may request reconsideration of the order of conditional license by notifying the commissioner by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. The request must be made in writing. If sent by certified mail, the request must be postmarked and sent to the commissioner within ten calendar days after the license holder received the order. 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. If the order is issued through the provider hub, the request must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub. The license holder may submit with the request for reconsideration written argument or evidence in support of the request for reconsideration. A timely request for reconsideration shall stay imposition of the terms of the conditional license until the commissioner issues a decision on the request for reconsideration. If the commissioner issues a dual order of conditional license under this section and an order to pay a fine under section 245A.07, subdivision 3, the license holder has a right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The scope of the contested case hearing shall include the fine and the conditional license. In this case, a reconsideration of the conditional license will not be conducted under this section. If the license holder does not appeal the fine, the license holder does not have a right to a contested case hearing and a reconsideration of the conditional license must be conducted under this subdivision.

(b) The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

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

Sec. 15. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

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, ~~or who~~;

(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 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. 16. 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; ~~or~~

(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

(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~~, by personal service, or through the provider licensing and reporting hub. 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~~, by personal service, or through the provider licensing and reporting hub. 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. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub. 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~~, by personal service, or through the provider licensing and reporting hub. 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. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub.

(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~~, by personal service, or through the provider licensing and reporting hub 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 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. 17. Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision to read:

Subd. 12. License holder qualifications for child foster care. (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:

(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 the licensing agency has requested a specialist evaluation and request a release of information from the license holder or household member.

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

Sec. 18. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

Subd. 4. **Special family child care homes.** (a) Nonresidential child care programs serving 14 or fewer children that are conducted at a location other than the license holder's own residence shall be licensed under this section and the rules governing family child care or group family child care if:

(1) the license holder is the primary provider of care and the nonresidential child care program is conducted in a dwelling that is located on a residential lot;

(2) the license holder is an employer who may or may not be the primary provider of care, and the purpose for the child care program is to provide child care services to children of the license holder's employees;

(3) the license holder is a church or religious organization;

(4) the license holder is a community collaborative child care provider. For purposes of this subdivision, a community collaborative child care provider is a provider participating in a cooperative agreement with a community action agency as defined in section 256E.31;

(5) the license holder is a not-for-profit agency that provides child care in a dwelling located on a residential lot and the license holder maintains two or more contracts with community employers or other community organizations to provide child care services. The county licensing agency may grant a capacity variance to a license holder licensed under this paragraph clause to exceed the licensed capacity of 14 children by no more than five children during transition periods related to the work schedules of parents, if the license holder meets the following requirements:

(i) the program does not exceed a capacity of 14 children more than a cumulative total of four hours per day;

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

(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;

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

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

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

(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~~ 2020, Section 202; or

(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 ~~Occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E ~~occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020, Section 202; and

~~(7)~~ (vii) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

~~(f)~~ (6) 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:

~~(+)~~ (i) the program is in compliance with local zoning regulations;

~~(2)~~ (ii) the program is in compliance with the applicable fire code as follows:

~~(+)~~ (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~~ 2020, Section 202; or

~~(+)~~ (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 ~~Occupancies~~ Occupancy, as provided under the Minnesota State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;

~~(3)~~ (iii) any age and capacity limitations required by the fire code inspection and square footage determinations are printed on the license; and

~~(4)~~ (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."

~~(e)~~ (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner may issue up to four licenses to an organization licensed under paragraph ~~(b), (c), or (e)~~ (a), clause (2), (3), or (5). 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), (c), (d), (e), or (f)~~ (a), clause (2), (3), (4), (5), or (6), 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), (c), or (e)~~ (a), clause (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 license holder 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. 19. 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 16, 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)~~ (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 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.~~

(g) A license holder may request a variance to this section to permit the use of a cradleboard when requested by a parent or guardian for a cultural accommodation. A variance for the use of a cradleboard may be issued only by the commissioner. The variance request must be submitted on a form developed by the commissioner in partnership with Tribal welfare agencies and the Department of Health.

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

Sec. 20. Minnesota Statutes 2022, section 245A.146, subdivision 3, is amended to read:

Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date printed on the license, all license holders shall check all their cribs' brand names and model numbers against the United States Consumer Product Safety Commission website listing of unsafe cribs.

(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.

(d) 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, 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 water-proof~~ an 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:

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.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.

~~(c) 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 (5), to the commissioner at least monthly in a format prescribed by the commissioner.~~

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

~~(d)~~ (d) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

~~(e)~~ (e) A license issued under this section may be issued for up to two years.

~~(f)~~ (f) 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.

~~(g)~~ (g) 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 foster 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.

~~(h)~~ (h) 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, the 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) 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. 23. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision to read:

Subd. 10. Licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, county staff who perform licensing functions must use the hub in the manner prescribed by the commissioner.

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

Sec. 24. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision to read:

Subd. 11. 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.

Sec. 25. 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. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(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.

Sec. 26. [245A.42] CHILD CARE CENTER HIRING PRACTICES.

As part of the employment assessment process, a child care center license holder or staff person may observe how a prospective employee interacts with children in the licensed facility. The prospective employee is not considered a child care background study subject under section 245C.02, subdivision 6a, provided the prospective employee is under continuous direct supervision by a staff person when the prospective employee has physical access to a child served by the center. The observation period shall not be longer than two hours, and a prospective employee must not be counted in staff-to-child ratios.

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

Sec. 27. Minnesota Statutes 2022, section 245A.50, subdivision 3, is amended to read:

Subd. 3. **First aid.** (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric first aid. The first aid training must have been provided by an individual approved to provide first aid instruction. First aid training may be less than eight hours and persons qualified to provide first aid training include individuals approved as first aid instructors. License holders, second adult caregivers, and substitutes must repeat pediatric first aid training every two years. ~~When the training expires, it must be retaken no~~

~~later than the day before the anniversary of the license holder's license effective date. License holders, second adult caregivers, and substitutes must not let the training expire.~~

(b) Video training reviewed and approved by the county licensing agency satisfies the training requirement of this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 28. Minnesota Statutes 2022, section 245A.50, subdivision 4, is amended to read:

Subd. 4. **Cardiopulmonary resuscitation.** (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and children, and in the treatment of obstructed airways. The CPR training must have been provided by an individual approved to provide CPR instruction. License holders, second adult caregivers, and substitutes must repeat pediatric CPR training at least once every two years and must document the training in the license holder's records. ~~When the training expires, it must be retaken no later than the day before the anniversary of the license holder's license effective date.~~ License holders, second adult caregivers, and substitutes must not let the training expire.

(b) Persons providing CPR training must use CPR training that has been developed:

(1) by the American Heart Association or the American Red Cross and incorporates psychomotor skills to support the instruction; or

(2) using nationally recognized, evidence-based guidelines for CPR training and incorporates psychomotor skills to support the instruction.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 29. Minnesota Statutes 2022, section 245A.50, subdivision 5, is amended to read:

Subd. 5. **Sudden unexpected infant death and abusive head trauma training.** (a) License holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants, they are instructed on the standards in section 245A.1435 and receive training on reducing the risk of sudden unexpected infant death. In addition, license holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants and children under school age, they receive training on reducing the risk of abusive head trauma from shaking infants and young children. The training in this subdivision may be provided as initial training under subdivision 1 or ongoing annual training under subdivision 7.

(b) Sudden unexpected infant death reduction training required under this subdivision must, at a minimum, address the risk factors related to sudden unexpected infant death, means of reducing the risk of sudden unexpected infant death in child care, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death.

(c) Abusive head trauma training required under this subdivision must, at a minimum, address the risk factors related to shaking infants and young children, means of reducing the risk of abusive

head trauma in child care, and license holder communication with parents regarding reducing the risk of abusive head trauma.

(d) Training for family and group family child care providers must be developed by the commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved by the Minnesota Center for Professional Development. Sudden unexpected infant death reduction training and abusive head trauma training may be provided in a single course of no more than two hours in length.

(e) Sudden unexpected infant death reduction training and abusive head trauma training required under this subdivision must be completed in person or as allowed under subdivision 10, clause (1) or (2), at least once every two years. ~~When the training expires, it must be retaken no later than the day before the anniversary of the license holder's license effective date.~~ On the years when the individual receiving training is not receiving training in person or as allowed under subdivision 10, clause (1) or (2), the individual receiving training in accordance with this subdivision must receive sudden unexpected infant death reduction training and abusive head trauma training through a video of no more than one hour in length. The video must be developed or approved by the commissioner.

(f) An individual who is related to the license holder as defined in section 245A.02, subdivision 13, and who is involved only in the care of the license holder's own infant or child under school age and who is not designated to be a second adult caregiver, helper, or substitute for the licensed program, is exempt from the sudden unexpected infant death and abusive head trauma training.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 30. Minnesota Statutes 2022, section 245A.50, subdivision 6, is amended to read:

Subd. 6. **Child passenger restraint systems; training requirement.** (a) A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

(b) Family and group family child care programs licensed by the Department of Human Services that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(1) Before a license holder, second adult caregiver, substitute, or helper transports a child or children under age eight in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this subdivision may be used to meet initial training under subdivision 1 or ongoing training under subdivision 7.

(2) Training required under this subdivision must be at least one hour in length, completed at initial training, and repeated at least once every five years. ~~When the training expires, it must be retaken no later than the day before the anniversary of the license holder's license effective date.~~ 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.

(3) Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain

a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(c) Child care providers that only transport school-age children as defined in section 245A.02, subdivision 19, paragraph (f), in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 31. Minnesota Statutes 2022, section 245A.50, subdivision 9, is amended to read:

Subd. 9. **Supervising for safety; training requirement.** (a) Courses required by this subdivision must include the following health and safety topics:

- (1) preventing and controlling infectious diseases;
- (2) administering medication;
- (3) preventing and responding to allergies;
- (4) ensuring building and physical premises safety;
- (5) handling and storing biological contaminants;
- (6) preventing and reporting child abuse and maltreatment; and
- (7) emergency preparedness.

(b) Before initial licensure and before caring for a child, all family child care license holders and each second adult caregiver shall complete and document the completion of the six-hour Supervising for Safety for Family Child Care course developed by the commissioner.

(c) The license holder must ensure and document that, before caring for a child, all substitutes have completed the four-hour Basics of Licensed Family Child Care for Substitutes course developed by the commissioner, which must include health and safety topics as well as child development and learning.

(d) The family child care license holder and each second adult caregiver shall complete and document:

- (1) the annual completion of either:
 - (i) a two-hour active supervision course developed by the commissioner; or
 - (ii) any courses in the ensuring safety competency area under the health, safety, and nutrition standard of the Knowledge and Competency Framework that the commissioner has identified as an active supervision training course; and
- (2) the completion at least once every five years of the two-hour courses Health and Safety I and Health and Safety II. ~~When the training is due for the first time or expires, it must be taken no later than the day before the anniversary of the license holder's license effective date.~~ A license

holder's or second adult caregiver's completion of either training in a given year meets the annual active supervision training requirement in clause (1).

(e) At least once every three years, license holders must ensure and document that substitutes have completed the four-hour Basics of Licensed Family Child Care for Substitutes course. ~~When the training expires, it must be retaken no later than the day before the anniversary of the license holder's license effective date.~~

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 32. 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 20 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.

~~(d)~~ 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. 33. 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. 34. 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.~~ in hallways outside of rooms used for sleeping children and on all levels, including basements but not including crawl spaces and uninhabitable attics.

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

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.

Sec. 36. 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. 37. 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, 119B.162, and 245.095.

Sec. 38. Minnesota Statutes 2022, section 245G.03, subdivision 1, is amended to read:

Subdivision 1. **License requirements.** (a) An applicant for a license to provide substance use disorder treatment must comply with the general requirements in section 626.557; chapters 245A, 245C, and 260E; and Minnesota Rules, chapter 9544.

(b) The commissioner may grant variances to the requirements in this chapter that do not affect the client's health or safety if the conditions in section 245A.04, subdivision 9, are met.

(c) If a program is licensed according to this chapter and is part of a certified community behavioral health clinic under section 245.735, the license holder must comply with the requirements in section 245.735, subdivisions 4b to 4e, as part of the licensing requirements under this chapter.

Sec. 39. Minnesota Statutes 2022, section 245G.13, subdivision 2, is amended to read:

Subd. 2. **Staff development.** (a) A license holder must ensure that each staff member has the training described in this subdivision.

(b) Each staff member must be trained every two years in:

(1) client confidentiality rules and regulations and client ethical boundaries; and

(2) emergency procedures and client rights as specified in sections 144.651, 148F.165, and 253B.03.

(c) Annually each staff member with direct contact must be trained on mandatory reporting as specified in sections 245A.65, 626.557, and 626.5572, and chapter 260E, including specific training covering the license holder's policies for obtaining a release of client information.

(d) Upon employment and annually thereafter, each staff member with direct contact must receive training on HIV minimum standards according to section 245A.19.

(e) The license holder must ensure that each mandatory reporter, as described in section 260E.06, subdivision 1, is trained on the maltreatment of minors reporting requirements and definitions in chapter 260E before the mandatory reporter has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

~~(e)~~ (f) A treatment director, supervisor, nurse, or counselor must have a minimum of 12 hours of training in co-occurring disorders that includes competencies related to philosophy, trauma-informed care, screening, assessment, diagnosis and person-centered treatment planning, documentation, programming, medication, collaboration, mental health consultation, and discharge planning. A new staff member who has not obtained the training must complete the training within six months of employment. A staff member may request, and the license holder may grant, credit for relevant training obtained before employment, which must be documented in the staff member's personnel file.

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

Sec. 40. Minnesota Statutes 2022, section 245H.01, is amended by adding a subdivision to read:

Subd. 2a. **Authorized agent.** "Authorized agent" means the individual designated by the certification holder who is responsible for communicating with the commissioner of human services regarding all items pursuant to this chapter.

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

Sec. 41. Minnesota Statutes 2022, section 245H.01, subdivision 3, is amended to read:

Subd. 3. **Center operator or program operator.** "Center operator" or "program operator" means the person exercising supervision or control over the center's or program's operations, planning, and functioning. ~~There may be more than one designated center operator or program operator.~~

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

Sec. 42. Minnesota Statutes 2022, section 245H.01, subdivision 5, is amended to read:

Subd. 5. **Certified license-exempt child care center.** "Certified license-exempt child care center" means the commissioner's written authorization for a child care center excluded from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), (11) to (13), (15), (18), ~~or (26), or (30)~~, to register to receive child care assistance payments under chapter 119B.

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

Sec. 43. Minnesota Statutes 2022, section 245H.02, is amended to read:

245H.02 WHO MUST BE CERTIFIED.

A program that is exempt from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), (11) to (13), (15), (18), ~~or (26), and is authorized to receive child care assistance payments under chapter 119B or (30)~~, must be a certified license-exempt child care center according to this section to receive child care assistance payments under chapter 119B.

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

Sec. 44. Minnesota Statutes 2022, section 245H.03, subdivision 2, is amended to read:

Subd. 2. **Application submission.** The commissioner shall provide application instructions and information about the rules and requirements of other state agencies that affect the applicant. The certification application must be submitted in a manner prescribed by the commissioner. Upon implementation of the provider licensing and reporting hub, applicants must use the hub in the manner prescribed by the commissioner. The commissioner shall act on the application within 90 working days of receiving a completed application.

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

Sec. 45. Minnesota Statutes 2022, section 245H.03, subdivision 4, is amended to read:

Subd. 4. **Reconsideration of certification denial.** (a) The applicant may request reconsideration of the denial by notifying the commissioner by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. The request must be made in writing. If sent by certified mail, the request must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the order. If a request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the order. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. The applicant may submit with

the request for reconsideration a written argument or evidence in support of the request for reconsideration.

(b) The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

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

Sec. 46. Minnesota Statutes 2022, section 245H.03, is amended by adding a subdivision to read:

Subd. 5. Notification required. (a) A certification holder must notify the commissioner, 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 245H.01, subdivision 2a;

(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. 47. 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. 48. Minnesota Statutes 2022, section 245H.06, subdivision 1, is amended to read:

Subdivision 1. **Correction order requirements.** (a) If the applicant or certification holder failed to comply with a law or rule, the commissioner may issue a correction order. The correction order must state:

- (1) the condition that constitutes a violation of the law or rule;
- (2) the specific law or rule violated; and
- (3) the time allowed to correct each violation.

(b) The commissioner may issue a correction order to the applicant or certification holder through the provider licensing and reporting hub.

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

Sec. 49. Minnesota Statutes 2022, section 245H.06, subdivision 2, is amended to read:

Subd. 2. **Reconsideration request.** (a) If the applicant or certification holder believes that the commissioner's correction order is erroneous, the applicant or certification holder may ask the commissioner to reconsider the part of the correction order that is allegedly erroneous. A request for reconsideration must be made in writing, ~~and postmarked,~~ or submitted through the provider licensing and reporting hub and sent to the commissioner within 20 calendar days after the applicant or certification holder received the correction order, and must:

- (1) specify the part of the correction order that is allegedly erroneous;
- (2) explain why the specified part is erroneous; and
- (3) include documentation to support the allegation of error.

(b) A request for reconsideration does not stay any provision or requirement of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

(c) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. If the order is issued through the provider hub, the request must be

received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

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

Sec. 50. Minnesota Statutes 2022, section 245H.07, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner may decertify a center if a certification holder:

(1) failed to comply with an applicable law or rule;

(2) knowingly withheld relevant information from or gave false or misleading information to the commissioner in connection with an application for certification, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules; or

(3) has authorization to receive child care assistance payments revoked pursuant to chapter 119B.

(b) When considering decertification, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule.

(c) When a center is decertified, the center is ineligible to receive a child care assistance payment under chapter 119B.

(d) The commissioner may issue a decertification order to a certification holder through the provider licensing and reporting hub.

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

Sec. 51. Minnesota Statutes 2022, section 245H.07, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of decertification.** (a) The certification holder may request reconsideration of the decertification by notifying the commissioner by certified mail ~~or~~ by personal service, or through the provider licensing and reporting hub. The request must be made in writing. If sent by certified mail, the request must be postmarked and sent to the commissioner within 20 calendar days after the certification holder received the order. If a request is made by personal service, it must be received by the commissioner within 20 calendar days after the certification holder received the order. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. With the request for reconsideration, the certification holder may submit a written argument or evidence in support of the request for reconsideration.

(b) The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

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

Sec. 52. 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); 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. 53. 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

(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. 54. 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 medicine must meet the requirements in this subdivision.

(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 administer nonprescription medicine, diapering product, sunscreen lotion, and insect repellent according to the manufacturer's instructions unless provided written instructions by a licensed health professional to use a product differently.

(d) The certified center must obtain and follow written instructions from the prescribing health professional before administering prescription medicine. Medicine with the child's first and last name and current prescription information on the label is considered written instructions.

(e) 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 or destroyed, 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 medicines, insect repellents, and diapering products according to directions on the original container.

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

Sec. 55. 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. 56. Minnesota Statutes 2022, section 245I.011, subdivision 3, is amended to read:

Subd. 3. **Certification required.** (a) An individual, organization, or government entity that is exempt from licensure under section 245A.03, subdivision 2, paragraph (a), clause (19), and chooses to be identified as a certified mental health clinic must:

(1) be a mental health clinic that is certified under section 245I.20;

(2) comply with all of the responsibilities assigned to a license holder by this chapter except subdivision 1; and

(3) comply with all of the responsibilities assigned to a certification holder by chapter 245A.

(b) An individual, organization, or government entity described by this subdivision must obtain a criminal background study for each staff person or volunteer who provides direct contact services to clients.

(c) If a clinic is certified according to this chapter and is part of a certified community behavioral health clinic under section 245.735, the license holder must comply with the requirements in section 245.735, subdivisions 4b to 4e, as part of the licensing requirements under this chapter.

Sec. 57. Minnesota Statutes 2022, section 245I.20, subdivision 10, is amended to read:

Subd. 10. **Application procedures.** (a) The applicant for certification must submit any documents that the commissioner requires on forms approved by the commissioner. Upon implementation of the provider licensing and reporting hub, applicants must use the hub in the manner prescribed by the commissioner.

(b) Upon submitting an application for certification, an applicant must pay the application fee required by section 245A.10, subdivision 3.

(c) The commissioner must act on an application within 90 working days of receiving a completed application.

(d) When the commissioner receives an application for initial certification that is incomplete because the applicant failed to submit required documents or is deficient because the submitted documents do not meet certification requirements, the commissioner must provide the applicant with written notice that the application is incomplete or deficient. In the notice, the commissioner must identify the particular documents that are missing or deficient and give the applicant 45 days

to submit a second application that is complete. An applicant's failure to submit a complete application within 45 days after receiving notice from the commissioner is a basis for certification denial.

(e) The commissioner must give notice of a denial to an applicant when the commissioner has made the decision to deny the certification application. In the notice of denial, the commissioner must state the reasons for the denial in plain language. The commissioner must send or deliver the notice of denial to an applicant by certified mail ~~or~~, by personal service or through the provider licensing and reporting hub. In the notice of denial, the commissioner must state the reasons that the commissioner denied the application and must inform the applicant of the applicant's right to request a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an applicant delivers an appeal by personal service, the commissioner must receive the appeal within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

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

Sec. 58. Minnesota Statutes 2022, section 245I.20, subdivision 13, is amended to read:

Subd. 13. **Correction orders.** (a) If the applicant or certification holder fails to comply with a law or rule, the commissioner may issue a correction order. The correction order must state:

- (1) the condition that constitutes a violation of the law or rule;
- (2) the specific law or rule that the applicant or certification holder has violated; and
- (3) the time that the applicant or certification holder is allowed to correct each violation.

(b) If the applicant or certification holder believes that the commissioner's correction order is erroneous, the applicant or certification holder may ask the commissioner to reconsider the part of the correction order that is allegedly erroneous. An applicant or certification holder must make a request for reconsideration in writing. The request must be postmarked and sent to the commissioner or submitted in the provider licensing and reporting hub within 20 calendar days after the applicant or certification holder received the correction order; and the request must:

- (1) specify the part of the correction order that is allegedly erroneous;
- (2) explain why the specified part is erroneous; and
- (3) include documentation to support the allegation of error.

(c) A request for reconsideration does not stay any provision or requirement of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

(d) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified mental health clinic according to subdivision 14.

(e) Nothing in this subdivision prohibits the commissioner from decertifying a mental health clinic according to subdivision 14.

(f) The commissioner may issue a correction order to the applicant or certification holder through the provider licensing and reporting hub. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

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

Sec. 59. Minnesota Statutes 2022, section 245I.20, subdivision 14, is amended to read:

Subd. 14. **Decertification.** (a) The commissioner may decertify a mental health clinic if a certification holder:

(1) failed to comply with an applicable law or rule; or

(2) knowingly withheld relevant information from or gave false or misleading information to the commissioner in connection with an application for certification, during an investigation, or regarding compliance with applicable laws or rules.

(b) When considering decertification of a mental health clinic, the commissioner must 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 clients.

(c) If the commissioner decertifies a mental health clinic, the order of decertification must inform the certification holder of the right to have a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The commissioner may issue the order through the provider licensing and reporting hub. The certification holder may appeal the decertification. The certification holder must appeal a decertification in writing and send or deliver the appeal to the commissioner by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If the certification holder mails the appeal, the appeal must be postmarked and sent to the commissioner within ten calendar days after the certification holder receives the order of decertification. If the certification holder delivers an appeal by personal service, the commissioner must receive the appeal within ten calendar days after the certification holder received the order. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. If a certification holder submits a timely appeal of an order of decertification, the certification holder may continue to operate the program until the commissioner issues a final order on the decertification.

(d) If the commissioner decertifies a mental health clinic pursuant to paragraph (a), clause (1), based on a determination that the mental health clinic was responsible for maltreatment, and if the certification holder appeals the decertification according to paragraph (c), and appeals the maltreatment determination under section 260E.33, the final decertification determination is stayed until the commissioner issues a final decision regarding the maltreatment appeal.

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

Sec. 60. Minnesota Statutes 2022, section 245I.20, subdivision 16, is amended to read:

Subd. 16. **Notifications required and noncompliance.** (a) A certification holder must notify the commissioner, in a manner prescribed by the commissioner, and obtain the commissioner's approval before making any change to the name of the certification holder or the location of the mental health clinic. 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.

(b) Changes in mental health clinic organization, staffing, treatment, or quality assurance procedures that affect the ability of the certification holder to comply with the minimum standards of this section must be reported in writing by the certification holder to the commissioner within 15 days of the occurrence. Review of the change must be conducted by the commissioner. A certification holder with changes resulting in noncompliance in minimum standards must receive written notice and may have up to 180 days to correct the areas of noncompliance before being decertified. Interim procedures to resolve the noncompliance on a temporary basis must be developed and submitted in writing to the commissioner for approval within 30 days of the commissioner's determination of the noncompliance. Not reporting an occurrence of a change that results in noncompliance within 15 days, failure to develop an approved interim procedure within 30 days of the determination of the noncompliance, or nonresolution of the noncompliance within 180 days will result in immediate decertification.

(c) The mental health clinic may be required to submit written information to the department to document that the mental health clinic has maintained compliance with this section and mental health clinic procedures.

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

Sec. 61. Minnesota Statutes 2022, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment at a licensed program under section 260E.06, subdivision 1, may

submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

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

Sec. 62. Minnesota Statutes 2022, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(e) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the Social Security numbers and names of participants in the telephone assistance plan operated under sections 237.69 to 237.71, with those of property tax refund filers, and determine whether each participant's household income is within the eligibility standards for the telephone assistance plan.

(f) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law 102-234. Upon the written agreement by the United States Department of Health and Human Services to maintain the confidentiality of the data, the commissioner may provide records and information collected under sections 295.50 to 295.59 to the Centers for Medicare and Medicaid Services section of the United States Department of Health and Human Services for purposes of meeting federal reporting requirements.

(g) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

(h) The commissioner may disclose information to the commissioner of human services as necessary for income verification for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical assistance program under chapter 256B.

(i) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for the Minnesota family investment program, general assistance, the Supplemental Nutrition Assistance Program (SNAP), Minnesota supplemental aid

program, and child care assistance have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

(j) The commissioner may disclose information to the commissioner of human services necessary to verify income for purposes of calculating parental contribution amounts under section 252.27, subdivision 2a.

(k) At the request of the commissioner of human services and when authorized in writing by the taxpayer, the commissioner of revenue may match the business legal name or individual legal name, and the Minnesota tax identification number, federal Employer Identification Number, or Social Security number of the applicant under section 245A.04, subdivision 1; 245I.20; or 245H.03; or license or certification holder. The commissioner of revenue may share the matching with the commissioner of human services. The matching may only be used by the commissioner of human services to determine eligibility for provider grant programs and to facilitate the regulatory oversight of license and certification holders as it relates to ownership and public funds program integrity. This paragraph applies only if the commissioner of human services and the commissioner of revenue enter into an interagency agreement for the purposes of this paragraph.

Sec. 63. DIRECTION TO COMMISSIONER; AMENDING STAFF DISTRIBUTION RULES FOR CHILD CARE CENTERS.

(a) Notwithstanding Minnesota Rules, part 9503.0040, subpart 2, item B, the commissioner of human services must allow an aide to substitute for a teacher during morning arrival and afternoon departure times in a licensed child care center if the total arrival and departure time does not exceed 25 percent of the center's daily hours of operation. In order for an aide to be used in this capacity, an aide must:

- (1) be at least 18 years of age;
 - (2) have worked in the licensed child care center for a minimum of 30 days; and
 - (3) have completed all preservice and first-90-days training required for licensing.
- (b) This section expires July 1, 2025.

ARTICLE 9

BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2022, section 245.462, subdivision 17, is amended to read:

Subd. 17. **Mental health practitioner.** ~~(a) "Mental health practitioner" means a staff person providing services to adults with mental illness or children with emotional disturbance who is qualified in at least one of the ways described in paragraphs (b) to (g). A mental health practitioner for a child client must have training working with children. A mental health practitioner for an adult client must have training working with adults who is qualified according to section 245I.04, subdivision 4.~~

~~(b) For purposes of this subdivision, a practitioner is qualified through relevant coursework if the practitioner completes at least 30 semester hours or 45 quarter hours in behavioral sciences or related fields and:~~

~~(1) has at least 2,000 hours of supervised experience in the delivery of services to adults or children with:~~

~~(i) mental illness, substance use disorder, or emotional disturbance; or~~

~~(ii) traumatic brain injury or developmental disabilities and completes training on mental illness, recovery from mental illness, mental health de-escalation techniques, co-occurring mental illness and substance abuse, and psychotropic medications and side effects;~~

~~(2) is fluent in the non-English language of the ethnic group to which at least 50 percent of the practitioner's clients belong, completes 40 hours of training in the delivery of services to adults with mental illness or children with emotional disturbance, and receives clinical supervision from a mental health professional at least once a week until the requirement of 2,000 hours of supervised experience is met;~~

~~(3) is working in a day treatment program under section 245.4712, subdivision 2;~~

~~(4) has completed a practicum or internship that (i) requires direct interaction with adults or children served, and (ii) is focused on behavioral sciences or related fields; or~~

~~(5) is in the process of completing a practicum or internship as part of a formal undergraduate or graduate training program in social work, psychology, or counseling.~~

~~(c) For purposes of this subdivision, a practitioner is qualified through work experience if the person:~~

~~(1) has at least 4,000 hours of supervised experience in the delivery of services to adults or children with:~~

~~(i) mental illness, substance use disorder, or emotional disturbance; or~~

~~(ii) traumatic brain injury or developmental disabilities and completes training on mental illness, recovery from mental illness, mental health de-escalation techniques, co-occurring mental illness and substance abuse, and psychotropic medications and side effects; or~~

~~(2) has at least 2,000 hours of supervised experience in the delivery of services to adults or children with:~~

~~(i) mental illness, emotional disturbance, or substance use disorder, and receives clinical supervision as required by applicable statutes and rules from a mental health professional at least once a week until the requirement of 4,000 hours of supervised experience is met; or~~

~~(ii) traumatic brain injury or developmental disabilities; completes training on mental illness, recovery from mental illness, mental health de-escalation techniques, co-occurring mental illness and substance abuse, and psychotropic medications and side effects; and receives clinical supervision~~

as required by applicable statutes and rules at least once a week from a mental health professional until the requirement of 4,000 hours of supervised experience is met.

~~(d) For purposes of this subdivision, a practitioner is qualified through a graduate student internship if the practitioner is a graduate student in behavioral sciences or related fields and is formally assigned by an accredited college or university to an agency or facility for clinical training.~~

~~(e) For purposes of this subdivision, a practitioner is qualified by a bachelor's or master's degree if the practitioner:~~

~~(1) holds a master's or other graduate degree in behavioral sciences or related fields; or~~

~~(2) holds a bachelor's degree in behavioral sciences or related fields and completes a practicum or internship that (i) requires direct interaction with adults or children served, and (ii) is focused on behavioral sciences or related fields.~~

~~(f) For purposes of this subdivision, a practitioner is qualified as a vendor of medical care if the practitioner meets the definition of vendor of medical care in section 256B.02, subdivision 7, paragraphs (b) and (c), and is serving a federally recognized tribe.~~

~~(g) For purposes of medical assistance coverage of diagnostic assessments, explanations of findings, and psychotherapy under section 256B.0625, subdivision 65, a mental health practitioner working as a clinical trainee means that the practitioner's clinical supervision experience is helping the practitioner gain knowledge and skills necessary to practice effectively and independently. This may include supervision of direct practice, treatment team collaboration, continued professional learning, and job management. The practitioner must also:~~

~~(1) comply with requirements for licensure or board certification as a mental health professional, according to the qualifications under Minnesota Rules, part 9505.0371, subpart 5, item A, including supervised practice in the delivery of mental health services for the treatment of mental illness; or~~

~~(2) be a student in a bona fide field placement or internship under a program leading to completion of the requirements for licensure as a mental health professional according to the qualifications under Minnesota Rules, part 9505.0371, subpart 5, item A.~~

~~(h) For purposes of this subdivision, "behavioral sciences or related fields" has the meaning given in section 256B.0623, subdivision 5, paragraph (d).~~

~~(i) Notwithstanding the licensing requirements established by a health-related licensing board, as defined in section 214.01, subdivision 2, this subdivision supersedes any other statute or rule.~~

Sec. 2. Minnesota Statutes 2022, section 245.4663, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner shall award grants to licensed or certified mental health providers that meet the criteria in subdivision 2 to fund supervision of or preceptorships for students, interns, and clinical trainees who are working toward becoming mental health professionals ~~and~~; to subsidize the costs of licensing applications and examination fees for clinical trainees; and to fund training for workers to become supervisors. For purposes of this section,

an intern may include an individual who is working toward an undergraduate degree in the behavioral sciences or related field at an accredited educational institution.

Sec. 3. Minnesota Statutes 2022, section 245.4889, subdivision 1, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 124D.23 or 245.493; or

(4) mental health service providers.

(b) The following services are eligible for grants under this section:

(1) services to children with emotional disturbances as defined in section 245.4871, subdivision 15, and their families;

(2) transition services under section 245.4875, subdivision 8, for young adults under age 21 and their families;

(3) respite care services for children with emotional disturbances or severe emotional disturbances who are at risk of out-of-home placement or already in out-of-home placement in family foster settings as defined in chapter 245A and at risk of change in out-of-home placement or placement in a residential facility or other higher level of care. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

~~(5)~~ (6) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

~~(6)~~ (7) children's mental health screening and follow-up diagnostic assessment and treatment;

~~(7)~~ (8) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

~~(8)~~ (9) school-linked mental health services under section 245.4901;

~~(9)~~ (10) building evidence-based mental health intervention capacity for children birth to age five;

~~(10)~~ (11) suicide prevention and counseling services that use text messaging statewide;

~~(11)~~ (12) mental health first aid training;

~~(12)~~ (13) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive website to share information and strategies to promote resilience and prevent trauma;

~~(13)~~ (14) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

~~(14)~~ (15) early childhood mental health consultation;

~~(15)~~ (16) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis;

~~(16)~~ (17) psychiatric consultation for primary care practitioners; and

~~(17)~~ (18) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants.

(c) Services under paragraph (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under this paragraph must be designed to foster independent living in the community.

(d) As a condition of receiving grant funds, a grantee shall obtain all available third-party reimbursement sources, if applicable.

(e) The commissioner may establish and design a pilot program to expand the mobile response and stabilization services model for children, youth, and families. The commissioner may use grant funding to consult with a qualified expert entity to assist in the formulation of measurable outcomes and explore and position the state to submit a Medicaid state plan amendment to scale the model statewide.

Sec. 4. Minnesota Statutes 2022, section 245.4901, subdivision 4, is amended to read:

Subd. 4. **Data collection and outcome measurement.** Grantees shall provide data to the commissioner for the purpose of evaluating the effectiveness of the school-linked behavioral health grant program, no more frequently than twice per year. Data provided by grantees must include only the number of clients served, client demographics, payor information, client-related clinical and ancillary services including hours of direct client services, and hours of ancillary support services. Qualitative data may also be collected to demonstrate outcomes. The commissioner must consult with grantees to develop ongoing outcome measures for program capacity and performance.

Sec. 5. Minnesota Statutes 2022, section 245.4901, is amended by adding a subdivision to read:

Subd. 5. **Consultation; grant awards.** In administering the grant program, the commissioner shall consult with school districts that have not received grants under this section but that wish to collaborate with a community mental health provider. The commissioner shall also work with culturally specific providers to allow these providers to serve students from their community in multiple schools. When awarding grants, the commissioner shall consider the need to have consistency of providers over time among schools and students.

Sec. 6. [245.4903] CULTURAL AND ETHNIC MINORITY INFRASTRUCTURE GRANT PROGRAM.

Subdivision 1. **Establishment.** The commissioner of human services must establish a cultural and ethnic minority infrastructure grant program to ensure that mental health and substance use disorder treatment supports and services are culturally specific and culturally responsive to meet the cultural needs of communities served.

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider from a cultural or ethnic minority population who:

(1) provides mental health or substance use disorder treatment services and supports to individuals from cultural and ethnic minority populations, including members of those populations who identify as lesbian, gay, bisexual, transgender, or queer;

(2) provides, or is qualified and has the capacity to provide, clinical supervision and support to members of culturally diverse and ethnic minority communities so they may become qualified mental health and substance use disorder treatment providers; or

(3) has the capacity and experience to provide training for mental health and substance use disorder treatment providers on cultural competency and cultural humility.

Subd. 3. **Allowable grant activities.** (a) Grantees must engage in activities and provide supportive services to ensure and increase equitable access to culturally specific and responsive care and build organizational and professional capacity for licensure and certification for the communities served. Allowable grant activities include but are not limited to:

(1) providing workforce development activities focused on recruiting, supporting, training, and supervising mental health and substance use disorder practitioners and professionals from diverse racial, cultural, and ethnic communities;

(2) helping members of racial and ethnic minority communities become qualified mental health and substance use disorder professionals, practitioners, clinical supervisors, recovery peer specialists, mental health certified peer specialists, and mental health certified family peer specialists;

(3) providing culturally specific outreach, early intervention, trauma-informed services, and recovery support in mental health and substance use disorder services;

(4) providing trauma-informed and culturally responsive mental health and substance use disorder supports and services to children and families, youth, or adults who are from cultural and ethnic minority backgrounds and are uninsured or underinsured;

(5) expanding mental health and substance use disorder services, particularly in greater Minnesota;

(6) training mental health and substance use disorder treatment providers on cultural competency and cultural humility;

(7) providing activities that increase the availability of culturally responsive mental health and substance use disorder services for children and families, youth, or adults, or that increase the

availability of substance use disorder services for individuals from cultural and ethnic minorities in the state;

(8) providing interpreter services at intensive residential treatment facilities, children's residential treatment centers, or psychiatric residential treatment facilities in order for children or adults with limited English proficiency or children or adults who are fluent in another language to be able to access treatment; and

(9) paying for case-specific consultation between a mental health professional and the appropriate diverse mental health professional in order to facilitate the provision of services that are culturally appropriate to a client's needs.

(b) The commissioner must assist grantees with meeting third-party credentialing requirements, and grantees must obtain all available third-party reimbursement sources as a condition of receiving grant money. Grantees must serve individuals from cultural and ethnic minority communities regardless of health coverage status or ability to pay.

Subd. 4. **Data collection and outcomes.** Grantees must provide regular data summaries to the commissioner for purposes of evaluating the effectiveness of the cultural and ethnic minority infrastructure grant program. The commissioner must use identified culturally appropriate outcome measures instruments to evaluate outcomes and must evaluate program activities by analyzing whether the program:

(1) increased access to culturally specific services for individuals from cultural and ethnic minority communities across the state;

(2) increased the number of individuals from cultural and ethnic minority communities served by grantees;

(3) increased cultural responsiveness and cultural competency of mental health and substance use disorder treatment providers;

(4) increased the number of mental health and substance use disorder treatment providers and clinical supervisors from cultural and ethnic minority communities;

(5) increased the number of mental health and substance use disorder treatment organizations owned, managed, or led by individuals who are Black, Indigenous, or people of color;

(6) reduced health disparities through improved clinical and functional outcomes for those accessing services; and

(7) led to an overall increase in culturally specific mental health and substance use disorder service availability.

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

Sec. 7. Minnesota Statutes 2022, section 245I.04, subdivision 14, is amended to read:

Subd. 14. **Mental health rehabilitation worker qualifications.** (a) A mental health rehabilitation worker must:

(1) have a high school diploma or equivalent; ~~and~~

(2) have the training required under section 245I.05, subdivision 3, paragraph (c); and

~~(2)~~ (3) meet one of the following qualification requirements:

(i) be fluent in the non-English language or competent in the culture of the ethnic group to which at least 20 percent of the mental health rehabilitation worker's clients belong;

(ii) have an associate of arts degree;

(iii) have two years of full-time postsecondary education or a total of 15 semester hours or 23 quarter hours in behavioral sciences or related fields;

(iv) be a registered nurse;

(v) have, within the previous ten years, three years of personal life experience with mental illness;

(vi) have, within the previous ten years, three years of life experience as a primary caregiver to an adult with a mental illness, traumatic brain injury, substance use disorder, or developmental disability; or

(vii) have, within the previous ten years, 2,000 hours of work experience providing health and human services to individuals.

(b) A mental health rehabilitation worker who is exclusively scheduled as an overnight staff person ~~and works alone~~ is exempt from the additional qualification requirements in paragraph (a), clause ~~(2)~~ (3).

Sec. 8. Minnesota Statutes 2022, section 245I.04, subdivision 16, is amended to read:

Subd. 16. **Mental health behavioral aide qualifications.** (a) A level 1 mental health behavioral aide must have the training required under section 245I.05, subdivision 3, paragraph (c), and: (1) a high school diploma or equivalent; or (2) two years of experience as a primary caregiver to a child with mental illness within the previous ten years.

(b) A level 2 mental health behavioral aide must: ~~(1) have the training required under section 245I.05, subdivision 3, paragraph (c), and an associate or bachelor's degree; or (2) be certified by a program under section 256B.0943, subdivision 8a.~~

Sec. 9. Minnesota Statutes 2022, section 245I.05, subdivision 3, is amended to read:

Subd. 3. **Initial training.** (a) A staff person must receive training about:

(1) vulnerable adult maltreatment under section 245A.65, subdivision 3; and

(2) the maltreatment of minor reporting requirements and definitions in chapter 260E within 72 hours of first providing direct contact services to a client.

(b) Before providing direct contact services to a client, a staff person must receive training about:

(1) client rights and protections under section 245I.12;

(2) the Minnesota Health Records Act, including client confidentiality, family engagement under section 144.294, and client privacy;

(3) emergency procedures that the staff person must follow when responding to a fire, inclement weather, a report of a missing person, and a behavioral or medical emergency;

(4) specific activities and job functions for which the staff person is responsible, including the license holder's program policies and procedures applicable to the staff person's position;

(5) professional boundaries that the staff person must maintain; and

(6) specific needs of each client to whom the staff person will be providing direct contact services, including each client's developmental status, cognitive functioning, and physical and mental abilities.

(c) Before providing direct contact services to a client, a mental health rehabilitation worker, mental health behavioral aide, or mental health practitioner required to receive the training according to section 245I.04, subdivision 4, must receive 30 hours of training about:

(1) mental illnesses;

(2) client recovery and resiliency;

(3) mental health de-escalation techniques;

(4) co-occurring mental illness and substance use disorders; and

(5) psychotropic medications and medication side effects.

(d) Within 90 days of first providing direct contact services to an adult client, ~~a clinical trainee,~~ mental health practitioner, mental health certified peer specialist, or mental health rehabilitation worker must receive training about:

(1) trauma-informed care and secondary trauma;

(2) person-centered individual treatment plans, including seeking partnerships with family and other natural supports;

(3) co-occurring substance use disorders; and

(4) culturally responsive treatment practices.

(e) Within 90 days of first providing direct contact services to a child client, ~~a clinical trainee,~~ mental health practitioner, mental health certified family peer specialist, mental health certified peer specialist, or mental health behavioral aide must receive training about the topics in clauses (1) to (5). This training must address the developmental characteristics of each child served by the license

holder and address the needs of each child in the context of the child's family, support system, and culture. Training topics must include:

(1) trauma-informed care and secondary trauma, including adverse childhood experiences (ACEs);

(2) family-centered treatment plan development, including seeking partnership with a child client's family and other natural supports;

(3) mental illness and co-occurring substance use disorders in family systems;

(4) culturally responsive treatment practices; and

(5) child development, including cognitive functioning, and physical and mental abilities.

(f) For a mental health behavioral aide, the training under paragraph (e) must include parent team training using a curriculum approved by the commissioner.

Sec. 10. Minnesota Statutes 2022, section 245I.08, subdivision 2, is amended to read:

Subd. 2. **Documentation standards.** A license holder must ensure that all documentation required by this chapter:

(1) is legible;

(2) identifies the applicable client name on each page of the client file and staff person name on each page of the personnel file; and

(3) is signed and dated by the staff persons who provided services to the client or completed the documentation, including the staff persons' credentials.

Sec. 11. Minnesota Statutes 2022, section 245I.08, subdivision 3, is amended to read:

Subd. 3. **Documenting approval.** A license holder must ensure that all diagnostic assessments, functional assessments, level of care assessments, and treatment plans completed by a clinical trainee or mental health practitioner contain documentation of approval by a treatment supervisor within five ten business days of initial completion by the staff person under treatment supervision.

Sec. 12. Minnesota Statutes 2022, section 245I.08, subdivision 4, is amended to read:

Subd. 4. **Progress notes.** A license holder must use a progress note to document each occurrence of a mental health service that a staff person provides to a client. A progress note must include the following:

(1) the type of service;

(2) the date of service;

(3) the start and stop time of the service unless the license holder is licensed as a residential program;

(4) the location of the service;

(5) the scope of the service, including: (i) the targeted goal and objective; (ii) the intervention that the staff person provided to the client and the methods that the staff person used; (iii) the client's response to the intervention; and (iv) the staff person's plan to take future actions, including changes in treatment that the staff person will implement if the intervention was ineffective; ~~and (v) the service modality;~~

(6) the signature and credentials of the staff person who provided the service to the client;

(7) the mental health provider travel documentation required by section 256B.0625, if applicable; and

(8) significant observations by the staff person, if applicable, including: (i) the client's current risk factors; (ii) emergency interventions by staff persons; (iii) consultations with or referrals to other professionals, family, or significant others; and (iv) changes in the client's mental or physical symptoms.

Sec. 13. Minnesota Statutes 2022, section 245I.10, subdivision 2, is amended to read:

Subd. 2. **Generally.** (a) A license holder must use a client's diagnostic assessment or crisis assessment to determine a client's eligibility for mental health services, except as provided in this section.

(b) Prior to completing a client's initial diagnostic assessment, a license holder may provide a client with the following services:

(1) an explanation of findings;

(2) neuropsychological testing, neuropsychological assessment, and psychological testing;

(3) any combination of psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed three sessions;

(4) crisis assessment services according to section 256B.0624; and

(5) ten days of intensive residential treatment services according to the assessment and treatment planning standards in section 245I.23, subdivision 7.

(c) Based on the client's needs that a crisis assessment identifies under section 256B.0624, a license holder may provide a client with the following services:

(1) crisis intervention and stabilization services under section 245I.23 or 256B.0624; and

(2) any combination of psychotherapy sessions, group psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions within a 12-month period without prior authorization.

(d) Based on the client's needs in the client's brief diagnostic assessment, a license holder may provide a client with any combination of psychotherapy sessions, group psychotherapy sessions,

family psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions within a 12-month period without prior authorization for any new client or for an existing client who the license holder projects will need fewer than ten sessions during the next 12 months.

(e) Based on the client's needs that a hospital's medical history and presentation examination identifies, a license holder may provide a client with:

(1) any combination of psychotherapy sessions, group psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions within a 12-month period without prior authorization for any new client or for an existing client who the license holder projects will need fewer than ten sessions during the next 12 months; and

(2) up to five days of day treatment services or partial hospitalization.

(f) A license holder must complete a new standard diagnostic assessment of a client or an update to an assessment as permitted under paragraph (g):

(1) when the client requires services of a greater number or intensity than the services that paragraphs (b) to (e) describe;

(2) ~~at least annually following the client's initial diagnostic assessment~~ if the client needs additional mental health services and the client does not meet the criteria for a brief assessment;

(3) when the client's mental health condition has changed markedly since the client's most recent diagnostic assessment; ~~or~~

(4) when the client's current mental health condition does not meet the criteria of the client's current diagnosis; or

(5) upon the client's request.

(g) For ~~an existing~~ a client who is already engaged in services and has a prior assessment, the license holder must ~~ensure that a new standard diagnostic assessment includes~~ complete a written update containing all significant new or changed information about the client, removal of outdated or inaccurate information, and an update regarding what information has not significantly changed, including a discussion with the client about changes in the client's life situation, functioning, presenting problems, and progress with achieving treatment goals since the client's last diagnostic assessment was completed.

Sec. 14. Minnesota Statutes 2022, section 245I.10, subdivision 3, is amended to read:

Subd. 3. **Continuity of services.** (a) For any client with a diagnostic assessment completed under Minnesota Rules, parts 9505.0370 to 9505.0372, before July 1, 2022, or upon federal approval, whichever is later, the diagnostic assessment is valid for authorizing the client's treatment and billing for one calendar year after the date that the assessment was completed.

(b) For any client with an individual treatment plan completed under section 256B.0622, 256B.0623, 256B.0943, 256B.0946, or 256B.0947 or Minnesota Rules, parts 9505.0370 to 9505.0372, the client's treatment plan is valid for authorizing treatment and billing until the treatment plan's expiration date.

(c) This subdivision expires ~~July 1~~ October 17, 2023.

Sec. 15. Minnesota Statutes 2022, section 245I.10, subdivision 5, is amended to read:

Subd. 5. **Brief diagnostic assessment; required elements.** (a) Only a mental health professional or clinical trainee may complete a brief diagnostic assessment of a client. ~~A license holder may only use a brief diagnostic assessment for a client who is six years of age or older.~~

(b) When conducting a brief diagnostic assessment of a client, the assessor must complete a face-to-face interview with the client and a written evaluation of the client. The assessor must gather and document initial components of the client's standard diagnostic assessment, including the client's:

- (1) age;
- (2) description of symptoms, including the reason for the client's referral;
- (3) history of mental health treatment;
- (4) cultural influences on the client; and
- (5) mental status examination.

(c) Based on the initial components of the assessment, the assessor must develop a provisional diagnostic formulation about the client. The assessor may use the client's provisional diagnostic formulation to address the client's immediate needs and presenting problems.

(d) A mental health professional or clinical trainee may use treatment sessions with the client authorized by a brief diagnostic assessment to gather additional information about the client to complete the client's standard diagnostic assessment if the number of sessions will exceed the coverage limits in subdivision 2.

Sec. 16. Minnesota Statutes 2022, section 245I.10, subdivision 6, is amended to read:

Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health professional or a clinical trainee may complete a standard diagnostic assessment of a client. A standard diagnostic assessment of a client must include a face-to-face interview with a client and a written evaluation of the client. The assessor must complete a client's standard diagnostic assessment within the client's cultural context.

(b) When completing a standard diagnostic assessment of a client, the assessor must gather and document information about the client's current life situation, including the following information:

- (1) the client's age;
- (2) the client's current living situation, including the client's housing status and household members;
- (3) the status of the client's basic needs;
- (4) the client's education level and employment status;

- (5) the client's current medications;
- (6) any immediate risks to the client's health and safety;
- (7) the client's perceptions of the client's condition;
- (8) the client's description of the client's symptoms, including the reason for the client's referral;
- (9) the client's history of mental health treatment; and
- (10) cultural influences on the client.

(c) If the assessor cannot obtain the information that this paragraph requires without retraumatizing the client or harming the client's willingness to engage in treatment, the assessor must identify which topics will require further assessment during the course of the client's treatment. The assessor must gather and document information related to the following topics:

(1) the client's relationship with the client's family and other significant personal relationships, including the client's evaluation of the quality of each relationship;

(2) the client's strengths and resources, including the extent and quality of the client's social networks;

(3) important developmental incidents in the client's life;

(4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;

(5) the client's history of or exposure to alcohol and drug usage and treatment; and

(6) the client's health history and the client's family health history, including the client's physical, chemical, and mental health history.

(d) When completing a standard diagnostic assessment of a client, an assessor must use a recognized diagnostic framework.

(1) When completing a standard diagnostic assessment of a client who is five years of age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood published by Zero to Three.

(2) When completing a standard diagnostic assessment of a client who is six years of age or older, the assessor must use the current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

~~(3) When completing a standard diagnostic assessment of a client who is five years of age or younger, an assessor must administer the Early Childhood Service Intensity Instrument (ECSII) to the client and include the results in the client's assessment.~~

~~(4) When completing a standard diagnostic assessment of a client who is six to 17 years of age, an assessor must administer the Child and Adolescent Service Intensity Instrument (CASH) to the client and include the results in the client's assessment.~~

~~(5)~~ (3) When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association to screen and assess the client for a substance use disorder.

(e) When completing a standard diagnostic assessment of a client, the assessor must include and document the following components of the assessment:

(1) the client's mental status examination;

(2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources; vulnerabilities; safety needs, including client information that supports the assessor's findings after applying a recognized diagnostic framework from paragraph (d); and any differential diagnosis of the client;

(3) an explanation of: (i) how the assessor diagnosed the client using the information from the client's interview, assessment, psychological testing, and collateral information about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths; and (v) the client's responsivity factors.

(f) When completing a standard diagnostic assessment of a client, the assessor must consult the client and the client's family about which services that the client and the family prefer to treat the client. The assessor must make referrals for the client as to services required by law.

(g) Information from other providers and prior assessments may be used to complete the diagnostic assessment if the source of the information is documented in the diagnostic assessment.

Sec. 17. Minnesota Statutes 2022, section 245I.10, subdivision 7, is amended to read:

Subd. 7. **Individual treatment plan.** A license holder must follow each client's written individual treatment plan when providing services to the client with the following exceptions:

(1) services that do not require that a license holder completes a standard diagnostic assessment of a client before providing services to the client;

(2) when developing a treatment or service plan; and

(3) when a client re-engages in services under subdivision 8, paragraph (b).

Sec. 18. Minnesota Statutes 2022, section 245I.10, subdivision 8, is amended to read:

Subd. 8. **Individual treatment plan; required elements.** (a) After completing a client's diagnostic assessment or reviewing a client's diagnostic assessment received from a different provider and before providing services to the client beyond those permitted under subdivision 7, the license holder must complete the client's individual treatment plan. The license holder must:

(1) base the client's individual treatment plan on the client's diagnostic assessment and baseline measurements;

(2) for a child client, use a child-centered, family-driven, and culturally appropriate planning process that allows the child's parents and guardians to observe and participate in the child's individual and family treatment services, assessments, and treatment planning;

(3) for an adult client, use a person-centered, culturally appropriate planning process that allows the client's family and other natural supports to observe and participate in the client's treatment services, assessments, and treatment planning;

(4) identify the client's treatment goals, measureable treatment objectives, a schedule for accomplishing the client's treatment goals and objectives, a treatment strategy, and the individuals responsible for providing treatment services and supports to the client. The license holder must have a treatment strategy to engage the client in treatment if the client:

(i) has a history of not engaging in treatment; and

(ii) is ordered by a court to participate in treatment services or to take neuroleptic medications;

(5) identify the participants involved in the client's treatment planning. The client must be a participant in the client's treatment planning. If applicable, the license holder must document the reasons that the license holder did not involve the client's family or other natural supports in the client's treatment planning;

(6) review the client's individual treatment plan every 180 days and update the client's individual treatment plan with the client's treatment progress, new treatment objectives and goals or, if the client has not made treatment progress, changes in the license holder's approach to treatment; and

(7) ensure that the client approves of the client's individual treatment plan unless a court orders the client's treatment plan under chapter 253B.

(b) If the client disagrees with the client's treatment plan, the license holder must document in the client file the reasons why the client does not agree with the treatment plan. If the license holder cannot obtain the client's approval of the treatment plan, a mental health professional must make efforts to obtain approval from a person who is authorized to consent on the client's behalf within 30 days after the client's previous individual treatment plan expired. A license holder may not deny a client service during this time period solely because the license holder could not obtain the client's approval of the client's individual treatment plan. A license holder may continue to bill for the client's otherwise eligible services when the client re-engages in services.

Sec. 19. Minnesota Statutes 2022, section 245I.11, subdivision 3, is amended to read:

Subd. 3. **Storing and accounting for medications.** (a) If a license holder stores client medications, the license holder must:

(1) store client medications in original containers in a locked location;

(2) store refrigerated client medications in special trays or containers that are separate from food;

(3) store client medications marked "for external use only" in a compartment that is separate from other client medications;

(4) store Schedule II ~~to IV~~ drugs listed in section 152.02, ~~subdivisions~~ subdivision 3 to 5, in a compartment that is locked separately from other medications;

(5) ensure that only authorized staff persons have access to stored client medications;

(6) follow a documentation procedure ~~on each shift~~ to account for all ~~scheduled~~ Schedule II to V drugs listed in section 152.02, subdivisions 3 to 6; and

(7) record each incident when a staff person accepts a supply of client medications and destroy discontinued, outdated, or deteriorated client medications.

(b) If a license holder is licensed as a residential program, the license holder must allow clients who self-administer medications to keep a private medication supply. The license holder must ensure that the client stores all private medication in a locked container in the client's private living area, unless the private medication supply poses a health and safety risk to any clients. A client must not maintain a private medication supply of a prescription medication without a written medication order from a licensed prescriber and a prescription label that includes the client's name.

Sec. 20. Minnesota Statutes 2022, section 245I.11, subdivision 4, is amended to read:

Subd. 4. **Medication orders.** (a) If a license holder stores, prescribes, or administers medications or observes a client self-administer medications, the license holder must:

(1) ensure that a licensed prescriber writes all orders to accept, administer, or discontinue client medications;

(2) accept nonwritten orders to administer client medications in emergency circumstances only;

(3) establish a timeline and process for obtaining a written order with the licensed prescriber's signature when the license holder accepts a nonwritten order to administer client medications; and

~~(4) obtain prescription medication renewals from a licensed prescriber for each client every 90 days for psychotropic medications and annually for all other medications; and~~

~~(5)~~ (4) maintain the client's right to privacy and dignity.

(b) If a license holder employs a licensed prescriber, the license holder must inform the client about potential medication effects and side effects and obtain and document the client's informed consent before the licensed prescriber prescribes a medication.

Sec. 21. Minnesota Statutes 2022, section 245I.20, subdivision 5, is amended to read:

Subd. 5. **Treatment supervision specified.** ~~(a)~~ A mental health professional must remain responsible for each client's case. The certification holder must document the name of the mental health professional responsible for each case and the dates that the mental health professional is responsible for the client's case from beginning date to end date. The certification holder must assign each client's case for assessment, diagnosis, and treatment services to a treatment team member who is competent in the assigned clinical service, the recommended treatment strategy, and in treating the client's characteristics.

~~(b) Treatment supervision of mental health practitioners and clinical trainees required by section 245I.06 must include case reviews as described in this paragraph. Every two months, a mental health professional must complete and document a case review of each client assigned to the mental health professional when the client is receiving clinical services from a mental health practitioner or clinical trainee. The case review must include a consultation process that thoroughly examines the client's condition and treatment, including: (1) a review of the client's reason for seeking treatment, diagnoses and assessments, and the individual treatment plan; (2) a review of the appropriateness, duration, and outcome of treatment provided to the client; and (3) treatment recommendations.~~

Sec. 22. Minnesota Statutes 2022, section 245I.20, subdivision 6, is amended to read:

Subd. 6. **Additional policy and procedure requirements.** (a) In addition to the policies and procedures required by section 245I.03, the certification holder must establish, enforce, and maintain the policies and procedures required by this subdivision.

(b) The certification holder must have a clinical evaluation procedure to identify and document each treatment team member's areas of competence.

(c) The certification holder must have policies and procedures for client intake and case assignment that:

(1) outline the client intake process;

(2) describe how the mental health clinic determines the appropriateness of accepting a client into treatment by reviewing the client's condition and need for treatment, the clinical services that the mental health clinic offers to clients, and other available resources; and

(3) contain a process for assigning a client's case to a mental health professional who is responsible for the client's case and other treatment team members.

(d) Notwithstanding the requirements under section 245I.10, subdivisions 5 to 9, for the required elements of a diagnostic assessment and a treatment plan, psychiatry billed as evaluation and management services must be documented in accordance with the most recent current procedural terminology as published by the American Medical Association.

Sec. 23. Minnesota Statutes 2022, section 254B.02, subdivision 5, is amended to read:

Subd. 5. ~~**Administrative adjustment**~~ **Local agency allocation.** The commissioner may make payments to local agencies from money allocated under this section to support ~~administrative activities under sections 254B.03 and 254B.04~~ individuals with substance use disorders. The ~~administrative payment must not exceed the lesser of: (1) five percent of the first \$50,000, four percent of the next \$50,000, and three percent of the remaining payments for services from the special revenue account according to subdivision 1; or (2) be less than 133 percent of the local agency administrative payment for the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this chapter.~~

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

Sec. 24. Minnesota Statutes 2022, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5).

(d) A recovery community organization that meets certification requirements identified by the commissioner is an eligible vendor of peer support services.

(e) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

(f) Hospitals, federally qualified health centers, and rural health clinics are eligible vendors of a comprehensive assessment when the comprehensive assessment is completed according to section 245G.05 and by an individual who meets the criteria of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. Minnesota Statutes 2022, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) ~~Effective January 1, 2000,~~ Vendors of room and board are eligible for behavioral health fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) is determined to meet applicable health and safety requirements;

(3) is not a jail or prison;

(4) is not concurrently receiving funds under chapter 256I for the recipient;

- (5) admits individuals who are 18 years of age or older;
 - (6) is registered as a board and lodging or lodging establishment according to section 157.17;
 - (7) has awake staff on site 24 hours per day;
 - (8) has staff who are at least 18 years of age and meet the requirements of section 245G.11, subdivision 1, paragraph (b);
 - (9) has emergency behavioral procedures that meet the requirements of section 245G.16;
 - (10) meets the requirements of section 245G.08, subdivision 5, if administering medications to clients;
 - (11) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;
 - (12) documents coordination with the treatment provider to ensure compliance with section 254B.03, subdivision 2;
 - (13) protects client funds and ensures freedom from exploitation by meeting the provisions of section 245A.04, subdivision 13;
 - (14) has a grievance procedure that meets the requirements of section 245G.15, subdivision 2; and
 - (15) has sleeping and bathroom facilities for men and women separated by a door that is locked, has an alarm, or is supervised by awake staff.
- (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from paragraph (a), clauses (5) to (15).
- (c) Programs providing children's mental health crisis admissions and stabilization under section 245.4882, subdivision 6, are eligible vendors of room and board.
- (d) Programs providing children's residential services under section 245.4882, except services for individuals who have a placement under chapter 260C or 260D, are eligible vendors of room and board.
- ~~(e)~~ (e) Licensed programs providing intensive residential treatment services or residential crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

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

Sec. 26. Minnesota Statutes 2022, section 256.478, subdivision 1, is amended to read:

Subdivision 1. **Purpose and establishment.** (a) The commissioner shall establish the transition to community initiative to award grants to serve individuals who are not eligible for medical assistance or for whom goods, supports, and services not covered by medical assistance would allow them to:

(1) live in the least restrictive setting and as independently as possible;

(2) access services that support short- and long-term needs for developmental growth or individualized treatment needs;

~~(2)~~ (3) build or maintain relationships with family and friends; and

~~(3)~~ (4) participate in community life.

(b) Grantees must ensure that individuals are engaged in a process that involves person-centered planning and informed choice decision-making. The informed choice decision-making process must provide accessible written information and be experiential whenever possible, and must engage family members, legal guardians, or natural supports, as appropriate and whenever possible.

Sec. 27. Minnesota Statutes 2022, section 256.478, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** An individual is eligible for the transition to community initiative if the individual ~~does not meet eligibility criteria for the medical assistance program under section 256B.056 or 256B.057, but who~~ can demonstrate that current services are not capable of meeting individual treatment and service needs that can be met in the community with support, and the individual meets at least one of the following criteria:

(1) the person ~~otherwise~~ meets the criteria under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(2) the person has met treatment objectives and no longer requires a hospital-level care, residential-level care, or a secure treatment setting, but the person's discharge from the Anoka Metro Regional Treatment Center, the Minnesota Security Hospital Forensic Mental Health Program, the Child and Adolescent Behavioral Health Hospital program, a psychiatric residential treatment facility under section 256B.0941, intensive residential treatment services under section 256B.0622, children's residential services under section 245.4882, juvenile detention facility, county supervised building, or a community behavioral health hospital would be substantially delayed without additional resources available through the transitions to community initiative;

~~(3) the person is in a community hospital, but alternative community living options would be appropriate for the person, and the person has received approval from the commissioner; or~~

~~(4)(i)~~ (3) the person (i) is receiving customized living services reimbursed under section 256B.4914, 24-hour customized living services reimbursed under section 256B.4914, or community residential services reimbursed under section 256B.4914; (ii) ~~the person~~ expresses a desire to move; and (iii) ~~the person~~ has received approval from the commissioner; or

(4) the person can demonstrate that the person's needs are beyond the scope of current service designs and grant funding can support the inclusion of additional supports for the person to access appropriate treatment and services in the least restrictive environment.

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

Sec. 28. Minnesota Statutes 2022, section 256B.0622, subdivision 7b, is amended to read:

Subd. 7b. **Assertive community treatment program size and opportunities.** (a) Each ACT team shall maintain an annual average caseload that does not exceed 100 clients. Staff-to-client ratios shall be based on team size as follows:

(1) a small ACT team must:

(i) employ at least six but no more than seven full-time treatment team staff, excluding the program assistant and the psychiatric care provider;

(ii) serve an annual average maximum of no more than 50 clients;

(iii) ensure at least one full-time equivalent position for every eight clients served;

(iv) schedule ACT team staff ~~for at least eight-hour shift coverage~~ on weekdays and on-call duty to provide crisis services and deliver services after hours when staff are not working;

(v) provide crisis services during business hours if the small ACT team does not have sufficient staff numbers to operate an after-hours on-call system. During all other hours, the ACT team may arrange for coverage for crisis assessment and intervention services through a reliable crisis-intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis-intervention provider and the on-call ACT team staff are available to see clients face-to-face when necessary or if requested by the crisis-intervention services provider;

(vi) adjust schedules and provide staff to carry out the needed service activities in the evenings or on weekend days or holidays, when necessary;

(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team's psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing; and

(viii) be composed of, at minimum, one full-time team leader, at least 16 hours each week per 50 clients of psychiatric provider time, or equivalent if fewer clients, one full-time equivalent nursing, one full-time co-occurring disorder specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least one additional full-time ACT team member who has mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner status; and

(2) a midsize ACT team shall:

(i) be composed of, at minimum, one full-time team leader, at least 16 hours of psychiatry time for 51 clients, with an additional two hours for every six clients added to the team, 1.5 to two full-time equivalent nursing staff, one full-time co-occurring disorder specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least 1.5 to two additional full-time equivalent ACT members, with at least one dedicated full-time staff member with mental health professional status. Remaining team members may have mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner status;

(ii) employ seven or more treatment team full-time equivalents, excluding the program assistant and the psychiatric care provider;

(iii) serve an annual average maximum caseload of 51 to 74 clients;

(iv) ensure at least one full-time equivalent position for every nine clients served;

(v) schedule ACT team staff for a minimum of ten-hour shift coverage on weekdays and six-to eight-hour shift coverage on weekends and holidays. In addition to these minimum specifications, staff are regularly scheduled to provide the necessary services on a client-by-client basis in the evenings and on weekends and holidays;

(vi) schedule ACT team staff on-call duty to provide crisis services and deliver services when staff are not working;

(vii) have the authority to arrange for coverage for crisis assessment and intervention services through a reliable crisis-intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis-intervention provider and the on-call ACT team staff are available to see clients face-to-face when necessary or if requested by the crisis-intervention services provider; and

(viii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing;

(3) a large ACT team must:

(i) be composed of, at minimum, one full-time team leader, at least 32 hours each week per 100 clients, or equivalent of psychiatry time, three full-time equivalent nursing staff, one full-time co-occurring disorder specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least two additional full-time equivalent ACT team members, with at least one dedicated full-time staff member with mental health professional status. Remaining team members may have mental health professional or mental health practitioner status;

(ii) employ nine or more treatment team full-time equivalents, excluding the program assistant and psychiatric care provider;

(iii) serve an annual average maximum caseload of 75 to 100 clients;

(iv) ensure at least one full-time equivalent position for every nine individuals served;

(v) schedule staff to work two eight-hour shifts, with a minimum of two staff on the second shift providing services at least 12 hours per day weekdays. For weekends and holidays, the team must operate and schedule ACT team staff to work one eight-hour shift, with a minimum of two staff each weekend day and every holiday;

(vi) schedule ACT team staff on-call duty to provide crisis services and deliver services when staff are not working; and

(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team psychiatric care provider during all hours is not feasible, alternative psychiatric backup must be arranged and a mechanism of timely communication and coordination established in writing.

(b) An ACT team of any size may have a staff-to-client ratio that is lower than the requirements described in paragraph (a) upon approval by the commissioner, but may not exceed a one-to-ten staff-to-client ratio.

Sec. 29. Minnesota Statutes 2022, section 256B.0622, subdivision 7c, is amended to read:

Subd. 7c. Assertive community treatment program organization and communication requirements. (a) An ACT team shall provide at least 75 percent of all services in the community in non-office-based or non-facility-based settings.

(b) ACT team members must know all clients receiving services, and interventions must be carried out with consistency and follow empirically supported practice.

(c) Each ACT team client shall be assigned an individual treatment team that is determined by a variety of factors, including team members' expertise and skills, rapport, and other factors specific to the individual's preferences. The majority of clients shall see at least three ACT team members in a given month.

(d) The ACT team shall have the capacity to rapidly increase service intensity to a client when the client's status requires it, regardless of geography, and provide flexible service in an individualized manner, and see clients on average three times per week for at least 120 minutes per week at a frequency that meets the client's needs. Services must be available at times that meet client needs.

(e) ACT teams shall make deliberate efforts to assertively engage clients in services. Input of family members, natural supports, and previous and subsequent treatment providers is required in developing engagement strategies. ACT teams shall include the client, identified family, and other support persons in the admission, initial assessment, and planning process as primary stakeholders, meet with the client in the client's environment at times of the day and week that honor the client's preferences, and meet clients at home and in jails or prisons, streets, homeless shelters, or hospitals.

(f) ACT teams shall ensure that a process is in place for identifying individuals in need of more or less assertive engagement. Interventions are monitored to determine the success of these techniques and the need to adapt the techniques or approach accordingly.

(g) ACT teams shall conduct daily team meetings to systematically update clinically relevant information, briefly discuss the status of assertive community treatment clients over the past 24 hours, problem solve emerging issues, plan approaches to address and prevent crises, and plan the service contacts for the following 24-hour period or weekend. All team members scheduled to work shall attend this meeting.

(h) ACT teams shall maintain a clinical log that succinctly documents important clinical information and develop a daily team schedule for the day's contacts based on a central file of the clients' weekly or monthly schedules, which are derived from interventions specified within the

individual treatment plan. The team leader must have a record to ensure that all assigned contacts are completed.

Sec. 30. Minnesota Statutes 2022, section 256B.0623, subdivision 4, is amended to read:

Subd. 4. **Provider entity standards.** (a) The provider entity must be certified by the state following the certification process and procedures developed by the commissioner.

(b) The certification process is a determination as to whether the entity meets the standards in this section and chapter 245I, as required in section 245I.011, subdivision 5. The certification must specify which adult rehabilitative mental health services the entity is qualified to provide.

~~(c) A noncounty provider entity must obtain additional certification from each county in which it will provide services. The additional certification must be based on the adequacy of the entity's knowledge of that county's local health and human service system, and the ability of the entity to coordinate its services with the other services available in that county. A county-operated entity must obtain this additional certification from any other county in which it will provide services.~~

~~(c)~~ (c) State-level recertification must occur at least every three years.

~~(d)~~ (d) The commissioner may intervene at any time and decertify providers with cause. The decertification is subject to appeal to the state. A county board may recommend that the state decertify a provider for cause.

~~(e)~~ (e) The adult rehabilitative mental health services provider entity must meet the following standards:

(1) have capacity to recruit, hire, manage, and train qualified staff;

(2) have adequate administrative ability to ensure availability of services;

(3) ensure that staff are skilled in the delivery of the specific adult rehabilitative mental health services provided to the individual eligible recipient;

(4) ensure enough flexibility in service delivery to respond to the changing and intermittent care needs of a recipient as identified by the recipient and the individual treatment plan;

(5) assist the recipient in arranging needed crisis assessment, intervention, and stabilization services;

(6) ensure that services are coordinated with other recipient mental health services providers and the county mental health authority and the federally recognized American Indian authority and necessary others after obtaining the consent of the recipient. Services must also be coordinated with the recipient's case manager or care coordinator if the recipient is receiving case management or care coordination services;

(7) keep all necessary records required by law;

(8) deliver services as required by section 245.461;

(9) be an enrolled Medicaid provider; and

(10) maintain a quality assurance plan to determine specific service outcomes and the recipient's satisfaction with services.

Sec. 31. Minnesota Statutes 2022, section 256B.0624, subdivision 5, is amended to read:

Subd. 5. **Crisis assessment and intervention staff qualifications.** (a) Qualified individual staff of a qualified provider entity must provide crisis assessment and intervention services to a recipient. A staff member providing crisis assessment and intervention services to a recipient must be qualified as a:

- (1) mental health professional;
- (2) clinical trainee;
- (3) mental health practitioner;
- (4) mental health certified family peer specialist; or
- (5) mental health certified peer specialist.

(b) When crisis assessment and intervention services are provided to a recipient in the community, a mental health professional, clinical trainee, or mental health practitioner must lead the response.

(c) The 30 hours of ongoing training required by section 245I.05, subdivision 4, paragraph (b), must be specific to providing crisis services to children and adults and include training about evidence-based practices identified by the commissioner of health to reduce the recipient's risk of suicide and self-injurious behavior.

(d) At least six hours of the ongoing training under paragraph (c) must be specific to working with families and providing crisis stabilization services to children and include the following topics:

- (1) developmental tasks of childhood and adolescence;
- (2) family relationships;
- (3) child and youth engagement and motivation, including motivational interviewing;
- (4) culturally responsive care, including care for lesbian, gay, bisexual, transgender, and queer youth;
- (5) positive behavior support;
- (6) crisis intervention for youth with developmental disabilities;
- (7) child traumatic stress, trauma-informed care, and trauma-focused cognitive behavioral therapy; and
- (8) youth substance use.

~~(d)~~ (e) Team members must be experienced in crisis assessment, crisis intervention techniques, treatment engagement strategies, working with families, and clinical decision-making under emergency conditions and have knowledge of local services and resources.

Sec. 32. Minnesota Statutes 2022, section 256B.0624, subdivision 8, is amended to read:

Subd. 8. **Crisis stabilization staff qualifications.** (a) Mental health crisis stabilization services must be provided by qualified individual staff of a qualified provider entity. A staff member providing crisis stabilization services to a recipient must be qualified as a:

- (1) mental health professional;
- (2) certified rehabilitation specialist;
- (3) clinical trainee;
- (4) mental health practitioner;
- (5) mental health certified family peer specialist;
- (6) mental health certified peer specialist; or
- (7) mental health rehabilitation worker.

(b) The 30 hours of ongoing training required in section 245I.05, subdivision 4, paragraph (b), must be specific to providing crisis services to children and adults and include training about evidence-based practices identified by the commissioner of health to reduce a recipient's risk of suicide and self-injurious behavior.

(c) For providers who deliver care to children 21 years of age and younger, at least six hours of the ongoing training under this subdivision must be specific to working with families and providing crisis stabilization services to children and include the following topics:

- (1) developmental tasks of childhood and adolescence;
- (2) family relationships;
- (3) child and youth engagement and motivation, including motivational interviewing;
- (4) culturally responsive care, including care for lesbian, gay, bisexual, transgender, and queer youth;
- (5) positive behavior support;
- (6) crisis intervention for youth with developmental disabilities;
- (7) child traumatic stress, trauma-informed care, and trauma-focused cognitive behavioral therapy; and
- (8) youth substance use.

This paragraph does not apply to adult residential crisis stabilization service providers licensed according to section 245I.23.

Sec. 33. Minnesota Statutes 2022, section 256B.0757, subdivision 4c, is amended to read:

Subd. 4c. **Behavioral health home services staff qualifications.** (a) A behavioral health home services provider must maintain staff with required professional qualifications appropriate to the setting.

(b) If behavioral health home services are offered in a mental health setting, the integration specialist must be a ~~registered licensed nurse licensed under the Minnesota Nurse Practice Act, sections 148.171 to 148.285,~~ as defined in section 148.171, subdivision 9.

(c) If behavioral health home services are offered in a primary care setting, the integration specialist must be a mental health professional who is qualified according to section 245I.04, subdivision 2.

(d) If behavioral health home services are offered in either a primary care setting or mental health setting, the systems navigator must be a mental health practitioner who is qualified according to section 245I.04, subdivision 4, or a community health worker as defined in section 256B.0625, subdivision 49.

(e) If behavioral health home services are offered in either a primary care setting or mental health setting, the qualified health home specialist must be one of the following:

(1) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10;

(2) a mental health certified family peer specialist who is qualified according to section 245I.04, subdivision 12;

(3) a case management associate as defined in section 245.462, subdivision 4, paragraph (g), or 245.4871, subdivision 4, paragraph (j);

(4) a mental health rehabilitation worker who is qualified according to section 245I.04, subdivision 14;

(5) a community paramedic as defined in section 144E.28, subdivision 9;

(6) a peer recovery specialist as defined in section 245G.07, subdivision 1, clause (5); or

(7) a community health worker as defined in section 256B.0625, subdivision 49.

Sec. 34. Minnesota Statutes 2022, section 256B.0941, subdivision 2a, is amended to read:

Subd. 2a. **Sleeping hours.** During normal sleeping hours, a psychiatric residential treatment facility provider must provide at least one staff person for every six residents present within a living unit. A provider must adjust sleeping-hour staffing levels based on the clinical needs of the residents in the facility. Sleeping hours must include at least one staff trained and certified to provide emergency

medical response. During normal sleeping hours, a registered nurse must be available on call to assess a child's needs and must be available within 60 minutes.

Sec. 35. Minnesota Statutes 2022, section 256B.0941, is amended by adding a subdivision to read:

Subd. 2b. **Shared site.** Related services that have a bright-line separation from psychiatric residential treatment facility service operations may be delivered in the same facility, including under the same structural roof. In shared site settings, staff must provide services only to programs they are affiliated to through NETStudy 2.0.

Sec. 36. Minnesota Statutes 2022, section 256B.0941, is amended by adding a subdivision to read:

Subd. 5. **Start-up and capacity-building grants.** (a) The commissioner shall establish start-up and capacity-building grants for psychiatric residential treatment facility sites. Start-up grants to prospective psychiatric residential treatment facility sites may be used for:

(1) administrative expenses;

(2) consulting services;

(3) Health Insurance Portability and Accountability Act of 1996 compliance;

(4) therapeutic resources, including evidence-based, culturally appropriate curriculums and training programs for staff and clients;

(5) allowable physical renovations to the property; and

(6) emergency workforce shortage uses, as determined by the commissioner.

(b) Start-up and capacity-building grants to prospective and current psychiatric residential treatment facilities may be used to support providers who treat and accept individuals with complex support needs, including but not limited to:

(1) neurocognitive disorders;

(2) co-occurring intellectual developmental disabilities;

(3) schizophrenia spectrum disorders;

(4) manifested or labeled aggressive behaviors; and

(5) manifested sexually inappropriate behaviors.

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

Sec. 37. Minnesota Statutes 2022, section 256B.0946, subdivision 4, is amended to read:

Subd. 4. **Service delivery payment requirements.** (a) To be eligible for payment under this section, a provider must develop and practice written policies and procedures for children's intensive

behavioral health services, consistent with subdivision 1, paragraph (b), and comply with the following requirements in paragraphs (b) to (n).

(b) Each previous and current mental health, school, and physical health treatment provider must be contacted to request documentation of treatment and assessments that the eligible client has received. This information must be reviewed and incorporated into the standard diagnostic assessment and team consultation and treatment planning review process.

(c) Each client receiving treatment must be assessed for a trauma history, and the client's treatment plan must document how the results of the assessment will be incorporated into treatment.

(d) The level of care assessment as defined in section 245I.02, subdivision 19, and functional assessment as defined in section 245I.02, subdivision 17, must be updated at least every ~~90~~ 180 days or prior to discharge from the service, whichever comes first.

(e) Each client receiving treatment services must have an individual treatment plan that is reviewed, evaluated, and approved every ~~90~~ 180 days using the team consultation and treatment planning process.

(f) Clinical care consultation must be provided in accordance with the client's individual treatment plan.

(g) Each client must have a crisis plan within ten days of initiating services and must have access to clinical phone support 24 hours per day, seven days per week, during the course of treatment. The crisis plan must demonstrate coordination with the local or regional mobile crisis intervention team.

(h) Services must be delivered and documented at least three days per week, equaling at least six hours of treatment per week. If the mental health professional, client, and family agree, service units may be temporarily reduced for a period of no more than 60 days in order to meet the needs of the client and family, or as part of transition or on a discharge plan to another service or level of care. The reasons for service reduction must be identified, documented, and included in the treatment plan. Billing and payment are prohibited for days on which no services are delivered and documented.

(i) Location of service delivery must be in the client's home, day care setting, school, or other community-based setting that is specified on the client's individualized treatment plan.

(j) Treatment must be developmentally and culturally appropriate for the client.

(k) Services must be delivered in continual collaboration and consultation with the client's medical providers and, in particular, with prescribers of psychotropic medications, including those prescribed on an off-label basis. Members of the service team must be aware of the medication regimen and potential side effects.

(l) Parents, siblings, foster parents, legal guardians, and members of the child's permanency plan must be involved in treatment and service delivery unless otherwise noted in the treatment plan.

(m) Transition planning for the child must be conducted starting with the first treatment plan and must be addressed throughout treatment to support the child's permanency plan and postdischarge mental health service needs.

(n) In order for a provider to receive the daily per-client encounter rate, at least one of the services listed in subdivision 1, paragraph (b), clauses (1) to (3), must be provided. The services listed in subdivision 1, paragraph (b), clauses (4) and (5), may be included as part of the daily per-client encounter rate.

Sec. 38. DIRECTION TO COMMISSIONER; CHANGES TO RESIDENTIAL ADULT MENTAL HEALTH PROGRAM LICENSING REQUIREMENTS.

(a) The commissioner of human services must consult with stakeholders to determine the changes to residential adult mental health program licensing requirements in Minnesota Rules, parts 9520.0500 to 9520.0670, necessary to:

(1) update requirements for category I programs to align with current mental health practices, client rights for similar services, and health and safety needs of clients receiving services;

(2) remove category II classification and requirements; and

(3) add licensing requirements to the rule for the Forensic Mental Health Program.

(b) The commissioner must use existing authority in Minnesota Statutes, chapter 245A, to amend Minnesota Rules, parts 9520.0500 to 9520.0670, based on the stakeholder consultation in paragraph (a) and additional changes as determined by the commissioner.

Sec. 39. LOCAL AGENCY SUBSTANCE USE DISORDER ALLOCATION.

The commissioner of human services shall evaluate the ongoing need for local agency substance use disorder allocations under Minnesota Statutes, section 254B.02. The evaluation must include recommendations on whether local agency allocations should continue, and if so, must recommend what the purpose of the allocations should be and propose an updated allocation methodology that aligns with the purpose and person-centered outcomes for people experiencing substance use disorders and behavioral health conditions. The commissioner may contract with a vendor to support this evaluation through research and actuarial analysis.

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

Sec. 40. RATE INCREASE FOR MENTAL HEALTH ADULT DAY TREATMENT.

The commissioner of human services must increase the reimbursement rate for adult day treatment under Minnesota Statutes, section 256B.0671, subdivision 3, by 50 percent over the reimbursement rate in effect as of June 30, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 41. ROOM AND BOARD COSTS IN CHILDREN'S RESIDENTIAL FACILITIES.

The commissioner of human services must update the behavioral health fund room and board rate schedule to include services provided under Minnesota Statutes, section 245.4882, for individuals who do not have a placement under Minnesota Statutes, chapter 260C or 260D. The commissioner must establish room and board rates commensurate with current room and board rates for adolescent programs licensed under Minnesota Statutes, section 245G.18.

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

Sec. 42. **SCHOOL-LINKED BEHAVIORAL HEALTH GRANT CONTRACT DATES.**

(a) The commissioner of human services shall ensure that contracts executed during fiscal year 2024 with school-linked behavioral health grantees have a start date retroactive to July 1, 2023, to provide consistency in services and payments for services. Any such contracts executed after July 1, 2023, and any payments made subject to such contracts shall not be considered to violate Minnesota Statutes, section 16A.15, 16B.98, or 16C.05.

(b) This section expires on July 1, 2024.

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

ARTICLE 10

ECONOMIC ASSISTANCE

Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 3, is amended to read:

Subd. 3. **Application.** "Application" means the submission to a county agency, by or on behalf of a family, of a completed, signed, and dated:

(1) child care assistance universal application form; or

(2) child care addendum form in combination with a combined application form for MFIP; ~~DWP~~; or Supplemental Nutrition Assistance Program (SNAP) benefits.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 2. Minnesota Statutes 2022, section 119B.011, subdivision 15, is amended to read:

Subd. 15. **Income.** "Income" means earned income as defined under section 256P.01, subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public assistance cash benefits, including the Minnesota family investment program, ~~diversionary work program~~, work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance, at-home infant child care subsidy payments, and child support and maintenance distributed to the family under section 256.741, subdivision 2a.

The following are deducted from income: funds used to pay for health insurance premiums for family members, and child or spousal support paid to or on behalf of a person or persons who live outside of the household. Income sources not included in this subdivision and section 256P.06, subdivision 3, are not counted as income.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 3. Minnesota Statutes 2022, section 119B.02, subdivision 4, is amended to read:

Subd. 4. **Universal application form.** The commissioner must develop and make available to all counties a universal application form for child care assistance under this chapter. The commissioner may develop and make available to all counties a child care addendum form to be used to supplement the combined application form for MFIP, ~~DWP~~, or Supplemental Nutrition Assistance Program (SNAP) benefits or to supplement other statewide application forms for public assistance programs for families applying for one of these programs in addition to child care assistance. The application must provide notice of eligibility requirements for assistance and penalties for wrongfully obtaining assistance.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 4. Minnesota Statutes 2022, section 119B.025, subdivision 4, is amended to read:

Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility factors according to paragraphs (b) to (g).

(b) A family is subject to the reporting requirements in section 256P.07, subdivision 6.

(c) If a family reports a change or a change is known to the agency before the family's regularly scheduled redetermination, the county must act on the change. The commissioner shall establish standards for verifying a change.

(d) A change in income occurs on the day the participant received the first payment reflecting the change in income.

(e) During a family's 12-month eligibility period, if the family's income increases and remains at or below 85 percent of the state median income, adjusted for family size, there is no change to the family's eligibility. The county shall not request verification of the change. The co-payment fee shall not increase during the remaining portion of the family's 12-month eligibility period.

(f) During a family's 12-month eligibility period, if the family's income increases and exceeds 85 percent of the state median income, adjusted for family size, the family is not eligible for child care assistance. The family must be given 15 calendar days to provide verification of the change. If the required verification is not returned or confirms ineligibility, the family's eligibility ends following a subsequent 15-day adverse action notice.

(g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170, subpart 1, if an applicant or participant reports that employment ended, the agency may accept a signed statement from the applicant or participant as verification that employment ended.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 5. Minnesota Statutes 2022, section 119B.03, subdivision 3, is amended to read:

Subd. 3. **Eligible participants.** Families that meet the eligibility requirements under sections 119B.09 and 119B.10, except MFIP participants, ~~diversionary work program~~, and transition year

families are eligible for child care assistance under the basic sliding fee program. Families enrolled in the basic sliding fee program shall be continued until they are no longer eligible. Child care assistance provided through the child care fund is considered assistance to the parent.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 6. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

Subd. 4a. **Temporary reprioritization.** (a) Notwithstanding subdivision 4, priority for child care assistance under the basic sliding fee assistance program shall be determined according to this subdivision beginning July 1, 2021, through May 31, 2024.

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

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 7. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

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

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

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

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

~~(4)~~ (3) MFIP families who are participating in work job search, job support, employment, or training activities as required in their employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J;

~~(5)~~ (4) MFIP families who are participating in social services activities under chapter 256J as required in their employment plan approved according to chapter 256J;

~~(6)~~ (5) families who are participating in services or activities that are included in an approved family stabilization plan under section 256J.575;

~~(7)~~ (6) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2;

~~(8)~~ (7) families who are participating in the transition year extension under section 119B.011, subdivision 20a;

~~(9)~~ (8) student parents as defined under section 119B.011, subdivision 19b; and

~~(10)~~ (9) student parents who turn 21 years of age and who continue to meet the other requirements under section 119B.011, subdivision 19b. A student parent continues to be eligible until the student parent is approved for basic sliding fee child care assistance or until the student parent's redetermination, whichever comes first. At the student parent's redetermination, if the student parent was not approved for basic sliding fee child care assistance, a student parent's eligibility ends following a 15-day adverse action notice.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 8. Minnesota Statutes 2022, section 119B.09, subdivision 7, is amended to read:

Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child care assistance under this chapter is the later of the date the application was received by the county; the beginning date of employment, education, or training; the date the infant is born for applicants to the at-home infant care program; or the date a determination has been made that the applicant is a participant in employment and training services under Minnesota Rules, part 3400.0080, or chapter 256J.

(b) Payment ceases for a family under the at-home infant child care program when a family has used a total of 12 months of assistance as specified under section 119B.035. Payment of child care assistance for employed persons on MFIP is effective the date of employment or the date of MFIP eligibility, whichever is later. Payment of child care assistance for MFIP ~~or DWP~~ participants in employment and training services is effective the date of commencement of the services or the date of MFIP ~~or DWP~~ eligibility, whichever is later. Payment of child care assistance for transition year child care must be made retroactive to the date of eligibility for transition year child care.

(c) Notwithstanding paragraph (b), payment of child care assistance for participants eligible under section 119B.05 may only be made retroactive for a maximum of three months from the date of application for child care assistance.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 9. Minnesota Statutes 2022, section 119B.095, subdivision 2, is amended to read:

Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota Rules, chapter 3400, the amount of child care authorized under section 119B.10 for employment, education, or an MFIP ~~or DWP~~ employment plan shall continue at the same number of hours or more hours until redetermination, including:

(1) when the other parent moves in and is employed or has an education plan under section 119B.10, subdivision 3, or has an MFIP ~~or DWP~~ employment plan; or

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

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

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

(1) the child's school schedule;

(2) the custody schedule; or

(3) the provider's availability.

(d) The amount of child care authorized for a family subject to subdivision 1, paragraph (b), must change when the participant's activity schedule changes. Paragraph (a) does not apply to a family subject to subdivision 1, paragraph (b).

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

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 10. Minnesota Statutes 2022, section 119B.095, subdivision 3, is amended to read:

Subd. 3. **Assistance for persons who are homeless.** An applicant who is homeless and eligible for child care assistance is exempt from the activity participation requirements under this chapter for three months. The applicant under this subdivision is eligible for 60 hours of child care assistance per service period for three months from the date the county receives the application. Additional hours may be authorized as needed based on the applicant's participation in employment, education, or MFIP ~~or DWP~~ employment plan. To continue receiving child care assistance after the initial three

months, the applicant must verify that the applicant meets eligibility and activity requirements for child care assistance under this chapter.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 11. Minnesota Statutes 2022, section 119B.10, subdivision 1, is amended to read:

Subdivision 1. **Assistance for persons seeking and retaining employment.** (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive up to 240 hours of child care assistance per calendar year.

(b) At application and redetermination, employed persons who work at least an average of 20 hours and full-time students who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for child care assistance for employment. For purposes of this section, work-study programs must be counted as employment. An employed person with an MFIP ~~or DWP~~ employment plan shall receive child care assistance as specified in the person's employment plan. Child care assistance during employment must be authorized as provided in paragraphs (c) and (d).

(c) When the person works for an hourly wage and the hourly wage is equal to or greater than the applicable minimum wage, child care assistance shall be provided for the hours of employment, break, and mealtime during the employment and travel time up to two hours per day.

(d) When the person does not work for an hourly wage, child care assistance must be provided for the lesser of:

(1) the amount of child care determined by dividing gross earned income by the applicable minimum wage, up to one hour every eight hours for meals and break time, plus up to two hours per day for travel time; or

(2) the amount of child care equal to the actual amount of child care used during employment, including break and mealtime during employment, and travel time up to two hours per day.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 12. Minnesota Statutes 2022, section 119B.10, subdivision 3, is amended to read:

Subd. 3. **Assistance for persons attending an approved education or training program.** (a) Money for an eligible person according to sections 119B.03, subdivision 3, and 119B.05, subdivision 1, shall be used to reduce child care costs for a student. The county shall not limit the duration of child care subsidies for a person in an employment or educational program unless the person is ineligible for child care funds. Any other limitation must be based on county policies included in the approved child care fund plan.

(b) To be eligible, the student must be in good standing and be making satisfactory progress toward the degree. The maximum length of time a student is eligible for child care assistance under the child care fund for education and training is no more than the time necessary to complete the credit requirements for an associate's or baccalaureate degree as determined by the educational institution. Time limitations for child care assistance do not apply to basic or remedial educational

programs needed for postsecondary education or employment. Basic or remedial educational programs include high school, commissioner of education-selected high school equivalency, and English as a second language programs. A program exempt from this time limit must not run concurrently with a postsecondary program.

(c) If a student meets the conditions of paragraphs (a) and (b), child care assistance must be authorized for all hours of class time and credit hours, including independent study and internships, and up to two hours of travel time per day. A postsecondary student shall receive four hours of child care assistance per credit hour for study time and academic appointments per service period.

(d) For an MFIP ~~or DWP~~ participant, child care assistance must be authorized according to the person's approved employment plan. If an MFIP ~~or DWP~~ participant receiving MFIP ~~or DWP~~ child care assistance under this chapter moves to another county, continues to participate in an authorized educational or training program, and remains eligible for MFIP ~~or DWP~~ child care assistance, the participant must receive continued child care assistance from the county responsible for the person's current employment plan under section 256G.07.

(e) If a person with an approved education program under section 119B.03, subdivision 3, or 119B.05, subdivision 1, begins receiving MFIP ~~or DWP~~ assistance, the person continues to receive child care assistance for the approved education program until the person's education is included in an approved MFIP ~~or DWP~~ employment plan or until redetermination, whichever occurs first.

(f) If a person's MFIP ~~or DWP~~ assistance ends and the approved MFIP ~~or DWP~~ employment plan included education, the person continues to be eligible for child care assistance for education under transition year child care assistance until the person's education is included in an approved education plan or until redetermination.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 13. Minnesota Statutes 2022, section 119B.105, subdivision 2, is amended to read:

Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three months of extended eligibility and redetermination is not due, to continue receiving child care assistance the participant must be employed or have an education plan that meets the requirements of section 119B.10, subdivision 3, or have an MFIP ~~or DWP~~ employment plan. If child care assistance continues, the amount of child care authorized shall continue at the same number or more hours until redetermination, unless a condition in section 119B.095, subdivision 2, paragraph (c), applies. A family subject to section 119B.095, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.

(b) If the family's redetermination occurs before the end of the three-month extended eligibility period to continue receiving child care assistance, the participant must verify that the participant meets eligibility and activity requirements for child care assistance under this chapter. If child care assistance continues, the amount of child care authorized is based on section 119B.10. A family subject to section 119B.095, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 14. Minnesota Statutes 2022, section 168B.07, subdivision 3, is amended to read:

Subd. 3. **Retrieval of contents.** (a) For purposes of this subdivision:

(1) "contents" does not include any permanently affixed mechanical or nonmechanical automobile parts; automobile body parts; or automobile accessories, including audio or video players; and

(2) "relief based on need" includes, but is not limited to, receipt of MFIP ~~and Diversionary Work Program~~, medical assistance, general assistance, emergency general assistance, Minnesota supplemental aid, MSA-emergency assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance Program (SNAP) benefits, earned income tax credit, or Minnesota working family tax credit.

(b) A unit of government or impound lot operator shall establish reasonable procedures for retrieval of vehicle contents, and may establish reasonable procedures to protect the safety and security of the impound lot and its personnel.

(c) At any time before the expiration of the waiting periods provided in section 168B.051, a registered owner who provides documentation from a government or nonprofit agency or legal aid office that the registered owner is homeless, receives relief based on need, or is eligible for legal aid services, has the unencumbered right to retrieve any and all contents without charge and regardless of whether the registered owner pays incurred charges or fees, transfers title, or reclaims the vehicle.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 15. Minnesota Statutes 2022, section 256.046, subdivision 1, is amended to read:

Subdivision 1. **Hearing authority.** A local agency must initiate an administrative fraud disqualification hearing for individuals accused of wrongfully obtaining assistance or intentional program violations, in lieu of a criminal action when it has not been pursued, in the Minnesota family investment program and any affiliated program to include ~~the diversionary work program~~ and the work participation cash benefit program, child care assistance programs, general assistance, family general assistance program formerly codified in section 256D.05, subdivision 1, clause (15), Minnesota supplemental aid, the Supplemental Nutrition Assistance Program (SNAP), MinnesotaCare for adults without children, and upon federal approval, all categories of medical assistance and remaining categories of MinnesotaCare except for children through age 18. The Department of Human Services, in lieu of a local agency, may initiate an administrative fraud disqualification hearing when the state agency is directly responsible for administration or investigation of the program for which benefits were wrongfully obtained. The hearing is subject to the requirements of sections 256.045 and 256.0451 and the requirements in Code of Federal Regulations, title 7, section 273.16.

EFFECTIVE DATE. This section is effective March 1, 2026, and applies to acts of wrongfully obtaining assistance and intentional program violations that occur on or after that date.

Sec. 16. Minnesota Statutes 2022, section 256.98, subdivision 8, is amended to read:

Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of wrongfully obtaining assistance by a federal or state court or by an administrative hearing determination, or

waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065, or any court-ordered stay which carries with it any probationary or other conditions, in the Minnesota family investment program and any affiliated program to include ~~the diversionary work program~~ and the work participation cash benefit program, the Supplemental Nutrition Assistance Program (SNAP), the general assistance program, housing support under chapter 256I, or the Minnesota supplemental aid program shall be disqualified from that program. In addition, any person disqualified from the Minnesota family investment program shall also be disqualified from SNAP. The needs of that individual shall not be taken into consideration in determining the grant level for that assistance unit:

- (1) for one year after the first offense;
- (2) for two years after the second offense; and
- (3) permanently after the third or subsequent offense.

The period of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility of postponement for administrative stay or administrative hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved. A disqualification established through hearing or waiver shall result in the disqualification period beginning immediately unless the person has become otherwise ineligible for assistance. If the person is ineligible for assistance, the disqualification period begins when the person again meets the eligibility criteria of the program from which they were disqualified and makes application for that program.

(b) A family receiving assistance through child care assistance programs under chapter 119B with a family member who is found to be guilty of wrongfully obtaining child care assistance by a federal court, state court, or an administrative hearing determination or waiver, through a disqualification consent agreement, as part of an approved diversion plan under section 401.065, or a court-ordered stay with probationary or other conditions, is disqualified from child care assistance programs. The disqualifications must be for periods of one year and two years for the first and second offenses, respectively. Subsequent violations must result in permanent disqualification. During the disqualification period, disqualification from any child care program must extend to all child care programs and must be immediately applied.

(c) A provider caring for children receiving assistance through child care assistance programs under chapter 119B is disqualified from receiving payment for child care services from the child care assistance program under chapter 119B when the provider is found to have wrongfully obtained child care assistance by a federal court, state court, or an administrative hearing determination or waiver under section 256.046, through a disqualification consent agreement, as part of an approved diversion plan under section 401.065, or a court-ordered stay with probationary or other conditions. The disqualification must be for a period of three years for the first offense. Any subsequent violation must result in permanent disqualification. The disqualification period must be imposed immediately after a determination is made under this paragraph. During the disqualification period, the provider is disqualified from receiving payment from any child care program under chapter 119B.

(d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults without children and upon federal approval, all categories of medical assistance and remaining categories of MinnesotaCare, except for children through age 18, by a federal or state court or by an administrative hearing determination, or waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065, or any court-ordered stay which carries with it any probationary or other conditions, is disqualified from that program. The period of disqualification is one year after the first offense, two years after the second offense, and permanently after the third or subsequent offense. The period of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility of postponement for administrative stay or administrative hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved.

EFFECTIVE DATE. This section is effective March 1, 2026, and applies to acts of wrongfully obtaining assistance that occur on or after that date.

Sec. 17. Minnesota Statutes 2022, section 256.987, subdivision 4, is amended to read:

Subd. 4. **Disqualification.** (a) Any person found to be guilty of purchasing tobacco products or alcoholic beverages with their EBT debit card by a federal or state court or by an administrative hearing determination, or waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065, or any court-ordered stay which carries with it any probationary or other conditions, in the: (1) Minnesota family investment program and any affiliated program to include ~~the diversionary work program and~~ the work participation cash benefit program under chapter 256J; (2) general assistance program under chapter 256D; or (3) Minnesota supplemental aid program under chapter 256D, shall be disqualified from all of the listed programs.

(b) The needs of the disqualified individual shall not be taken into consideration in determining the grant level for that assistance unit: (1) for one year after the first offense; (2) for two years after the second offense; and (3) permanently after the third or subsequent offense.

(c) The period of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility for postponement for administrative stay or administrative hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review.

EFFECTIVE DATE. This section is effective March 1, 2026, and applies to purchases made on or after that date.

Sec. 18. Minnesota Statutes 2022, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is to provide for single adults, childless couples, or children as defined in section 256D.02, subdivision 6, ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) ~~The commissioner shall set the standard of assistance for an assistance unit consisting of an adult a recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian, or consisting of a childless couple, is \$350 per month effective October 1, 2024, and must be adjusted by a percentage equal to the change in the consumer price index as of January 1 every year, beginning October 1, 2025. When the other standards specified in this subdivision increase, this standard must also be increased by the same percentage.~~

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is ~~the amount that the aid to families with dependent children standard of assistance, in effect on July 16, 1996, would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, except that the standard may not exceed the standard for a general assistance recipient living alone \$350 per month effective October 1, 2023, and must be adjusted by a percentage equal to the change in the consumer price index as of January 1 every year, beginning October 1, 2025.~~ Benefits received by a responsible relative of the assistance unit under the Supplemental Security Income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the Social Security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods must follow the provisions under section 256P.06.

~~(d) For an assistance unit consisting of a childless couple, the standards of assistance are the same as the first and second adult standards of the aid to families with dependent children program in effect on July 16, 1996. If one member of the couple is not included in the general assistance grant, the standard of assistance for the other is the second adult standard of the aid to families with dependent children program as of July 16, 1996.~~

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

Sec. 19. Minnesota Statutes 2022, section 256D.024, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) ~~If An applicant or recipient individual who has been convicted of a felony-level drug offense after July 1, 1997, the assistance unit is ineligible for benefits under this chapter until five years after the applicant has completed terms of the court ordered sentence, unless the person is participating in a drug treatment program, has successfully completed a drug treatment program, or has been assessed by the county and determined not to be in need of a drug treatment program. Persons subject to the limitations of this subdivision who become eligible for assistance under this chapter shall during the previous ten years from the date of application or recertification may be subject to random drug testing as a condition of continued eligibility and shall lose eligibility for benefits for five years beginning the month following. The~~

county must provide information about substance use disorder treatment programs to a person who tests positive for an illegal controlled substance.

~~(1) Any positive test result for an illegal controlled substance; or~~

~~(2) discharge of sentence after conviction for another drug felony.~~

(b) For the purposes of this subdivision, "drug offense" means a conviction that occurred ~~after July 1, 1997,~~ during the previous ten years from the date of application or recertification of sections 152.021 to 152.025, 152.0261, 152.0262, or 152.096. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense conviction occurred after July 1, 1997, during the previous ten years from the date of application or recertification and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor.

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

Sec. 20. Minnesota Statutes 2022, section 256D.03, is amended by adding a subdivision to read:

Subd. 2b. **Budgeting and reporting.** Every county agency shall determine eligibility and calculate benefit amounts for general assistance according to chapter 256P.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 21. Minnesota Statutes 2022, section 256D.06, subdivision 5, is amended to read:

Subd. 5. **Eligibility; requirements.** (a) Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall (1) make application for those benefits within ~~30~~ 90 days of the general assistance application; and (2) execute an interim assistance agreement on a form as directed by the commissioner.

(b) The commissioner shall review a denial of an application for other maintenance benefits and may require a recipient of general assistance to file an appeal of the denial if appropriate. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the county agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period.

(c) The commissioner may contract with the county agencies, qualified agencies, organizations, or persons to provide advocacy and support services to process claims for federal disability benefits for applicants or recipients of services or benefits supervised by the commissioner using money retained under this section.

(d) The commissioner may provide methods by which county agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for people with a disability.

(e) The total amount of interim assistance recoveries retained under this section for advocacy, support, and claim processing services shall not exceed 35 percent of the interim assistance recoveries in the prior fiscal year.

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

Sec. 22. Minnesota Statutes 2022, section 256D.44, subdivision 5, is amended to read:

Subd. 5. **Special needs.** (a) In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a setting authorized to receive housing support payments under chapter 256I.

(b) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician, advanced practice registered nurse, or physician assistant. Costs for special diets shall be determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and the percentages of the thrifty food plan that are covered are as follows:

- (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;
- (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of thrifty food plan;
- (3) controlled protein diet, less than 40 grams and requires special products, 125 percent of thrifty food plan;
- (4) low cholesterol diet, 25 percent of thrifty food plan;
- (5) high residue diet, 20 percent of thrifty food plan;
- (6) pregnancy and lactation diet, 35 percent of thrifty food plan;
- (7) gluten-free diet, 25 percent of thrifty food plan;
- (8) lactose-free diet, 25 percent of thrifty food plan;
- (9) antidumping diet, 15 percent of thrifty food plan;
- (10) hypoglycemic diet, 15 percent of thrifty food plan; or
- (11) ketogenic diet, 25 percent of thrifty food plan.

(c) Payment for nonrecurring special needs must be allowed for necessary home repairs or necessary repairs or replacement of household furniture and appliances using the payment standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as other funding sources are not available.

(d) A fee for guardian or conservator service is allowed at a reasonable rate negotiated by the county or approved by the court. This rate shall not exceed five percent of the assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(e) The county agency shall continue to pay a monthly allowance of \$68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(f) ~~A fee of ten percent of the recipient's gross income or \$25, whichever is less, equal to the maximum monthly amount allowed by the Social Security Administration is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.~~

(g)(1) Notwithstanding the language in this subdivision, an amount equal to one-half of the maximum federal Supplemental Security Income payment amount for a single individual which is in effect on the first day of July of each year will be added to the standards of assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as in need of housing assistance and are:

(i) relocating from an institution, a setting authorized to receive housing support under chapter 256I, or an adult mental health residential treatment program under section 256B.0622;

(ii) eligible for personal care assistance under section 256B.0659; or

(iii) home and community-based waiver recipients living in their own home or rented or leased apartment.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Housing assistance" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered in need of housing assistance for purposes of this paragraph.

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

Sec. 23. Minnesota Statutes 2022, section 256D.63, subdivision 2, is amended to read:

Subd. 2. **SNAP reporting requirements.** The commissioner of human services shall implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP benefit recipient households required to report periodically shall not be required to report more often than one time every six months. ~~This provision shall not apply to households receiving food benefits under the Minnesota family investment program waiver.~~

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 24. [256D.65] SUPPLEMENTAL NUTRITION ASSISTANCE OUTREACH PROGRAM.

Subdivision 1. SNAP outreach program. The commissioner of human services shall implement a Supplemental Nutrition Assistance Program (SNAP) outreach program to inform low-income households about the availability, eligibility requirements, application procedures, and benefits of SNAP that meets the requirements of the United States Department of Agriculture.

Subd. 2. Duties of commissioner. In addition to any other duties imposed by federal law, the commissioner shall:

(1) supervise the administration of the SNAP outreach program according to guidance provided by the United States Department of Agriculture;

(2) submit the SNAP outreach plan and budget to the United States Department of Agriculture;

(3) accept any funds provided by the federal government or other sources for SNAP outreach;

(4) administer the request-for-proposals process and establish contracts with grantees to ensure SNAP outreach services are available to inform low-income households statewide;

(5) approve budgets from grantees to ensure that activities are eligible for federal reimbursement;

(6) monitor grantees, review invoices, and reimburse grantees for allowable costs that are eligible for federal reimbursement;

(7) provide technical assistance to grantees to ensure that projects support SNAP outreach goals and project costs are eligible for federal reimbursement;

(8) work in partnership with counties, Tribal Nations, and community organizations to enhance the reach and services of a statewide SNAP outreach program; and

(9) identify and leverage eligible nonfederal funds to earn federal reimbursement for SNAP outreach.

Subd. 3. Program funding. (a) Grantees must submit allowable costs for approved SNAP outreach activities to the commissioner in order to receive federal reimbursement.

(b) The commissioner shall disburse federal reimbursement funds for allowable costs for approved SNAP outreach activities to the state agency or grantee that incurred the costs being reimbursed.

Sec. 25. Minnesota Statutes 2022, section 256E.34, subdivision 4, is amended to read:

Subd. 4. Use of money. At least 96 percent of the money distributed to Hunger Solutions under this section must be distributed to food shelf programs to purchase, transport, and coordinate the distribution of nutritious food to needy individuals and families. The money distributed to food shelf programs may also be used to purchase personal hygiene products, including but not limited to

diapers and toilet paper. No more than four percent of the money may be expended for other expenses, such as rent, salaries, and other administrative expenses of Hunger Solutions.

Sec. 26. **[256E.342] AMERICAN INDIAN FOOD SOVEREIGNTY FUNDING PROGRAM.**

Subdivision 1. **Establishment.** The American Indian food sovereignty funding program is established to improve access and equity to food security programs within Tribal and American Indian communities. The program shall assist Tribal Nations and American Indian communities in achieving self-determination and improve collaboration and partnership building between American Indian communities and the state. The commissioner of human services shall administer the program and provide outreach, technical assistance, and program development support to increase food security for American Indians.

Subd. 2. **Distribution of funding.** (a) The commissioner shall provide funding to support food system changes and provide equitable access to existing and new methods of food support for American Indian communities. The commissioner shall determine the timing and form of the application for the program.

(b) Eligible recipients of funding under this section include:

(1) federally recognized American Indian Tribes or bands in Minnesota as defined in section 10.65; or

(2) nonprofit organizations or fiscal sponsors with a majority American Indian board of directors.

(c) Funding for American Indian Tribes or Bands must be allocated by a formula determined by the commissioner. Funding for nonprofit organizations or fiscal sponsors must be awarded through a competitive grant process.

Subd. 3. **Allowable uses of money.** Recipients shall use money provided under this section to promote food security for American Indian communities by:

(1) planning for sustainable food systems;

(2) implementing food security programs, including but not limited to technology to facilitate no-contact or low-contact food distribution and outreach models;

(3) providing culturally relevant training for building food access;

(4) purchasing, producing, processing, transporting, storing, and coordinating the distribution of food, including culturally relevant food; and

(5) purchasing seeds, plants, equipment, or materials to preserve, procure, or grow food.

Subd. 4. **Reporting.** Recipients shall report on the use of American Indian food sovereignty funding program money under this section to the commissioner.

The commissioner shall determine the timing and form required for the reports.

Sec. 27. Minnesota Statutes 2022, section 256E.35, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Minnesota family assets for independence initiative is established to provide incentives for low-income families to accrue assets for education, housing, vehicles, emergencies, and economic development purposes.

Sec. 28. Minnesota Statutes 2022, section 256E.35, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible educational institution" means the following:

(1) an institution of higher education described in section 101 or 102 of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the extent section 2302 is in effect on August 1, 2008.

(c) "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

(d) "Fiduciary organization" means:

(1) a community action agency that has obtained recognition under section 256E.31;

(2) a federal community development credit union ~~servicing the seven-county metropolitan area;~~
or

(3) a women-oriented economic development agency ~~servicing the seven-county metropolitan area;~~

(4) a federally recognized Tribal Nation; or

(5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code.

(e) "Financial coach" means a person who:

(1) has completed an intensive financial literacy training workshop that includes curriculum on budgeting to increase savings, debt reduction and asset building, building a good credit rating, and consumer protection;

(2) participates in ongoing statewide family assets for independence in Minnesota (FAIM) network training meetings under FAIM program supervision; and

(3) provides financial coaching to program participants under subdivision 4a.

(f) "Financial institution" means a bank, bank and trust, savings bank, savings association, or credit union, the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(g) "Household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(h) "Permissible use" means:

(1) postsecondary educational expenses at an eligible educational institution as defined in paragraph (b), including books, supplies, and equipment required for courses of instruction;

(2) acquisition costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs;

(3) business capitalization expenses for expenditures on capital, plant, equipment, working capital, and inventory expenses of a legitimate business pursuant to a business plan approved by the fiduciary organization;

(4) acquisition costs of a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase price applicable to the residence determined according to section 143(e)(2) and (3) of the Internal Revenue Code of 1986; ~~and~~

(5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

(6) contributions to an emergency savings account; and

(7) contributions to a Minnesota 529 savings plan.

Sec. 29. Minnesota Statutes 2022, section 256E.35, subdivision 3, is amended to read:

Subd. 3. **Grants awarded.** The commissioner shall allocate funds to participating fiduciary organizations to provide family asset services. Grant awards must be based on a plan submitted by a statewide organization representing fiduciary organizations. The statewide organization must ensure that any interested unrepresented fiduciary organization have input into the development of the plan. The plan must equitably distribute funds to achieve geographic balance and document the capacity of participating fiduciary organizations to manage the program. A portion of funds appropriated for this section may be expended on the evaluation of the Minnesota family assets for independence initiative.

Sec. 30. Minnesota Statutes 2022, section 256E.35, subdivision 4a, is amended to read:

Subd. 4a. **Financial coaching.** A financial coach shall provide the following to program participants:

(1) financial education relating to budgeting, debt reduction, asset-specific training, credit building, and financial stability activities;

(2) asset-specific training related to buying a home or vehicle, acquiring postsecondary education, ~~or~~ starting or expanding a small business, saving for emergencies, or saving for a child's education; and

(3) financial stability education and training to improve and sustain financial security.

Sec. 31. Minnesota Statutes 2022, section 256E.35, subdivision 6, is amended to read:

Subd. 6. **Withdrawal; matching; permissible uses.** (a) To receive a match, a participating household must transfer funds withdrawn from a family asset account to its matching fund custodial account held by the fiscal agent, according to the family asset agreement. The fiscal agent must determine if the match request is for a permissible use consistent with the household's family asset agreement.

(b) The fiscal agent must ensure the household's custodial account contains the applicable matching funds to match the balance in the household's account, including interest, on at least a quarterly basis and at the time of an approved withdrawal. Matches must be a contribution of \$3 from state grant or TANF funds for every \$1 of funds withdrawn from the family asset account not to exceed a ~~\$6,000~~ \$12,000 lifetime limit.

(c) Notwithstanding paragraph (b), if funds are appropriated for the Federal Assets for Independence Act of 1998, and a participating fiduciary organization is awarded a grant under that act, participating households with that fiduciary organization must be provided matches as follows:

(1) from state grant and TANF funds, a matching contribution of \$1.50 for every \$1 of funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit; and

(2) from nonstate funds, a matching contribution of not less than \$1.50 for every \$1 of funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit.

(d) Upon receipt of transferred custodial account funds, the fiscal agent must make a direct payment to the vendor of the goods or services for the permissible use.

Sec. 32. Minnesota Statutes 2022, section 256E.35, subdivision 7, is amended to read:

Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary organization participating in a family assets for independence initiative must report quarterly to the commissioner of human services identifying the participants with accounts; the number of accounts; the amount of savings and matches for each participant's account; the uses of the account, ~~and~~ the number of businesses, homes, vehicles, and educational services paid for with money from the account; and the amount of contributions to Minnesota 529 savings plans and emergency savings accounts, as well as other information that may be required for the commissioner to administer the program and meet federal TANF reporting requirements.

Sec. 33. Minnesota Statutes 2022, section 256I.03, subdivision 7, is amended to read:

Subd. 7. **Countable income.** (a) "Countable income" means all income received by an applicant or recipient as described under section 256P.06, less any applicable exclusions or disregards. ~~For a recipient of any cash benefit from the SSI program, countable income means the SSI benefit limit in effect at the time the person is a recipient of housing support, less the medical assistance personal needs allowance under section 256B.35. If the SSI limit or benefit is reduced for a person due to events other than receipt of additional income, countable income means actual income less any applicable exclusions and disregards.~~

(b) For a recipient of any cash benefit from the SSI program who does not live in a setting described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income equals the SSI benefit limit in effect at the time that the person is a recipient of housing support, less the personal needs allowance under section 256B.35. If the SSI limit or benefit is reduced for a person due to events other than the receipt of additional income, countable income equals actual income less any applicable exclusions and disregards.

(c) For a recipient of any cash benefit from the SSI program who lives in a setting as described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income equals 30 percent of the SSI benefit limit in effect at the time that a person is a recipient of housing support. If the SSI limit or benefit is reduced for a person due to events other than the receipt of additional income, countable income equals 30 percent of the actual income less any applicable exclusions and disregards. For recipients under this paragraph, the personal needs allowance described in section 256B.35 does not apply.

(d) Notwithstanding the earned income disregard described in section 256P.03, for a recipient of unearned income as defined in section 256P.06, subdivision 3, clause (2), other than SSI and the general assistance personal needs allowance, who lives in a setting described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income equals 30 percent of the recipient's total income after applicable exclusions and disregards. Total income includes any unearned income as defined in section 256P.06 and any earned income in the month that the person is a recipient of housing support. For recipients under this paragraph, the personal needs allowance described in section 256B.35 does not apply.

(e) For a recipient who lives in a setting as described in section 256I.04, subdivision 2a, paragraph (b), clause (2), and receives general assistance, the personal needs allowance described in section 256B.35 is not countable unearned income.

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

Sec. 34. Minnesota Statutes 2022, section 256I.03, subdivision 13, is amended to read:

Subd. 13. **Prospective budgeting.** ~~"Prospective budgeting" means estimating the amount of monthly income a person will have in the payment month~~ has the meaning given in section 256P.01, subdivision 9.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 35. Minnesota Statutes 2022, section 256I.06, subdivision 6, is amended to read:

Subd. 6. **Reports.** ~~Recipients must report changes in circumstances according to section 256P.07 that affect eligibility or housing support payment amounts, other than changes in earned income, within ten days of the change. Recipients with countable earned income must complete a household report form at least once every six months according to section 256P.10. If the report form is not received before the end of the month in which it is due, the county agency must terminate eligibility for housing support payments. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month eligibility was terminated, the individual is considered to have continued an application for housing support payment effective the first day of the month the eligibility was terminated.~~

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 36. Minnesota Statutes 2022, section 256I.06, is amended by adding a subdivision to read:

Subd. 6a. **When to terminate assistance.** An agency must terminate benefits when the assistance unit fails to submit the household report form before the end of the month in which the household report form is due. The termination shall be effective on the first day of the month following the month in which the household report form was due. If the assistance unit submits the household report form within 30 days of the termination of benefits and remains eligible, benefits must be reinstated and made available retroactively for the full benefit month.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 37. Minnesota Statutes 2022, section 256I.06, subdivision 8, is amended to read:

Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board payment to be made on behalf of an eligible individual is determined by subtracting the individual's countable income under section 256I.04, subdivision 1, for a whole calendar month from the room and board rate for that same month. The housing support payment is determined by multiplying the housing support rate times the period of time the individual was a resident or temporarily absent under section 256I.05, subdivision 2a.

(b) For an individual with earned income under paragraph (a), prospective budgeting according to section 256P.09 must be used to determine the amount of the individual's payment for the following six-month period. An increase in income shall not affect an individual's eligibility or payment amount until the month following the reporting month. A decrease in income shall be effective the first day of the month after the month in which the decrease is reported.

(c) For an individual who receives housing support payments under section 256I.04, subdivision 1, paragraph (c), the amount of the housing support payment is determined by multiplying the housing support rate times the period of time the individual was a resident.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 38. Minnesota Statutes 2022, section 256J.01, subdivision 1, is amended to read:

Subdivision 1. **Implementation of Minnesota family investment program (MFIP).** ~~Except for section 256J.95,~~ This chapter and chapter 256K may be cited as the Minnesota family investment program (MFIP). MFIP is the statewide implementation of components of the Minnesota family investment plan (MFIP) authorized and formerly codified in section 256.031 and Minnesota family investment plan-Ramsey County (MFIP-R) formerly codified in section 256.047.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 39. Minnesota Statutes 2022, section 256J.02, subdivision 2, is amended to read:

Subd. 2. **Use of money.** State money appropriated for purposes of this section and TANF block grant money must be used for:

(1) financial assistance to or on behalf of any minor child who is a resident of this state under section 256J.12;

(2) the health care and human services training and retention program under chapter 116L, for costs associated with families with children with incomes below 200 percent of the federal poverty guidelines;

(3) the pathways program under section 116L.04, subdivision 1a;

(4) welfare to work transportation authorized under Public Law 105-178;

(5) reimbursements for the federal share of child support collections passed through to the custodial parent;

(6) program administration under this chapter;

~~(7) the diversionary work program under section 256J.95;~~

~~(8) (7) the MFIP consolidated fund under section 256J.626; and~~

~~(9) (8) the Minnesota Department of Health consolidated fund under Laws 2001, First Special Session chapter 9, article 17, section 3, subdivision 2.~~

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 40. Minnesota Statutes 2022, section 256J.08, subdivision 65, is amended to read:

Subd. 65. **Participant.** (a) "Participant" includes any of the following:

(1) a person who is currently receiving cash assistance or the food portion available through MFIP;

(2) a person who withdraws a cash or food assistance payment by electronic transfer or receives and cashes an MFIP assistance check or food coupons and is subsequently determined to be ineligible for assistance for that period of time is a participant, regardless whether that assistance is repaid;

(3) the caregiver relative and the minor child whose needs are included in the assistance payment;

(4) a person in an assistance unit who does not receive a cash and food assistance payment because the case has been suspended from MFIP; and

~~(5) a person who receives cash payments under the diversionary work program under section 256J.95 is a participant; and~~

~~(6) (5) a person who receives cash payments under family stabilization services under section 256J.575.~~

(b) "Participant" does not include a person who fails to withdraw or access electronically any portion of the person's cash and food assistance payment by the end of the payment month, who makes a written request for closure before the first of a payment month and repays cash and food

assistance electronically issued for that payment month within that payment month, or who returns any uncashed assistance check and food coupons and withdraws from the program.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 41. Minnesota Statutes 2022, section 256J.08, subdivision 71, is amended to read:

Subd. 71. **Prospective budgeting.** "Prospective budgeting" ~~means a method of determining the amount of the assistance payment in which the budget month and payment month are the same~~ has the meaning given in section 256P.01, subdivision 9.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 42. Minnesota Statutes 2022, section 256J.08, subdivision 79, is amended to read:

Subd. 79. **Recurring income.** "Recurring income" means a form of income which is:

(1) received periodically, and may be received irregularly when receipt can be anticipated even though the date of receipt cannot be predicted; and

(2) from the same source or of the same type that is received and budgeted in a prospective month ~~and is received in one or both of the first two retrospective months.~~

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 43. Minnesota Statutes 2022, section 256J.09, subdivision 10, is amended to read:

Subd. 10. **Ineligibility for MFIP ~~or the diversionary work program.~~** When an applicant is not eligible for MFIP ~~or the diversionary work program under section 256J.05~~ because the applicant does not meet eligibility requirements, the county agency must determine whether the applicant is eligible for SNAP, or health care programs. The county must also inform applicants about resources available through the county or other agencies to meet short-term emergency needs.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 44. Minnesota Statutes 2022, section 256J.11, subdivision 1, is amended to read:

Subdivision 1. **General citizenship requirements.** (a) To be eligible for MFIP, a member of the assistance unit must be a citizen of the United States, a qualified noncitizen as defined in section 256J.08, or a noncitizen who is otherwise residing lawfully in the United States.

(b) A qualified noncitizen who entered the United States on or after August 22, 1996, is eligible for MFIP. However, TANF dollars cannot be used to fund the MFIP benefits for an individual under this paragraph for a period of five years after the date of entry unless the qualified noncitizen meets one of the following criteria:

(1) was admitted to the United States as a refugee under United States Code, title 8, section 1157;

(2) was granted asylum under United States Code, title 8, section 1158;

(3) was granted withholding of deportation under the United States Code, title 8, section 1253(h);

(4) is a veteran of the United States armed forces with an honorable discharge for a reason other than noncitizen status, or is a spouse or unmarried minor dependent child of the same; or

(5) is an individual on active duty in the United States armed forces, other than for training, or is a spouse or unmarried minor dependent child of the same.

(c) A person who is not a qualified noncitizen but who is otherwise residing lawfully in the United States is eligible for MFIP. However, TANF dollars cannot be used to fund the MFIP benefits for an individual under this paragraph.

(d) For purposes of this subdivision, a nonimmigrant in one or more of the classes listed in United States Code, title 8, section 1101(a)(15)(A)-(S) and (V), or an undocumented immigrant who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services, is not eligible for MFIP.

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

Sec. 45. Minnesota Statutes 2022, section 256J.21, subdivision 3, is amended to read:

Subd. 3. **Initial income test.** (a) The agency shall determine initial eligibility by considering all earned and unearned income as defined in section 256P.06. To be eligible for MFIP, the assistance unit's countable income minus the earned income disregards in paragraph (a) and section 256P.03 must be below the family wage level according to section 256J.24, subdivision 7, for that size assistance unit.

~~(a)~~ (b) The initial eligibility determination must disregard the following items:

(1) the earned income disregard as determined in section 256P.03;

(2) dependent care costs must be deducted from gross earned income for the actual amount paid for dependent care up to a maximum of \$200 per month for each child less than two years of age, and \$175 per month for each child two years of age and older;

(3) all payments made according to a court order for spousal support or the support of children not living in the assistance unit's household shall be disregarded from the income of the person with the legal obligation to pay support; and

(4) an allocation for the unmet need of an ineligible spouse or an ineligible child under the age of 21 for whom the caregiver is financially responsible and who lives with the caregiver according to section 256J.36.

~~(b) After initial eligibility is established,~~ (c) The income test is for a six-month period. The assistance payment calculation is based on ~~the monthly income test~~ prospective budgeting according to section 256P.09.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 46. Minnesota Statutes 2022, section 256J.21, subdivision 4, is amended to read:

Subd. 4. **Monthly Income test and determination of assistance payment.** ~~The county agency shall determine ongoing eligibility and the assistance payment amount according to the monthly income test.~~ To be eligible for MFIP, the result of the computations in paragraphs (a) to (e) applied to prospective budgeting must be at least \$1.

(a) Apply an income disregard as defined in section 256P.03, to gross earnings and subtract this amount from the family wage level. If the difference is equal to or greater than the MFIP transitional standard, the assistance payment is equal to the MFIP transitional standard. If the difference is less than the MFIP transitional standard, the assistance payment is equal to the difference. The earned income disregard in this paragraph must be deducted every month there is earned income.

(b) All payments made according to a court order for spousal support or the support of children not living in the assistance unit's household must be disregarded from the income of the person with the legal obligation to pay support.

(c) An allocation for the unmet need of an ineligible spouse or an ineligible child under the age of 21 for whom the caregiver is financially responsible and who lives with the caregiver must be made according to section 256J.36.

(d) Subtract unearned income dollar for dollar from the MFIP transitional standard to determine the assistance payment amount.

(e) When income is both earned and unearned, the amount of the assistance payment must be determined by first treating gross earned income as specified in paragraph (a). After determining the amount of the assistance payment under paragraph (a), unearned income must be subtracted from that amount dollar for dollar to determine the assistance payment amount.

~~(f) When the monthly income is greater than the MFIP transitional standard after deductions and the income will only exceed the standard for one month, the county agency must suspend the assistance payment for the payment month.~~

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 47. Minnesota Statutes 2022, section 256J.26, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been convicted of a felony level drug offense ~~committed~~ during the previous ten years from the date of application or recertification is subject to the following:

(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.

(2) The convicted applicant or participant ~~shall~~ may be subject to random drug testing ~~as a condition of continued eligibility and~~. Following any positive test for an illegal controlled substance is subject to the following sanctions, the county must provide information about substance use disorder treatment programs to the applicant or participant.

~~(i) for failing a drug test the first time, the residual amount of the participant's grant after making vendor payments for shelter and utility costs, if any, must be reduced by an amount equal to 30~~

percent of the MFIP standard of need for an assistance unit of the same size. When a sanction under this subdivision is in effect, the job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, the job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; or

(ii) for failing a drug test two times, the participant is permanently disqualified from receiving MFIP assistance, both the cash and food portions. The assistance unit's MFIP grant must be reduced by the amount which would have otherwise been made available to the disqualified participant. Disqualification under this item does not make a participant ineligible for the Supplemental Nutrition Assistance Program (SNAP). Before a disqualification under this provision is imposed, the job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(3) A participant who fails a drug test the first time and is under a sanction due to other MFIP program requirements is considered to have more than one occurrence of noncompliance and is subject to the applicable level of sanction as specified under section 256J.46, subdivision 1, paragraph (d).

(b) Applicants requesting only SNAP benefits or participants receiving only SNAP benefits, who have been convicted of a felony-level drug offense that occurred after July 1, 1997, during the previous ten years from the date of application or recertification may, if otherwise eligible, receive SNAP benefits if. The convicted applicant or participant is may be subject to random drug testing as a condition of continued eligibility. Following a positive test for an illegal controlled substance, the applicant is subject to the following sanctions: county must provide information about substance use disorder treatment programs to the applicant or participant.

(1) for failing a drug test the first time, SNAP benefits shall be reduced by an amount equal to 30 percent of the applicable SNAP benefit allotment. When a sanction under this clause is in effect, a job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, a job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; and

(2) for failing a drug test two times, the participant is permanently disqualified from receiving SNAP benefits. Before a disqualification under this provision is imposed, a job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, a county agency must send the participant a notice of adverse

action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(c) For the purposes of this subdivision, "drug offense" means ~~an offense~~ a conviction that occurred during the previous ten years from the date of application or recertification of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the ~~offense conviction~~ conviction occurred during the previous ten years from the date of application or recertification and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor.

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

Sec. 48. Minnesota Statutes 2022, section 256J.33, subdivision 1, is amended to read:

Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP eligibility prospectively ~~for a payment month~~ based on ~~retrospectively~~ prospectively assessing income and the county agency's best estimate of the circumstances that will exist in the payment month.

(b) ~~Except as described in section 256J.34, subdivision 1, when prospective eligibility exists,~~ A county agency must calculate the amount of the assistance payment using ~~retrospective~~ prospective budgeting. To determine MFIP eligibility and the assistance payment amount, a county agency must apply countable income, described in sections 256P.06 and 256J.37, subdivisions 3 to ~~4~~ 9, received by members of an assistance unit or by other persons whose income is counted for the assistance unit, described under sections 256J.37, subdivisions 1 to 2, and 256P.06, subdivision 1.

(c) This income must be applied to the MFIP standard of need or family wage level subject to this section and sections 256J.34 to 256J.36. Countable income as described in section 256P.06, subdivision 3, received ~~in a calendar month~~ must be applied to the needs of an assistance unit.

(d) An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit.

EFFECTIVE DATE. This section is effective March 1, 2025, except that the amendment to paragraph (b) striking "10" and inserting "9" is effective July 1, 2024.

Sec. 49. Minnesota Statutes 2022, section 256J.33, subdivision 2, is amended to read:

Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15 and 256P.02, will be met prospectively for the payment ~~month period.~~ ~~Except for the provisions in section 256J.34, subdivision 1,~~ The income test will be applied ~~retrospectively~~ prospectively.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 50. Minnesota Statutes 2022, section 256J.35, is amended to read:

256J.35 AMOUNT OF ASSISTANCE PAYMENT.

Except as provided in paragraphs (a) to ~~(d)~~ (e), the amount of an assistance payment is equal to the difference between the MFIP standard of need or the Minnesota family wage level in section 256J.24 and countable income.

(a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing assistance grant of \$110 per month, unless:

(1) the housing assistance unit is currently receiving public and assisted rental subsidies provided through the Department of Housing and Urban Development (HUD) and is subject to section 256J.37, subdivision 3a; or

(2) the assistance unit is a child-only case under section 256J.88.

(b) On October 1 of each year, the commissioner shall adjust the MFIP housing assistance grant in paragraph (a) for inflation based on the CPI-U for the prior calendar year.

(c) When MFIP eligibility exists for the month of application, the amount of the assistance payment for the month of application must be prorated from the date of application or the date all other eligibility factors are met for that applicant, whichever is later. This provision applies when an applicant loses at least one day of MFIP eligibility.

~~(e)~~ (d) MFIP overpayments to an assistance unit must be recouped according to section 256P.08, subdivision 6.

~~(d)~~ (e) An initial assistance payment must not be made to an applicant who is not eligible on the date payment is made.

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

Sec. 51. Minnesota Statutes 2022, section 256J.37, subdivision 3, is amended to read:

Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency must include gross earned income less any disregards in the initial ~~and monthly~~ income test. Gross earned income received by persons employed on a contractual basis must be prorated over the period covered by the contract even when payments are received over a lesser period of time.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 52. Minnesota Statutes 2022, section 256J.37, subdivision 3a, is amended to read:

Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency shall count \$50 of the value of public and assisted rental subsidies provided through the Department of Housing and Urban Development (HUD) as unearned income to the cash portion of the MFIP grant. The full amount of the subsidy must be counted as unearned income when the subsidy is less than \$50. The income from this subsidy shall be budgeted according to section ~~256J.34~~ 256P.09.

(b) The provisions of this subdivision shall not apply to an MFIP assistance unit which includes a participant who is:

(1) age 60 or older;

(2) a caregiver who is suffering from an illness, injury, or incapacity that has been certified by a qualified professional when the illness, injury, or incapacity is expected to continue for more than 30 days and severely limits the person's ability to obtain or maintain suitable employment; or

(3) a caregiver whose presence in the home is required due to the illness or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household when the illness or incapacity and the need for the participant's presence in the home has been certified by a qualified professional and is expected to continue for more than 30 days.

(c) The provisions of this subdivision shall not apply to an MFIP assistance unit where the parental caregiver is an SSI participant.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 53. Minnesota Statutes 2022, section 256J.40, is amended to read:

256J.40 FAIR HEARINGS.

Caregivers receiving a notice of intent to sanction or a notice of adverse action that includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or termination of benefits may request a fair hearing. A request for a fair hearing must be submitted in writing to the county agency or to the commissioner and must be mailed within 30 days after a participant or former participant receives written notice of the agency's action or within 90 days when a participant or former participant shows good cause for not submitting the request within 30 days. A former participant who receives a notice of adverse action due to an overpayment may appeal the adverse action according to the requirements in this section. Issues that may be appealed are:

- (1) the amount of the assistance payment;
- (2) a suspension, reduction, denial, or termination of assistance;
- (3) the basis for an overpayment, the calculated amount of an overpayment, and the level of recoupment;
- (4) the eligibility for an assistance payment; and
- (5) the use of protective or vendor payments under section 256J.39, subdivision 2, clauses (1) to (3).

~~Except for benefits issued under section 256J.95, A county agency must not reduce, suspend, or terminate payment when an aggrieved participant requests a fair hearing prior to the effective date of the adverse action or within ten days of the mailing of the notice of adverse action, whichever is later, unless the participant requests in writing not to receive continued assistance pending a hearing decision. An appeal request cannot extend benefits for the diversionary work program under section 256J.95 beyond the four-month time limit.~~ Assistance issued pending a fair hearing is subject to recovery under section 256P.08 when as a result of the fair hearing decision the participant is determined ineligible for assistance or the amount of the assistance received. A county agency may increase or reduce an assistance payment while an appeal is pending when the circumstances of the

participant change and are not related to the issue on appeal. The commissioner's order is binding on a county agency. No additional notice is required to enforce the commissioner's order.

A county agency shall reimburse appellants for reasonable and necessary expenses of attendance at the hearing, such as child care and transportation costs and for the transportation expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings must be conducted at a reasonable time and date by an impartial human services judge employed by the department. The hearing may be conducted by telephone or at a site that is readily accessible to persons with disabilities.

The appellant may introduce new or additional evidence relevant to the issues on appeal. Recommendations of the human services judge and decisions of the commissioner must be based on evidence in the hearing record and are not limited to a review of the county agency action.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 54. Minnesota Statutes 2022, section 256J.42, subdivision 5, is amended to read:

Subd. 5. **Exemption for certain families.** (a) Any cash assistance received by an assistance unit does not count toward the 60-month limit on assistance during a month in which the caregiver is age 60 or older.

(b) From July 1, 1997, until the date MFIP is operative in the caregiver's county of financial responsibility, any cash assistance received by a caregiver who is complying with Minnesota Statutes 1996, section 256.73, subdivision 5a, and Minnesota Statutes 1998, section 256.736, if applicable, does not count toward the 60-month limit on assistance. Thereafter, any cash assistance received by a minor caregiver who is complying with the requirements of sections 256J.14 and 256J.54, if applicable, does not count towards the 60-month limit on assistance.

(c) Any diversionary assistance or emergency assistance received prior to July 1, 2003, does not count toward the 60-month limit.

(d) Any cash assistance received by an 18- or 19-year-old caregiver who is complying with an employment plan that includes an education option under section 256J.54 does not count toward the 60-month limit.

(e) Payments provided to meet short-term emergency needs under section 256J.626 ~~and diversionary work program benefits provided under section 256J.95~~ do not count toward the 60-month time limit.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 55. Minnesota Statutes 2022, section 256J.425, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant in an assistance unit subject to the time limit under section 256J.42, subdivision 1, ~~must be in compliance in the participant's 60th counted month. For purposes of determining eligibility for a hardship extension, a participant is in compliance in any month that the participant has not been sanctioned. In order to maintain eligibility for any of the hardship extension categories a participant shall develop and~~

comply with either an employment plan or a family stabilization services plan, whichever is appropriate.

(b) If one participant in a two-parent assistance unit is determined to be ineligible for a hardship extension, the county shall give the assistance unit the option of disqualifying the ineligible participant from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit.

~~(c) Prior to denying an extension, the county must review the sanction status and determine whether the sanction is appropriate or if good cause exists under section 256J.57. If the sanction was inappropriately applied or the participant is granted a good cause exception before the end of month 60, the participant shall be considered for an extension.~~

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 56. Minnesota Statutes 2022, section 256J.425, subdivision 4, is amended to read:

Subd. 4. **Employed participants.** (a) An assistance unit subject to the time limit under section 256J.42, subdivision 1, is eligible to receive assistance under a hardship extension if the participant who reached the time limit belongs to:

(1) a one-parent assistance unit in which the participant is participating in work activities for at least 30 hours per week, of which an average of at least 25 hours per week every month are spent participating in employment;

(2) a two-parent assistance unit in which the participants are participating in work activities for at least 55 hours per week, of which an average of at least 45 hours per week every month are spent participating in employment; or

(3) an assistance unit in which a participant is participating in employment for fewer hours than those specified in clause (1), and the participant submits verification from a qualified professional, in a form acceptable to the commissioner, stating that the number of hours the participant may work is limited due to illness or disability, as long as the participant is participating in employment for at least the number of hours specified by the qualified professional. The participant must be following the treatment recommendations of the qualified professional providing the verification. The commissioner shall develop a form to be completed and signed by the qualified professional, documenting the diagnosis and any additional information necessary to document the functional limitations of the participant that limit work hours. If the participant is part of a two-parent assistance unit, the other parent must be treated as a one-parent assistance unit for purposes of meeting the work requirements under this subdivision.

(b) For purposes of this section, employment means:

(1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);

(2) subsidized employment under section 256J.49, subdivision 13, clause (2);

(3) on-the-job training under section 256J.49, subdivision 13, clause (2);

(4) an apprenticeship under section 256J.49, subdivision 13, clause (1);

(5) supported work under section 256J.49, subdivision 13, clause (2);

(6) a combination of clauses (1) to (5); or

(7) child care under section 256J.49, subdivision 13, clause (7), if it is in combination with paid employment.

(c) If a participant is complying with a child protection plan under chapter 260C, the number of hours required under the child protection plan count toward the number of hours required under this subdivision.

(d) The county shall provide the opportunity for subsidized employment to participants needing that type of employment within available appropriations.

~~(e) To be eligible for a hardship extension for employed participants under this subdivision, a participant must be in compliance for at least ten out of the 12 months the participant received MFIP immediately preceding the participant's 61st month on assistance. If ten or fewer months of eligibility for TANF assistance remain at the time the participant from another state applies for assistance, the participant must be in compliance every month.~~

~~(f)~~ (e) The employment plan developed under section 256J.521, subdivision 2, for participants under this subdivision must contain at least the minimum number of hours specified in paragraph (a) for the purpose of meeting the requirements for an extension under this subdivision. The job counselor and the participant must sign the employment plan to indicate agreement between the job counselor and the participant on the contents of the plan.

~~(g)~~ (f) Participants who fail to meet the requirements in paragraph (a), without eligibility for another hardship extension or good cause under section 256J.57, shall be sanctioned subject to sanction or permanently disqualified under subdivision 6. Good cause may only be granted for that portion of the month for which the good cause reason applies case closure. Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or permanent disqualification case closure.

~~(h)~~ (g) If the noncompliance with an employment plan is due to the involuntary loss of employment, the participant is exempt from the hourly employment requirement under this subdivision for one month. Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or permanent disqualification case closure if ineligible for another hardship extension.

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 57. Minnesota Statutes 2022, section 256J.425, subdivision 5, is amended to read:

Subd. 5. **Accrual of certain exempt months.** (a) Participants who are not eligible for assistance under a hardship extension under this section shall be eligible for a hardship extension for a period of time equal to the number of months that were counted toward the 60-month time limit while the participant was a caregiver with a child or an adult in the household who meets the disability or medical criteria for home care services under section 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services program under chapter 256B, or meets the criteria

for severe emotional disturbance under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c), and who was subject to the requirements in section 256J.561, subdivision 2.

(b) A participant who received MFIP assistance that counted toward the 60-month time limit while the participant met the state time limit exemption criteria under section 256J.42, subdivision 4 or 5, is eligible for assistance under a hardship extension for a period of time equal to the number of months that were counted toward the 60-month time limit while the participant met the state time limit exemption criteria under section 256J.42, subdivision 4 or 5.

(c) After the accrued months have been exhausted, the county agency must determine if the assistance unit is eligible for an extension under another extension category in subdivision 2, 3, or 4.

(d) At the time of the case review, a county agency must explain to the participant the basis for receiving a hardship extension based on the accrual of exempt months. The participant must provide documentation necessary to enable the county agency to determine whether the participant is eligible to receive a hardship extension based on the accrual of exempt months or authorize a county agency to verify the information.

~~(e) While receiving extended MFIP assistance under this subdivision, a participant is subject to the MFIP policies that apply to participants during the first 60 months of MFIP, unless the participant is a member of a two-parent family in which one parent is extended under subdivision 3 or 4. For two-parent families in which one parent is extended under subdivision 3 or 4, the sanction provisions in subdivision 6 shall apply.~~

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 58. Minnesota Statutes 2022, section 256J.425, subdivision 7, is amended to read:

Subd. 7. **Status of disqualified participants closed cases.** (a) An assistance unit that is ~~disqualified~~ has its case closed under ~~subdivision 6, paragraph (a),~~ section 256J.46 may be approved for MFIP if the participant complies with MFIP program requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period.

(b) An assistance unit that ~~is disqualified~~ has its case closed under ~~subdivision 6, paragraph (a),~~ section 256J.46 and that reapplies under paragraph (a) is subject to sanction under section 256J.46, subdivision 1, paragraph (c), clause (1), ~~for a first occurrence of noncompliance. A subsequent occurrence of noncompliance results in a permanent disqualification.~~

~~(c) If one participant in a two-parent assistance unit receiving assistance under a hardship extension under subdivision 3 or 4 is determined to be out of compliance with the employment and training services requirements under sections 256J.521 to 256J.57, the county shall give the assistance unit the option of disqualifying the noncompliant participant from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit for the purposes of meeting the work requirements under subdivision 4. An applicant who is disqualified from receiving assistance under this paragraph may reapply under paragraph (a). If a participant is disqualified from MFIP under this subdivision a second time, the participant is permanently disqualified from MFIP.~~

~~(d)~~ (c) Prior to a ~~disqualification~~ case closure under this subdivision, a county agency must review the participant's case to determine if the employment plan is still appropriate and attempt to meet with the participant face-to-face. If a face-to-face meeting is not conducted, the county agency must send the participant a notice of adverse action as provided in section 256J.31. During the face-to-face meeting, the county agency must:

(1) determine whether the continued noncompliance can be explained and mitigated by providing a needed preemployment activity, as defined in section 256J.49, subdivision 13, clause (9);

(2) determine whether the participant qualifies for a good cause exception under section 256J.57;

(3) inform the participant of the family violence waiver criteria and make appropriate referrals if the waiver is requested;

(4) inform the participant of the participant's sanction status and explain the consequences of continuing noncompliance;

(5) identify other resources that may be available to the participant to meet the needs of the family; and

(6) inform the participant of the right to appeal under section 256J.40.

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 59. Minnesota Statutes 2022, section 256J.46, subdivision 1, is amended to read:

Subdivision 1. **Participants not complying with program requirements.** (a) A participant who fails without good cause under section 256J.57 to comply with the requirements ~~of this chapter~~ for orientation under section 256J.45, or employment and training services under sections 256J.515 to 256J.57, and who is not subject to a sanction under subdivision 2, shall be subject to a sanction or case closure as provided in this subdivision section. Good cause may only be granted for the month for which the good cause reason applies. Prior to the imposition of a sanction, a county agency shall provide a notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a notice of adverse action as provided in section 256J.31, subdivision 5.

(b) A sanction under this subdivision becomes effective the month following the month in which a required notice is given. A sanction must not be imposed when a participant comes into compliance ~~with the requirements for orientation under section 256J.45 prior to the effective date of the sanction. A sanction must not be imposed when a participant comes into compliance with the requirements for employment and training services under sections 256J.515 to 256J.57 ten days prior to the effective date of the sanction.~~ For purposes of this subdivision, each month that a participant fails to comply with a requirement of this chapter shall be considered a separate occurrence of noncompliance. If both participants in a two-parent assistance unit are out of compliance at the same time, it is considered one occurrence of noncompliance.

(c) Sanctions for noncompliance ~~shall be imposed as follows:~~

(1) ~~For the first occurrence of noncompliance by a participant in an assistance unit, the assistance unit's grant shall be reduced by ten percent of the MFIP standard of need for an assistance unit of~~

the same size with the residual grant paid to the participant. The reduction in the grant amount must be in effect for a minimum of one month and shall be removed in the month following the month that the participant returns to compliance.

~~(2) for a the first, second, third, fourth, fifth, or sixth consecutive occurrence of noncompliance by a participant in an assistance unit, the assistance unit's shelter costs shall be vendor paid up to the amount of the cash portion of the MFIP grant for which the assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, must be reduced by an amount are equal to 30 a reduction of five percent of the cash portion of the MFIP standard of need for an grant received by the assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and shall be removed in the month following the month that the participant in a one-parent assistance unit returns to compliance, unless the requirements in paragraph (h) are met. In a two-parent assistance unit, the grant reduction must be in effect for a minimum of one month and shall be removed in the month following the month both participants return to compliance, unless the requirements in paragraph (h) are met. The vendor payment of shelter costs and, if applicable, utilities shall be removed six months after the month in which the participant or participants return to compliance. When an assistance unit comes into compliance with the requirements in section 256.741, or shows good cause under section 256.741, subdivision 10, or 256J.57, the sanction occurrences for that assistance unit shall be equal to zero sanctions. If an assistance unit is sanctioned under this clause, the participant's case file must be reviewed to determine if the employment plan is still appropriate.~~

(d) For a seventh consecutive occurrence of noncompliance by a participant in an assistance unit, ~~or when the participants in a two-parent assistance unit have a total of seven occurrences of noncompliance,~~ the county agency shall close the MFIP assistance unit's financial assistance case, ~~both~~ including the cash and food portions, and redetermine the family's ~~continued~~ eligibility for Supplemental Nutrition Assistance Program (SNAP) payments. The MFIP case must remain closed for a minimum of one full month. Before the case is closed, the county agency must review the participant's case to determine if the employment plan is still appropriate and attempt to meet with the participant face-to-face. The participant may bring an advocate to the face-to-face meeting. If a face-to-face meeting is not conducted, the county agency must send the participant a written notice that includes the information required under clause (1).

(1) During the face-to-face meeting, the county agency must:

(i) determine whether the continued noncompliance can be explained and mitigated by providing a needed preemployment activity, as defined in section 256J.49, subdivision 13, clause (9);

(ii) determine whether the participant qualifies for a good cause exception under section 256J.57, or if the sanction is for noncooperation with child support requirements, determine if the participant qualifies for a good cause exemption under section 256.741, subdivision 10;

(iii) determine whether the work activities in the employment plan are appropriate based on the criteria in section 256J.521, subdivision 2 or 3;

(iv) determine whether the participant qualifies for the family violence waiver;

(v) inform the participant of the participant's sanction status and explain the consequences of continuing noncompliance;

(vi) identify other resources that may be available to the participant to meet the needs of the family; and

(vii) inform the participant of the right to appeal under section 256J.40.

(2) If the lack of an identified activity or service can explain the noncompliance, the county must work with the participant to provide the identified activity.

(3) The grant must be restored to the full amount for which the assistance unit is eligible retroactively to the first day of the month in which the participant was found to lack preemployment activities or to qualify for a family violence waiver or for a good cause exemption under section 256.741, subdivision 10, or 256J.57.

(e) For the purpose of applying sanctions under this section, only consecutive occurrences of noncompliance that occur ~~after July 1, 2003~~ on or after May 1, 2026, shall be considered when counting the number of sanction occurrences under this subdivision. Active cases under sanction on May 1, 2026, shall be considered to have one sanction occurrence. If the participant ~~is in 30 percent sanction in the month this section takes effect, that month counts as the first occurrence for purposes of applying the sanctions under this section, but the sanction shall remain at 30 percent for that month~~ comes into compliance, the assistance unit is considered to have zero sanctions.

(f) An assistance unit whose case is closed under paragraph (d) or (g), may reapply for MFIP using a form prescribed by the commissioner and shall be eligible if the participant complies with MFIP program requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period. The county agency shall not start a new certification period for a participant who has submitted the reapplication form within 30 calendar days of case closure. The county agency must process the form according to section 256P.04, except that the county agency shall not require additional verification of information in the case file unless the information is inaccurate, questionable, or no longer current. If a participant does not reapply for MFIP within 30 calendar days of case closure, a new application must be completed.

(g) An assistance unit whose case has been closed for noncompliance, that reapplies under paragraph (f); is subject to sanction under paragraph (c); ~~clause (2), for a first occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result in and~~ case closure under paragraph (d).

(h) If an assistance unit is in compliance by the 15th of the month in which the assistance unit has a sanction imposed, the reduction to the assistance unit's cash grant shall be restored retroactively for the current month and the sanction occurrences shall be equal to zero.

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 60. Minnesota Statutes 2022, section 256J.46, subdivision 2, is amended to read:

Subd. 2. **Sanctions for refusal to cooperate with support requirements.** The grant of an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with

support requirements under section 256.741, shall be subject to sanction as specified in this subdivision and subdivision 1. ~~For a first occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard of need. Subsequent occurrences of noncooperation shall be subject to sanction under subdivision 1, paragraphs (e), clause (2), and (d), paragraphs (b) to (h), except the assistance unit's cash portion of the grant must be reduced by 25 percent of the MFIP cash received by the assistance unit.~~ The residual amount of the grant, if any, must be paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction must not be imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction shall be removed in the month following the month that the caregiver cooperates with the support requirements, unless the requirements in subdivision 1, paragraph (h), are met. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 must be considered a separate occurrence of noncompliance for the purpose of applying sanctions under subdivision 1, paragraphs (c), ~~clause (2),~~ and (d).

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 61. Minnesota Statutes 2022, section 256J.46, subdivision 2a, is amended to read:

Subd. 2a. **Dual sanctions.** (a) Notwithstanding the provisions of subdivisions 1 and 2, for a participant subject to a sanction for refusal to comply with child support requirements under subdivision 2 and subject to a concurrent sanction for refusal to cooperate with other program requirements under subdivision 1, sanctions shall be imposed in the manner prescribed in this subdivision.

~~Any vendor payment of shelter costs or utilities under this subdivision must remain in effect for six months after the month in which the participant is no longer subject to sanction under subdivision 1.~~

~~(b) If the participant was subject to sanction for:~~

~~(1) noncompliance under subdivision 1 before being subject to sanction for noncooperation under subdivision 2; or~~

~~(2) noncooperation under subdivision 2 before being subject to sanction for noncompliance under subdivision 1, the participant is considered to have a second occurrence of noncompliance and shall be sanctioned as provided in subdivision 1, paragraph (e), clause (2). Each subsequent occurrence of noncompliance shall be considered one additional occurrence and shall be subject to the applicable level of sanction under subdivision 1. The requirement that the county conduct a review as specified in subdivision 1, paragraph (d), remains in effect.~~

~~(e) (b) A participant who first becomes subject to sanction under both subdivisions 1 and 2 in the same month is subject to sanction as follows:~~

~~(1) in the first month of noncompliance and noncooperation, the participant's cash portion of the grant must be reduced by 30 25 percent of the applicable MFIP standard of need cash received by the assistance unit, with any residual amount paid to the participant;~~

(2) in the second and subsequent months of noncompliance and noncooperation, the participant shall be subject to the applicable level of sanction under subdivision ~~1~~ 2.

The requirement that the county conduct a review as specified in subdivision 1, paragraph (d), remains in effect.

~~(d)~~ (c) A participant remains subject to sanction under subdivision 2 if the participant:

(1) returns to compliance and is no longer subject to sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57; or

(2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57 removed upon completion of the review under subdivision 1, paragraph ~~(e)~~ (d).

A participant remains subject to the applicable level of sanction under subdivision 1 if the participant cooperates and is no longer subject to sanction under subdivision 2.

EFFECTIVE DATE. This section is effective May 1, 2026.

Sec. 62. Minnesota Statutes 2022, section 256J.49, subdivision 9, is amended to read:

Subd. 9. **Participant.** "Participant" means a recipient of MFIP assistance who participates or is required to participate in employment and training services under sections 256J.515 to 256J.57 ~~and 256J.95.~~

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 63. Minnesota Statutes 2022, section 256J.50, subdivision 1, is amended to read:

Subdivision 1. **Employment and training services component of MFIP.** (a) Each county must develop and provide an employment and training services component which is designed to put participants on the most direct path to unsubsidized employment. Participation in these services is mandatory for all MFIP caregivers.

(b) A county must provide employment and training services under sections 256J.515 to 256J.74 within 30 days after the caregiver is determined eligible for MFIP, ~~or within ten days when the caregiver participated in the diversionary work program under section 256J.95 within the past 12 months.~~

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 64. Minnesota Statutes 2022, section 256J.521, subdivision 1, is amended to read:

Subdivision 1. **Assessments.** (a) For purposes of MFIP employment services, assessment is a continuing process of gathering information related to employability for the purpose of identifying both participant's strengths and strategies for coping with issues that interfere with employment. The job counselor must use information from the assessment process to develop and update the employment plan under subdivision 2 or 3, as appropriate, to determine whether the participant qualifies for a family violence waiver including an employment plan under subdivision 3, and to

determine whether the participant should be referred to family stabilization services under section 256J.575.

(b) The scope of assessment must cover at least the following areas:

(1) basic information about the participant's ability to obtain and retain employment, including: a review of the participant's education level; interests, skills, and abilities; prior employment or work experience; transferable work skills; child care and transportation needs;

(2) identification of personal and family circumstances that impact the participant's ability to obtain and retain employment, including: any special needs of the children, the level of English proficiency, family violence issues, and any involvement with social services or the legal system;

(3) the results of a mental and chemical health screening tool designed by the commissioner and results of the brief screening tool for special learning needs. Screening tools for mental and chemical health and special learning needs must be approved by the commissioner and may only be administered by job counselors or county staff trained in using such screening tools. Participants must be told of the purpose of the screens and how the information will be used to assist the participant in identifying and overcoming barriers to employment. Screening for mental and chemical health and special learning needs must be completed by participants three months after development of the initial employment plan or earlier if there is a documented need. Failure to complete the screens will result in sanction under section 256J.46; and

(4) a comprehensive review of participation and progress for participants who have received MFIP assistance and have not worked in unsubsidized employment during the past 12 months. The purpose of the review is to determine the need for additional services and supports, including placement in subsidized employment or unpaid work experience under section 256J.49, subdivision 13, or referral to family stabilization services under section 256J.575.

~~(e) Information gathered during a caregiver's participation in the diversionary work program under section 256J.95 must be incorporated into the assessment process.~~

~~(d)~~ (c) The job counselor may require the participant to complete a professional chemical use assessment to be performed according to the rules adopted under section 254A.03, subdivision 3, including provisions in the administrative rules which recognize the cultural background of the participant, or a professional psychological assessment as a component of the assessment process, when the job counselor has a reasonable belief, based on objective evidence, that a participant's ability to obtain and retain suitable employment is impaired by a medical condition. The job counselor may assist the participant with arranging services, including child care assistance and transportation, necessary to meet needs identified by the assessment. Data gathered as part of a professional assessment must be classified and disclosed according to the provisions in section 13.46.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 65. Minnesota Statutes 2022, section 256J.621, subdivision 1, is amended to read:

Subdivision 1. **Program characteristics.** (a) Within 30 days of exiting the Minnesota family investment program with earnings, the county must assess eligibility for work participation cash benefits of \$25 per month to assist in meeting the family's basic needs as the participant continues

to move toward self-sufficiency. Payment begins effective the first of the month following exit or termination for MFIP ~~and DWP~~ participants.

(b) To be eligible for work participation cash benefits, the participant shall not receive MFIP ~~or diversionary work program~~ assistance during the month and the participant or participants must meet the following work requirements:

(1) if the participant is a single caregiver and has a child under six years of age, the participant must be employed at least 87 hours per month;

(2) if the participant is a single caregiver and does not have a child under six years of age, the participant must be employed at least 130 hours per month; or

(3) if the household is a two-parent family, at least one of the parents must be employed 130 hours per month.

Whenever a participant ~~exits the diversionary work program or~~ is terminated from MFIP and meets the other criteria in this section, work participation cash benefits are available for up to 24 consecutive months.

(c) Expenditures on the program are maintenance of effort state funds under a separate state program for participants under paragraph (b), clauses (1) and (2). Expenditures for participants under paragraph (b), clause (3), are nonmaintenance of effort funds. Months in which a participant receives work participation cash benefits under this section do not count toward the participant's MFIP 60-month time limit.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 66. Minnesota Statutes 2022, section 256J.626, subdivision 2, is amended to read:

Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures under the consolidated fund to benefits and services allowed under title IV-A of the federal Social Security Act. Allowable expenditures under the consolidated fund may include, but are not limited to:

(1) short-term, nonrecurring shelter and utility needs that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31, for families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a. Payments under this subdivision are not considered TANF cash assistance and are not counted towards the 60-month time limit;

(2) transportation needed to obtain or retain employment or to participate in other approved work activities or activities under a family stabilization plan;

(3) direct and administrative costs of staff to deliver employment services for MFIP, ~~the diversionary work program,~~ or family stabilization services; to administer financial assistance; and to provide specialized services intended to assist hard-to-employ participants to transition to work or transition from family stabilization services to MFIP;

(4) costs of education and training including functional work literacy and English as a second language;

(5) cost of work supports including tools, clothing, boots, telephone service, and other work-related expenses;

(6) county administrative expenses as defined in Code of Federal Regulations, title 45, section 260(b);

(7) services to parenting and pregnant teens;

(8) supported work;

(9) wage subsidies;

(10) child care needed for MFIP, ~~the diversionary work program~~, or family stabilization services participants to participate in social services;

(11) child care to ensure that families leaving MFIP ~~or diversionary work program~~ will continue to receive child care assistance from the time the family no longer qualifies for transition year child care until an opening occurs under the basic sliding fee child care program;

(12) services to help noncustodial parents who live in Minnesota and have minor children receiving MFIP ~~or DWP~~ assistance, but do not live in the same household as the child, obtain or retain employment; and

(13) services to help families participating in family stabilization services achieve the greatest possible degree of self-sufficiency.

(b) Administrative costs that are not matched with county funds as provided in subdivision 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation under this section. The commissioner shall define administrative costs for purposes of this subdivision.

(c) The commissioner may waive the cap on administrative costs for a county or tribe that elects to provide an approved supported employment, unpaid work, or community work experience program for a major segment of the county's or tribe's MFIP population. The county or tribe must apply for the waiver on forms provided by the commissioner. In no case shall total administrative costs exceed the TANF limits.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 67. Minnesota Statutes 2022, section 256J.626, subdivision 3, is amended to read:

Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman, or a noncustodial parent of a minor child receiving assistance, with incomes below 200 percent of the federal poverty guideline for a family of the applicable size, are eligible for services funded under the consolidated fund. Counties and tribes must give priority to families currently receiving MFIP, ~~the diversionary work program~~, or family stabilization services; and families at risk of receiving MFIP ~~or diversionary work program~~. A county or tribe shall not impose a residency requirement on families, except for the residency requirement under section 256J.12.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 68. Minnesota Statutes 2022, section 256J.751, subdivision 2, is amended to read:

Subd. 2. **Quarterly comparison report.** (a) The commissioner shall report quarterly to all counties on each county's performance on the following measures:

- (1) percent of MFIP caseload working in paid employment;
- (2) percent of MFIP caseload receiving only the food portion of assistance;
- (3) number of MFIP cases that have left assistance;
- (4) median placement wage rate;
- (5) caseload by months of TANF assistance;

(6) percent of MFIP ~~and diversionary work program (DWP)~~ cases off cash assistance or working 30 or more hours per week at one-year, two-year, and three-year follow-up points from a baseline quarter. This measure is called the self-support index. The commissioner shall report quarterly an expected range of performance for each county, county grouping, and tribe on the self-support index. The expected range shall be derived by a statistical methodology developed by the commissioner in consultation with the counties and tribes. The statistical methodology shall control differences across counties in economic conditions and demographics of the MFIP ~~and DWP~~ case load; and

(7) the TANF work participation rate, defined as the participation requirements specified under Public Law 109-171, the Deficit Reduction Act of 2005.

(b) The commissioner shall not apply the limits on vocational educational training and education activities under Code of Federal Regulations, title 45, section 261.33(c), when determining TANF work participation rates for individual counties under this subdivision.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 69. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to read:

Subd. 2b. Census income. "Census income" means income earned working as a census enumerator or decennial census worker responsible for recording the housing units and residents in a specific geographic area.

Sec. 70. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to read:

Subd. 5a. Lived-experience engagement. "Lived-experience engagement" means an intentional engagement of people with lived experience by a federal, Tribal, state, county, municipal, or nonprofit human services agency funded in part or in whole by federal, state, local government, Tribal Nation, public, private, or philanthropic money to gather and share feedback on the impact of human services programs.

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

Sec. 71. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to read:

Subd. 9. **Prospective budgeting.** "Prospective budgeting" means estimating the amount of monthly income that an assistance unit will have in the payment month.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 72. Minnesota Statutes 2022, section 256P.02, subdivision 1a, is amended to read:

Subd. 1a. **Exemption.** Participants who qualify for child care assistance programs under chapter 119B are exempt from this section, except that the personal property identified in subdivision 2 is counted toward the asset limit of the child care assistance program under chapter 119B. Census income is not counted toward the asset limit of the child care assistance program under chapter 119B.

Sec. 73. Minnesota Statutes 2022, section 256P.02, subdivision 2, is amended to read:

Subd. 2. **Personal property limitations.** The equity value of an assistance unit's personal property listed in clauses (1) to (5) must not exceed \$10,000 for applicants and participants. For purposes of this subdivision, personal property is limited to:

- (1) cash not excluded under subdivisions 4 and 6;
- (2) bank accounts not excluded under subdivision 5;
- (3) liquid stocks and bonds that can be readily accessed without a financial penalty;
- (4) vehicles not excluded under subdivision 3; and
- (5) the full value of business accounts used to pay expenses not related to the business.

EFFECTIVE DATE. The amendment to clause (1) referencing subdivision 4 is effective August 1, 2023.

Sec. 74. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision to read:

Subd. 4. **Health and human services recipient engagement income.** Income received from lived-experience engagement, as defined in section 256P.01, subdivision 5a, shall be excluded when determining the equity value of personal property.

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

Sec. 75. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision to read:

Subd. 5. **Account exception.** Family asset accounts under section 256E.35 and individual development accounts authorized under the Assets for Independence Act, Title IV of the Community Opportunities, Accountability, and Training and Educational Services Human Services Reauthorization Act of 1998, Public Law 105-285, shall be excluded when determining the equity value of personal property.

Sec. 76. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision to read:

Subd. 6. **Census income.** Census income is excluded when determining the equity value of personal property.

Sec. 77. Minnesota Statutes 2022, section 256P.04, subdivision 4, is amended to read:

Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

- (1) identity of adults;
- (2) age, if necessary to determine eligibility;
- (3) immigration status;
- (4) income;
- (5) spousal support and child support payments made to persons outside the household;
- (6) vehicles;
- (7) checking and savings accounts, including but not limited to any business accounts used to pay expenses not related to the business;
- (8) inconsistent information, if related to eligibility;
- (9) residence; and
- (10) Social Security number; ~~and~~
- (11) ~~use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item (ix), for the intended purpose for which it was given and received.~~

(b) Applicants who are qualified noncitizens and victims of domestic violence as defined under section 256J.08, subdivision 73, clauses (8) and (9), are not required to verify the information in paragraph (a), clause (10). When a Social Security number is not provided to the agency for verification, this requirement is satisfied when each member of the assistance unit cooperates with the procedures for verification of Social Security numbers, issuance of duplicate cards, and issuance of new numbers which have been established jointly between the Social Security Administration and the commissioner.

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

Sec. 78. Minnesota Statutes 2022, section 256P.04, subdivision 8, is amended to read:

Subd. 8. **Recertification.** The agency shall recertify eligibility annually. During recertification and reporting under section 256P.10, the agency shall verify the following:

- (1) income, unless excluded, including self-employment earnings;
- (2) assets when the value is within \$200 of the asset limit; and
- (3) inconsistent information, if related to eligibility.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 79. Minnesota Statutes 2022, section 256P.06, subdivision 3, is amended to read:

Subd. 3. **Income inclusions.** The following must be included in determining the income of an assistance unit:

- (1) earned income; and
- (2) unearned income, which includes:
 - (i) interest and dividends from investments and savings;
 - (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;
 - (iii) proceeds from rent and contract for deed payments in excess of the principal and interest portion owed on property;
 - (iv) income from trusts, excluding special needs and supplemental needs trusts;
 - (v) interest income from loans made by the participant or household;
 - (vi) cash prizes and winnings;
 - (vii) unemployment insurance income that is received by an adult member of the assistance unit unless the individual receiving unemployment insurance income is:
 - (A) 18 years of age and enrolled in a secondary school; or
 - (B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;
 - (viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors, and disability insurance payments;
 - (ix) ~~nonrecurring income over \$60 per quarter unless the nonrecurring income is: (A) from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or refund of personal or real property or costs or losses incurred when these payments are made by: a public agency; a court; solicitations through public appeal; a federal, state, or local unit of government; or a disaster assistance organization; (C) provided as an in-kind benefit; or (D) earmarked and used for the purpose for which it was intended, subject to verification requirements under section 256P.04;~~
 - (x) retirement benefits;
 - (xi) (x) cash assistance benefits, as defined by each program in chapters 119B, 256D, 256I, and 256J;
 - (xii) ~~Tribal per capita payments unless excluded by federal and state law;~~
 - (xiii) (xi) income from members of the United States armed forces unless excluded from income taxes according to federal or state law;

~~(xiv)~~ (xii) for the purposes of programs under chapters 119B, 256D, and 256I, all child support payments for programs under chapters 119B, 256D, and 256I;

~~(xv)~~ (xiii) for the purposes of programs under chapter 256J, the amount of child support received that exceeds \$100 for assistance units with one child and \$200 for assistance units with two or more children for programs under chapter 256J;

~~(xvi)~~ (xiv) spousal support; and

~~(xvii)~~ (xv) workers' compensation; and

(xvi) for the purposes of programs under chapters 119B and 256J, the amount of retirement, survivors, and disability insurance payments that exceeds the applicable monthly federal maximum Supplemental Security Income payments.

EFFECTIVE DATE. This section is effective September 1, 2024, except the removal of item (ix) related to nonrecurring income is effective July 1, 2024, and the removal of item (xii) related to Tribal per capita payments are effective January 1, 2024.

Sec. 80. Minnesota Statutes 2022, section 256P.06, is amended by adding a subdivision to read:

Subd. 4. **Recipient engagement income.** Income received from lived-experience engagement, as defined in section 256P.01, subdivision 5a, must not be counted as income for purposes of determining or redetermining eligibility or benefits.

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

Sec. 81. Minnesota Statutes 2022, section 256P.06, is amended by adding a subdivision to read:

Subd. 5. **Census income.** Census income does not count as income for purposes of determining or redetermining eligibility or benefits.

Sec. 82. Minnesota Statutes 2022, section 256P.07, subdivision 1, is amended to read:

Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security Income and qualify for Minnesota supplemental aid under chapter 256D ~~and~~ or for housing support under chapter 256I ~~on the basis of eligibility for Supplemental Security Income~~ are exempt from ~~this section~~ reporting income under this chapter.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 83. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision to read:

Subd. 1a. **Child care assistance programs.** Participants who qualify for child care assistance programs under chapter 119B are exempt from this section except the reporting requirements in subdivision 6.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 84. Minnesota Statutes 2022, section 256P.07, subdivision 2, is amended to read:

Subd. 2. **Reporting requirements.** An applicant or participant must provide information on an application and any subsequent reporting forms about the assistance unit's circumstances that affect eligibility or benefits. An applicant or assistance unit must report changes that affect eligibility or benefits as identified in ~~subdivision~~ subdivisions 3, 4, 5, 7, 8, and 9 during the application period or by the tenth of the month following the month that the assistance unit's circumstances changed. When information is not accurately reported, both an overpayment and a referral for a fraud investigation may result. When information or documentation is not provided, the receipt of any benefit may be delayed or denied, depending on the type of information required and its effect on eligibility.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 85. Minnesota Statutes 2022, section 256P.07, subdivision 3, is amended to read:

Subd. 3. **Changes that must be reported.** ~~An assistance unit must report the changes or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur, at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or within eight calendar days of a reporting period, whichever occurs first. An assistance unit must report other changes at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under clauses (1) to (12) had not occurred, the agency must determine whether a timely notice could have been issued on the day that the change occurred. When a timely notice could have been issued, each month's overpayment subsequent to that notice must be considered a client error overpayment under section 119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must be reported within ten days must also be reported for the reporting period in which those changes occurred. Within ten days, an assistance unit must report:~~

~~(1) a change in earned income of \$100 per month or greater with the exception of a program under chapter 119B;~~

~~(2) a change in unearned income of \$50 per month or greater with the exception of a program under chapter 119B;~~

~~(3) a change in employment status and hours with the exception of a program under chapter 119B;~~

~~(4) a change in address or residence;~~

~~(5) a change in household composition with the exception of programs under chapter 256I;~~

~~(6) a receipt of a lump-sum payment with the exception of a program under chapter 119B;~~

~~(7) an increase in assets if over \$9,000 with the exception of programs under chapter 119B;~~

~~(8) a change in citizenship or immigration status;~~

~~(9) a change in family status with the exception of programs under chapter 256I;~~

~~(10) a change in disability status of a unit member, with the exception of programs under chapter 119B;~~

~~(11) a new rent subsidy or a change in rent subsidy with the exception of a program under chapter 119B; and~~

~~(12) a sale, purchase, or transfer of real property with the exception of a program under chapter 119B.~~

(a) An assistance unit must report changes or anticipated changes as described in this section.

(b) An assistance unit must report:

(1) a change in eligibility for Supplemental Security Income, Retirement Survivors Disability Insurance, or another federal income support;

(2) a change in address or residence;

(3) a change in household composition with the exception of programs under chapter 256I;

(4) cash prizes and winnings according to guidance provided for the Supplemental Nutrition Assistance Program;

(5) a change in citizenship or immigration status;

(6) a change in family status with the exception of programs under chapter 256I; and

(7) a change that makes the value of the assistance unit's assets at or above the asset limit.

(c) When an agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under paragraph (b) had not occurred, the agency must determine whether the agency could have issued a timely notice on the day that the change occurred. When a timely notice could have been issued, each month's overpayment subsequent to the notice must be considered a client error overpayment under section 256P.08.

EFFECTIVE DATE. This section is effective March 1, 2025, except that the amendment striking clause (6) is effective July 1, 2024.

Sec. 86. Minnesota Statutes 2022, section 256P.07, subdivision 4, is amended to read:

Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under chapter 256J, ~~within ten days of the change,~~ must report:

(1) a pregnancy not resulting in birth when there are no other minor children; ~~and~~

(2) a change in school attendance of a parent under 20 years of age ~~or of an employed child;~~ and

(3) an individual in the household who is 18 or 19 years of age attending high school who graduates or drops out of school.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 87. Minnesota Statutes 2022, section 256P.07, subdivision 6, is amended to read:

Subd. 6. **Child care assistance programs-specific reporting.** (a) ~~In addition to subdivision 3,~~ An assistance unit under chapter 119B, within ten days of the change, must report:

(1) a change in a parentally responsible individual's custody schedule for any child receiving child care assistance program benefits;

(2) a permanent end in a parentally responsible individual's authorized activity; ~~and~~

(3) if the unit's family's annual included income exceeds 85 percent of the state median income, adjusted for family size;

(4) a change in address or residence;

(5) a change in household composition;

(6) a change in citizenship or immigration status; and

(7) a change in family status.

(b) An assistance unit subject to section 119B.095, subdivision 1, paragraph (b), must report a change in the unit's authorized activity status.

(c) An assistance unit must notify the county when the unit wants to reduce the number of authorized hours for children in the unit.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 88. Minnesota Statutes 2022, section 256P.07, subdivision 7, is amended to read:

Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision 3, an assistance unit participating in the Minnesota supplemental aid program under ~~section 256D.44,~~ subdivision 5, paragraph (g), within ten days of the change, chapter 256D and not receiving Supplemental Security Income must report ~~shelter expenses.;~~

(1) a change in unearned income of \$50 per month or greater; and

(2) a change in earned income of \$100 per month or greater.

(b) An assistance unit receiving housing assistance under section 256D.44, subdivision 5, paragraph (g), including an assistance unit that also receives Supplemental Security Income, must report:

(1) a change in shelter expenses; and

(2) a new rent subsidy or a change in rent subsidy.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 89. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision to read:

Subd. 8. **Housing support-specific reporting.** (a) In addition to subdivision 3, an assistance unit participating in the housing support program under chapter 256I and not receiving Supplemental Security Income must report:

(1) a change in unearned income of \$50 per month or greater; and

(2) a change in earned income of \$100 per month or greater, unless the assistance unit is already subject to six-month reporting requirements in section 256P.10.

(b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving housing support under chapter 256I, including an assistance unit that receives Supplemental Security Income, must report:

(1) a new rent subsidy or a change in rent subsidy;

(2) a change in the disability status of a unit member; and

(3) a change in household composition if the assistance unit is a participant in housing support under section 256I.04, subdivision 3, paragraph (a), clause (3).

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 90. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision to read:

Subd. 9. **General assistance-specific reporting.** In addition to subdivision 3, an assistance unit participating in the general assistance program under chapter 256D must report:

(1) a change in unearned income of \$50 per month or greater;

(2) a change in earned income of \$100 per month or greater, unless the assistance unit is already subject to six-month reporting requirements in section 256P.10; and

(3) changes in any condition that would result in the loss of basis for eligibility in section 256D.05, subdivision 1, paragraph (a).

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 91. **[256P.09] PROSPECTIVE BUDGETING OF BENEFITS.**

Subdivision 1. **Exempted programs.** Assistance units that qualify for child care assistance programs under chapter 119B, assistance units that receive housing support under chapter 256I and are not subject to reporting under section 256P.10, and assistance units that qualify for Minnesota supplemental aid under chapter 256D are exempt from this section.

Subd. 2. **Prospective budgeting of benefits.** An agency subject to this chapter must use prospective budgeting to calculate the assistance payment amount.

Subd. 3. **Initial income.** For the purpose of determining an assistance unit's level of benefits, an agency must take into account the income already received by the assistance unit during or

anticipated to be received during the application period. Income anticipated to be received only in the initial month of eligibility must only be counted in the initial month.

Subd. 4. **Income determination.** An agency must use prospective budgeting to determine the amount of the assistance unit's benefit for the eligibility period based on the best information available at the time of approval. An agency shall only count anticipated income when the participant and the agency are reasonably certain of the amount of the payment and the month in which the payment will be received. If the exact amount of the income is not known, the agency shall consider only the amounts that can be anticipated as income.

Subd. 5. **Income changes.** An increase in income shall not affect an assistance unit's eligibility or benefit amount until the next review unless otherwise required to be reported in section 256P.07. A decrease in income shall be effective on the date that the change occurs if the change is reported by the tenth of the month following the month when the change occurred. If the assistance unit does not report the change in income by the tenth of the month following the month when the change occurred, the change in income shall be effective on the date that the change was reported.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 92. **[256P.10] SIX-MONTH REPORTING.**

Subdivision 1. **Exempted programs.** Assistance units that qualify for child care assistance programs under chapter 119B, assistance units that qualify for Minnesota supplemental aid under chapter 256D, and assistance units that qualify for housing support under chapter 256I and also receive Supplemental Security Income are exempt from this section.

Subd. 2. **Reporting.** (a) Every six months, an assistance unit that qualifies for the Minnesota family investment program under chapter 256J, an assistance unit that qualifies for general assistance under chapter 256D with an earned income of \$100 per month or greater, or an assistance unit that qualifies for housing support under chapter 256I with an earned income of \$100 per month or greater is subject to six-month reviews. The initial reporting period may be shorter than six months in order to align with other programs' reporting periods.

(b) An assistance unit that qualifies for the Minnesota family investment program or an assistance unit that qualifies for general assistance with an earned income of \$100 per month or greater must complete household report forms as required by the commissioner for redetermination of benefits.

(c) An assistance unit that qualifies for housing support with an earned income of \$100 per month or greater must complete household report forms as prescribed by the commissioner to provide information about earned income.

(d) An assistance unit that qualifies for housing support and also receives assistance through the Minnesota family investment program is subject to the requirements of this section for purposes of the Minnesota family investment program but not for housing support.

(e) An assistance unit covered by this section must submit a household report form in compliance with the provisions in section 256P.04, subdivision 11.

(f) An assistance unit covered by this section may choose to report changes under this section at any time.

Subd. 3. **When to terminate assistance.** (a) An agency must terminate benefits when the assistance unit fails to submit the household report form before the end of the six-month review period. If the assistance unit submits the household report form within 30 days of the termination of benefits and remains eligible, benefits must be reinstated and made available retroactively for the full benefit month.

(b) When an assistance unit is determined to be ineligible for assistance according to this section and chapter 256D, 256I, or 256J, the agency must terminate assistance.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 93. Minnesota Statutes 2022, section 261.063, is amended to read:

261.063 TAX LEVY FOR SOCIAL SERVICES; BOARD DUTY; PENALTY.

(a) The board of county commissioners of each county shall annually levy taxes and fix a rate sufficient to produce the full amount required for poor relief, general assistance, Minnesota family investment program, ~~diversionary work program~~, county share of county and state supplemental aid to Supplemental Security Income applicants or recipients, and any other Social Security measures wherein there is now or may hereafter be county participation, sufficient to produce the full amount necessary for each such item, including administrative expenses, for the ensuing year, within the time fixed by law in addition to all other tax levies and tax rates, however fixed or determined, and any commissioner who shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately removed from office by the governor. For the purposes of this paragraph, "poor relief" means county services provided under sections 261.035 and 261.21 to 261.231.

(b) Nothing within the provisions of this section shall be construed as requiring a county agency to provide income support or cash assistance to needy persons when they are no longer eligible for assistance under general assistance, chapter 256J, or Minnesota supplemental aid.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 94. Minnesota Statutes 2022, section 514.972, subdivision 5, is amended to read:

Subd. 5. Access to certain items. (a) Any occupant may remove from the self-storage facility personal papers and health aids upon demand made to any of the persons listed in section 514.976, subdivision 1.

(b) An occupant who provides documentation from a government or nonprofit agency or legal aid office that the occupant is a recipient of relief based on need, is eligible for legal aid services, or is a survivor of domestic violence or sexual assault may remove, in addition to the items provided in paragraph (a), personal clothing of the occupant and the occupant's dependents and tools of the trade that are necessary for the livelihood of the occupant that has a market value not to exceed \$125 per item.

(c) The occupant shall present a list of the items and may remove the items during the facility's ordinary business hours prior to the sale authorized by section 514.973. If the owner unjustifiably denies the occupant access for the purpose of removing the items specified in this subdivision, the occupant is entitled to request relief from the court for an order allowing access to the storage space for removal of the specified items. The self-service storage facility is liable to the occupant for the costs, disbursements, and attorney fees expended by the occupant to obtain this order.

(d) For the purposes of this subdivision, "relief based on need" includes but is not limited to receipt of a benefit from the Minnesota family investment program ~~and diversionary work program~~, medical assistance, general assistance, emergency general assistance, Minnesota supplemental aid, Minnesota supplemental aid housing assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance Program benefits, earned income tax credit, or Minnesota working family tax credit. Relief based on need can also be proven by providing documentation from a legal aid organization that the individual is receiving legal aid assistance, or by providing documentation from a government agency, nonprofit, or housing assistance program that the individual is receiving assistance due to domestic violence or sexual assault.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 95. Minnesota Statutes 2022, section 609B.425, subdivision 2, is amended to read:

Subd. 2. **Benefit eligibility.** (a) ~~For general assistance benefits and Minnesota supplemental aid under chapter 256D, a person convicted of a felony-level drug offense after July 1, 1997, is ineligible for general assistance benefits and Supplemental Security Income under chapter 256D until: during the previous ten years from the date of application or recertification may be subject to random drug testing. The county must provide information about substance use disorder treatment programs to a person who tests positive for an illegal controlled substance.~~

~~(1) five years after completing the terms of a court-ordered sentence; or~~

~~(2) unless the person is participating in a drug treatment program, has successfully completed a program, or has been determined not to be in need of a drug treatment program.~~

~~(b) A person who becomes eligible for assistance under chapter 256D is subject to random drug testing and shall lose eligibility for benefits for five years beginning the month following:~~

~~(1) any positive test for an illegal controlled substance; or~~

~~(2) discharge of sentence for conviction of another drug felony.~~

~~(e) (b) Parole violators and fleeing felons are ineligible for benefits and persons fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.~~

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

Sec. 96. Minnesota Statutes 2022, section 609B.435, subdivision 2, is amended to read:

Subd. 2. **Drug offenders; random testing; sanctions.** A person who is an applicant for benefits from the Minnesota family investment program or MFIP, the vehicle for temporary assistance for

needy families or TANF, and who has been convicted of a felony-level drug offense ~~shall~~ may be subject to ~~certain conditions, including random drug testing, in order to receive MFIP benefits.~~ Following any positive test for a controlled substance, the ~~convicted applicant or participant is subject to the following sanctions:~~ county must provide information about substance use disorder treatment programs to the applicant or participant.

~~(1) a first time drug test failure results in a reduction of benefits in an amount equal to 30 percent of the MFIP standard of need; and~~

~~(2) a second time drug test failure results in permanent disqualification from receiving MFIP assistance.~~

~~A similar disqualification sequence occurs if the applicant is receiving Supplemental Nutrition Assistance Program (SNAP) benefits.~~

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

Sec. 97. **REVISOR INSTRUCTION.**

The revisor of statutes shall remove from Minnesota Statutes, sections 550.143, subdivision 3c; 550.37, subdivision 14; 551.05, subdivision 1d; 571.72, subdivision 10; 571.912, subdivision 3; and 571.925, the terms "MFIP Diversionary Work Program" and "MFIP diversionary work program." The revisor shall also make any necessary grammatical changes related to the removal of terms.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 98. **REPEALER.**

(a) Minnesota Statutes 2022, sections 256.9864; 256J.08, subdivisions 10, 61, 81, and 83; 256J.30, subdivisions 5, 7, and 8; 256J.33, subdivisions 3, 4, and 5; and 256J.34, subdivisions 1, 2, 3, and 4, are repealed.

(b) Minnesota Statutes 2022, section 256J.425, subdivision 6, is repealed.

(c) Minnesota Statutes 2022, sections 119B.011, subdivision 10a; 256J.08, subdivision 24b; 256J.95, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19; and 256P.07, subdivision 5, are repealed.

(d) Minnesota Statutes 2022, section 256D.63, subdivision 1, is repealed.

(e) Minnesota Statutes 2022, section 256.8799, is repealed.

(f) Minnesota Statutes 2022, sections 256J.08, subdivisions 53 and 62; and 256J.37, subdivision 10, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective March 1, 2025. Paragraph (b) is effective May 1, 2026. Paragraph (c) is effective March 1, 2026. Paragraph (d) is effective the day following final enactment. Paragraph (e) is effective July 1, 2023. Paragraph (f) is effective July 1, 2024.

ARTICLE 11**HOUSING AND HOMELESSNESS**

Section 1. Minnesota Statutes 2022, section 145.4716, subdivision 3, is amended to read:

Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger ~~shall be~~ are eligible for all services, support, and programs provided under this section and section 145.4717, and all shelter, housing beds, and services provided by the commissioner of human services to sexually exploited youth and youth at risk of sexual exploitation under section 256K.47.

Sec. 2. Minnesota Statutes 2022, section 256B.051, subdivision 5, is amended to read:

Subd. 5. **Housing stabilization services.** (a) Housing stabilization services include housing transition services and housing and tenancy sustaining services.

(b) Housing transition services are defined as:

- (1) tenant screening and housing assessment;
- (2) assistance with the housing search and application process;
- (3) identifying resources to cover onetime moving expenses;
- (4) ensuring a new living arrangement is safe and ready for move-in;
- (5) assisting in arranging for and supporting details of a move; and
- (6) developing a housing support crisis plan.

(c) Housing and tenancy sustaining services include:

- (1) prevention and early identification of behaviors that may jeopardize continued stable housing;
- (2) education and training on roles, rights, and responsibilities of the tenant and the property manager;
- (3) coaching to develop and maintain key relationships with property managers and neighbors;
- (4) advocacy and referral to community resources to prevent eviction when housing is at risk;
- (5) assistance with housing recertification process;
- (6) coordination with the tenant to regularly review, update, and modify the housing support and crisis plan; and
- (7) continuing training on being a good tenant, lease compliance, and household management.

(d) A housing stabilization service may include person-centered planning for people who are not eligible to receive person-centered planning through any other service, if the person-centered

planning is provided by a consultation service provider that is under contract with the department and enrolled as a Minnesota health care program.

(e) Housing transition costs are available to persons transitioning from a provider-controlled setting to the person's own home and include:

(1) security deposits; and

(2) essential furnishings and supplies.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is earlier.

Sec. 3. Minnesota Statutes 2022, section 256I.04, subdivision 1, is amended to read:

Subdivision 1. **Individual eligibility requirements.** An individual is eligible for and entitled to a housing support payment to be made on the individual's behalf if the agency has approved the setting where the individual will receive housing support and the individual meets the requirements in paragraph (a), (b), ~~or (c)~~, or (d).

(a) The individual is aged, blind, or is over 18 years of age with a disability as determined under the criteria used by the title II program of the Social Security Act, and meets the resource restrictions and standards of section 256P.02, and the individual's countable income after deducting the (1) exclusions and disregards of the SSI program, (2) the medical assistance personal needs allowance under section 256B.35, and (3) an amount equal to the income actually made available to a community spouse by an elderly waiver participant under the provisions of sections 256B.0575, paragraph (a), clause (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's agreement with the provider of housing support in which the individual resides.

(b) The individual meets a category of eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1), (3), (4) to (8), and (13), and paragraph (b), if applicable, and the individual's resources are less than the standards specified by section 256P.02, and the individual's countable income as determined under section 256P.06, less the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the agency's agreement with the provider of housing support in which the individual resides.

(c) The individual lacks a fixed, adequate, nighttime residence upon discharge from a residential behavioral health treatment program, as determined by treatment staff from the residential behavioral health treatment program. An individual is eligible under this paragraph for up to three months, including a full or partial month from the individual's move-in date at a setting approved for housing support following discharge from treatment, plus two full months.

(d) The individual meets the criteria related to establishing a certified disability or disabling condition in paragraph (a) or (b) and lacks a fixed, adequate, nighttime residence upon discharge from a correctional facility, as determined by an authorized representative from a Minnesota-based correctional facility. An individual is eligible under this paragraph for up to three months, including a full or partial month from the individual's move-in date at a setting approved for housing support following release, plus two full months. Any income received by people who meet the disabling

condition criteria established in paragraph (a) or (b) is not countable for the duration of eligibility under this paragraph.

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

Sec. 4. Minnesota Statutes 2022, section 256I.04, subdivision 3, is amended to read:

Subd. 3. **Moratorium on development of housing support beds.** (a) Agencies shall not enter into agreements for new housing support beds with total rates in excess of the MSA equivalent rate except:

(1) for establishments licensed under chapter 245D provided the facility is needed to meet the census reduction targets for persons with developmental disabilities at regional treatment centers;

(2) up to 80 beds in a single, specialized facility located in Hennepin County that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication, and planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the Housing Finance Agency under section 462A.05, subdivision 20a, paragraph (b);

(3) notwithstanding the provisions of subdivision 2a, for up to 226 supportive housing units in Anoka, Carver, Dakota, Hennepin, or Ramsey, Scott, or Washington County for homeless adults with a mental illness, a history of substance abuse, or human immunodeficiency virus or acquired immunodeficiency syndrome. For purposes of this section, "homeless adult" means a person who is living on the street or in a shelter or discharged from a regional treatment center, community hospital, or residential treatment program and has no appropriate housing available and lacks the resources and support necessary to access appropriate housing. At least 70 percent of the supportive housing units must serve homeless adults with mental illness, substance abuse problems, or human immunodeficiency virus or acquired immunodeficiency syndrome who are about to be or, within the previous six months, have been discharged from a regional treatment center, or a state-contracted psychiatric bed in a community hospital, or a residential mental health or substance use disorder treatment program. If a person meets the requirements of subdivision 1, paragraph (a), and receives a federal or state housing subsidy, the housing support rate for that person is limited to the supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting the amount of the person's countable income that exceeds the MSA equivalent rate from the housing support supplementary service rate. A resident in a demonstration project site who no longer participates in the demonstration program shall retain eligibility for a housing support payment in an amount determined under section 256I.06, subdivision 8, using the MSA equivalent rate. Service funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching funds are available and the services can be provided through a managed care entity. If federal matching funds are not available, then service funding will continue under section 256I.05, subdivision 1a;

(4) for an additional two beds, resulting in a total of 32 beds, for a facility located in Hennepin County providing services for men with and recovering from substance use disorder that has had a housing support contract with the county and has been licensed as a board and lodge facility with special services since 1980;

(5) for a housing support provider located in the city of St. Cloud, or a county contiguous to the city of St. Cloud, that operates a 40-bed facility, that received financing through the Minnesota

Housing Finance Agency Ending Long-Term Homelessness Initiative and serves clientele with substance use disorder, providing 24-hour-a-day supervision;

(6) for a new 65-bed facility in Crow Wing County that will serve persons with substance use disorder, operated by a housing support provider that currently operates a 304-bed facility in Minneapolis, and a 44-bed facility in Duluth;

(7) for a housing support provider that operates two ten-bed facilities, one located in Hennepin County and one located in Ramsey County, that provide community support and 24-hour-a-day supervision to serve the mental health needs of individuals who have chronically lived unsheltered; and

(8) for a facility authorized for recipients of housing support in Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility and that until August 1, 2007, operated as a licensed substance use disorder treatment program.

(b) An agency may enter into a housing support agreement for beds with rates in excess of the MSA equivalent rate in addition to those currently covered under a housing support agreement if the additional beds are only a replacement of beds with rates in excess of the MSA equivalent rate which have been made available due to closure of a setting, a change of licensure or certification which removes the beds from housing support payment, or as a result of the downsizing of a setting authorized for recipients of housing support. The transfer of available beds from one agency to another can only occur by the agreement of both agencies.

Sec. 5. Minnesota Statutes 2022, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. **Supplementary service rates.** (a) Subject to the provisions of section 256I.04, subdivision 3, the agency may negotiate a payment not to exceed ~~\$426.37~~ \$494.91 for other services necessary to provide room and board if the residence is licensed by or registered by the Department of Health, or licensed by the Department of Human Services to provide services in addition to room and board, and if the provider of services is not also concurrently receiving funding for services for a recipient in the residence under a the following programs or funding sources: (1) home and community-based waiver services under title XIX of the federal Social Security Act chapter 256S or section 256B.0913, 256B.092, or 256B.49; or funding from the medical assistance program (2) personal care assistance under section 256B.0659, for personal care services for residents in the setting; or residing in a setting which receives funding under (3) community first services and supports under section 256B.85; or (4) services for adults with mental illness grants under section 245.73. If funding is available for other necessary services through a home and community-based waiver, ~~or under chapter 256S, or section 256B.0913, 256B.092, or 256B.49; personal care assistance services under section 256B.0659; community first services and supports under section 256B.85; or services for adults with mental illness grants under section 245.73,~~ then the housing support rate is limited to the rate set in subdivision 1. Unless otherwise provided in law, in no case may the supplementary service rate exceed ~~\$426.37~~ \$494.91. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds. ~~The commissioner shall pursue the feasibility of obtaining the approval of the Secretary of Health and Human Services to provide home and community-based waiver services~~

~~under title XIX of the federal Social Security Act for residents who are not eligible for an existing home and community-based waiver due to a primary diagnosis of mental illness or substance use disorder and shall apply for a waiver if it is determined to be cost-effective.~~

(b) The commissioner is authorized to make cost-neutral transfers from the housing support fund for beds under this section to other funding programs administered by the department after consultation with the agency in which the affected beds are located. The commissioner may also make cost-neutral transfers from the housing support fund to agencies for beds permanently removed from the housing support census under a plan submitted by the agency and approved by the commissioner. The commissioner shall report the amount of any transfers under this provision annually to the legislature.

(c) Agencies must not negotiate supplementary service rates with providers of housing support that are licensed as board and lodging with special services and that do not encourage a policy of sobriety on their premises and make referrals to available community services for volunteer and employment opportunities for residents.

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

Sec. 6. Minnesota Statutes 2022, section 256I.05, subdivision 2, is amended to read:

Subd. 2. **Monthly rates; exemptions.** This subdivision applies to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0670. Notwithstanding the provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision shall be determined under chapter 256R, if the facility is accepted by the commissioner for participation in the alternative payment demonstration project. The rate paid to this facility shall also include adjustments to the room and board rate according to subdivision 1, ~~and any adjustments applicable to supplemental service rates statewide.~~

Sec. 7. Minnesota Statutes 2022, section 256K.45, subdivision 3, is amended to read:

Subd. 3. **Street and community outreach and drop-in program.** Youth drop-in centers must provide walk-in access to crisis intervention and ongoing supportive services including one-to-one case management services on a self-referral basis. Street and community outreach programs must locate, contact, and provide information, referrals, and services to homeless youth, youth at risk of homelessness, and runaways. Information, referrals, and services provided may include, but are not limited to:

- (1) family reunification services;
- (2) conflict resolution or mediation counseling;
- (3) assistance in obtaining temporary emergency shelter;
- (4) assistance in obtaining food, clothing, medical care, or mental health counseling;

(5) counseling regarding violence, sexual exploitation, substance abuse, sexually transmitted diseases, and pregnancy;

(6) referrals to other agencies that provide support services to homeless youth, youth at risk of homelessness, and runaways;

(7) assistance with education, employment, and independent living skills;

(8) aftercare services;

(9) specialized services for highly vulnerable runaways and homeless youth, including ~~teen~~ but not limited to youth at risk of discrimination based on sexual orientation or gender identity, young parents, emotionally disturbed and mentally ill youth, and sexually exploited youth; and

(10) homelessness prevention.

Sec. 8. Minnesota Statutes 2022, section 256K.45, subdivision 7, is amended to read:

Subd. 7. **Provider repair or improvement grants.** (a) Providers that serve homeless youth ~~under this section~~ may apply for a grant of up to ~~\$200,000~~ \$500,000 under this subdivision to make minor or mechanical repairs or improvements to a facility providing services to homeless youth or youth at risk of homelessness.

(b) Grant applications under this subdivision must include a description of the repairs or improvements and the estimated cost of the repairs or improvements.

~~(c) Grantees under this subdivision cannot receive grant funds under this subdivision for two consecutive years.~~

Sec. 9. Minnesota Statutes 2022, section 256K.45, is amended by adding a subdivision to read:

Subd. 8. **Awarding of grants.** For grants awarded pursuant to a two-year grant contract, the commissioner shall permit grant recipients to carry over any unexpended amount from the first contract year to the second contract year.

Sec. 10. **[256K.47] SAFE HARBOR SHELTER AND HOUSING.**

Subdivision 1. **Grant program established.** The commissioner of human services must establish a safe harbor shelter and housing grant program. Under this grant program, the commissioner must award grants to providers who are committed to serving sexually exploited youth and youth at risk of sexual exploitation. Grantees must use grant money to provide street and community outreach programs, emergency shelter programs, or supportive housing programs consistent with the program descriptions in this section to address the specialized outreach, shelter, and housing needs of sexually exploited youth and youth at risk of sexual exploitation.

Subd. 2. **Youth eligible for services.** Youth 24 years of age or younger are eligible for all shelter, housing beds, and services provided under this section and all services, support, and programs provided by the commissioner of health to sexually exploited youth and youth at risk of sexual exploitation under sections 145.4716 and 145.4717.

Subd. 3. **Street and community outreach.** (a) Street and community outreach programs must locate, contact, and provide information, referrals, and services to eligible youth.

(b) Information, referrals, and services provided by street and community outreach programs may include but are not limited to:

(1) family reunification services;

(2) conflict resolution or mediation counseling;

(3) assistance in obtaining temporary emergency shelter;

(4) assistance in obtaining food, clothing, medical care, or mental health counseling;

(5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy;

(6) referrals to other agencies that provide support services to sexually exploited youth and youth at risk of sexual exploitation;

(7) assistance with education, employment, and independent living skills;

(8) aftercare services;

(9) specialized services for sexually exploited youth and youth at risk of sexual exploitation, including youth experiencing homelessness and youth with mental health needs; and

(10) services to address the prevention of sexual exploitation and homelessness.

Subd. 4. **Emergency shelter program.** (a) Emergency shelter programs must provide eligible youth with referral and walk-in access to emergency short-term residential care. The program shall provide eligible youth with safe and dignified shelter that includes private shower facilities, beds, and meals each day and must assist eligible youth with reunification with that youth's family or legal guardian when required or appropriate.

(b) The services provided at emergency shelters may include but are not limited to:

(1) specialized services to address the trauma of sexual exploitation;

(2) family reunification services;

(3) individual, family, and group counseling;

(4) assistance obtaining clothing;

(5) access to medical and dental care and mental health counseling;

(6) counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy;

(7) education and employment services;

- (8) recreational activities;
- (9) advocacy and referral services;
- (10) independent living skills training;
- (11) aftercare and follow-up services;
- (12) transportation; and
- (13) services to address the prevention of sexual exploitation and homelessness.

Subd. 5. **Supportive housing programs.** (a) Supportive housing programs must help eligible youth find and maintain safe and dignified housing and provide related supportive services and referrals. Supportive housing programs may also provide rental assistance.

(b) The services provided in supportive housing programs may include but are not limited to:

- (1) specialized services to address the trauma of sexual exploitation;
- (2) education and employment services;
- (3) budgeting and money management;
- (4) assistance in securing housing appropriate to needs and income;
- (5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy;
- (6) referral for medical services or chemical dependency treatment;
- (7) parenting skills;
- (8) self-sufficiency support services and independent living skills training;
- (9) aftercare and follow-up services; and
- (10) services to address the prevention of sexual exploitation and homelessness prevention.

Subd. 6. **Funding.** Money appropriated for this section may be expended on programs described in subdivisions 3 to 5, technical assistance, and capacity building to meet the greatest need on a statewide basis.

Sec. 11. Laws 2021, First Special Session chapter 7, article 17, section 5, subdivision 1, is amended to read:

Subdivision 1. **Housing transition cost.** (a) This act includes \$682,000 in fiscal year 2022 and \$1,637,000 in fiscal year 2023 for a onetime payment per transition of up to \$3,000 to cover costs associated with moving to a community setting that are not covered by other sources. Covered costs include: (1) lease or rent deposits; (2) security deposits; (3) utilities setup costs, including telephone and Internet services; and (4) essential furnishings and supplies. The commissioner of human services

shall seek an amendment to the medical assistance state plan to allow for these payments as a housing stabilization service under Minnesota Statutes, section 256B.051. The general fund base in this act for this purpose is \$1,227,000 in fiscal year 2024 and \$0 in fiscal year 2025.

~~(b) This subdivision expires March 31, 2024.~~

(b) An individual is only eligible for a housing transition cost payment if the individual is moving from an institution or provider-controlled setting into their own home.

EFFECTIVE DATE. This section is effective upon federal approval.

Sec. 12. **HOUSING SUPPORT SUPPLEMENTARY SERVICE RATE STUDY.**

(a) The commissioner of human services, in consultation with residents of housing support settings, providers, and lead agencies, must analyze housing support supplementary service rates under Minnesota Statutes, section 256I.05, to recommend a rate setting methodology that is person-centered, equitable, and adequately covers the cost to provide services. The analysis must include but is not limited to:

- (1) a review of current supplemental rates;
- (2) recommendations to avoid duplication of services, while ensuring informed choice; and
- (3) recommendations on an updated rate setting methodology.

(b) By January 15, 2026, the commissioner must submit a report, including recommendations and draft legislative language, to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance.

Sec. 13. **HOMELESS YOUTH CASH STIPEND PILOT PROJECT.**

Subdivision 1. **Pilot project established.** The commissioner of human services shall establish a homeless youth cash stipend pilot project to provide a direct cash stipend to homeless youth in Hennepin and St. Louis Counties. The pilot project must be designed to meet the needs of underserved communities.

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

(b) "Commissioner" means the commissioner of human services.

(c) "Homeless youth" means a person 18 to 24 years of age who lacks a fixed, regular, and adequate nighttime residence. The following are not fixed, regular, or adequate nighttime residences:

(1) a supervised publicly or privately operated shelter designed to provide temporary living accommodations;

(2) an institution or a publicly or privately operated shelter designed to provide temporary living accommodations;

(3) transitional housing;

(4) a temporary placement with a peer, friend, or family member that has not offered permanent residence, a residential lease, or temporary lodging for more than 30 days; or

(5) a public or private place not designed for, nor ordinarily used as, a regular sleeping accommodation for human beings.

Subd. 3. **Administration.** The commissioner, as authorized by Minnesota Statutes, section 256.01, subdivision 2, paragraph (a), clause (6), shall contract with Youthprise to:

(1) identify eligible homeless youth under this section;

(2) provide technical assistance to cash stipend recipients;

(3) engage with cash stipend recipients to develop youth-designed optional services;

(4) evaluate the efficacy and cost-effectiveness of the pilot program;

(5) collaborate with youth leaders of each county to identify and contract with the appropriate service providers to offer financial coaching, housing navigation, employment, education services, and trauma-informed mentoring and support; and

(6) submit annual updates and a final report to the commissioner.

Subd. 4. **Eligibility.** Homeless youth who are 18 to 24 years of age and who live in Hennepin or St. Louis County at the time of initial enrollment are eligible to participate in the pilot project.

Subd. 5. **Cash stipend.** The commissioner, in consultation with Youthprise and Hennepin and St. Louis Counties, shall establish a stipend amount for eligible homeless youth who participate in the pilot project.

Subd. 6. **Stipends not to be considered income.** (a) Notwithstanding any law to the contrary, cash stipends under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B;

(2) general assistance and Minnesota supplemental aid under Minnesota Statutes, chapter 256D;

(3) housing support under Minnesota Statutes, chapter 256I;

(4) the Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

(b) The commissioner must not consider cash stipends under this section as income or assets for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c.

Subd. 7. **Report.** The commissioner, in cooperation with Youthprise and Hennepin and St. Louis Counties, shall submit an annual report on Youthprise's findings regarding the efficacy and cost-effectiveness of the homeless youth cash stipend pilot project to the chairs and ranking minority members of the legislative committees with jurisdiction over homeless youth policy and finance by January 15, 2024, and each January 15 thereafter.

Subd. 8. **Expiration.** This section expires June 30, 2027.

Sec. 14. **EMERGENCY SHELTER FACILITIES.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code, or housing and redevelopment authority established under Minnesota Statutes, section 469.003.

(d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary, accessible, and suitable emergency shelter for individuals and families experiencing homelessness, regardless of whether the facility provides emergency shelter during the day, overnight, or both.

Subd. 2. **Project criteria.** (a) The commissioner shall prioritize grants under this section for projects that improve or expand emergency shelter facility options by:

(1) adding additional emergency shelter facilities by renovating existing facilities not currently operating as emergency shelter facilities;

(2) adding additional emergency shelter facility beds by renovating existing emergency shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure;

(3) adding additional emergency shelter facility beds through acquisition and construction of new emergency shelter facilities;

(4) improving the safety, sanitation, accessibility, and habitability of existing emergency shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure; and

(5) improving access to emergency shelter facilities that provide culturally appropriate shelter and gender-inclusive shelter.

(b) A grant under this section may be used to pay for 100 percent of total project capital expenditures or a specified project phase, up to \$10,000,000 per project. For eligible applicants seeking funding under this section for the acquisition and construction of new emergency shelter facilities under paragraph (a), clause (3), the commissioner must give priority to projects in which the eligible applicant will provide at least ten percent of total project funding.

(c) All projects funded with a grant under this section must meet all applicable state and local building codes at the time of project completion.

(d) The commissioner must use a competitive request for proposal process to identify potential projects and eligible applicants on a statewide basis. At least 40 percent of the appropriation under this section must be awarded to projects located in greater Minnesota. If the commissioner does not receive sufficient eligible funding requests from greater Minnesota to award at least 40 percent of the appropriation under this section to projects in greater Minnesota, the commissioner may award the remaining funds to other eligible projects.

(e) Notwithstanding Minnesota Statutes, sections 16B.98, subdivision 5, paragraph (a), clauses (1) and (2), and 16C.05, subdivision 2, paragraph (a), clause (3), final grant recipients from a competitive grant process may incur eligible expenses based on an agreed-upon predesign and design work plan and budget commencing July 1, 2023, prior to an encumbrance being established in the accounting system and grant execution.

ARTICLE 12

CHILDREN AND FAMILIES

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

4.045 CHILDREN'S CABINET.

The Children's Cabinet shall consist of the commissioners of education; human services; employment and economic development; public safety; corrections; management and budget; health; administration; Housing Finance Agency; ~~and~~ transportation; ~~and the director of the Office of Strategic and Long-Range Planning~~ children, youth, and families. The governor shall designate one member to serve as cabinet chair. The chair is responsible for ensuring that the duties of the Children's Cabinet are performed.

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

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

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

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 2022, section 15.01, is amended to read:

15.01 DEPARTMENTS OF THE STATE.

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Children, Youth, and Families; the Department of Commerce; the Department of Corrections; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Information Technology Services; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Human Services; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

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

Sec. 4. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to the following departments or agencies: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;

Corrections; Education; Employment and Economic Development; Health; Human Rights; Labor and Industry; Management and Budget; Natural Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range Resources and Rehabilitation; the Department of Information Technology Services; the Bureau of Mediation Services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

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

Sec. 5. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

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

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Commissioner of public safety;

Commissioner of revenue;

Commissioner of employment and economic development;

Commissioner of transportation; and

Commissioner of veterans affairs.

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

Sec. 6. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

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

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

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

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

Sec. 7. Minnesota Statutes 2022, section 119B.011, subdivision 2, is amended to read:

Subd. 2. **Applicant.** "Child care fund applicants" means all parents; stepparents; legal guardians; ~~or; eligible relative caregivers who are;~~ relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor custodians or guardians as established by section 256N.22, subdivision 10; or foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b. Applicants must be members of the family and reside in the household that applies for child care assistance under the child care fund.

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

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

Subd. 5. **Child care.** "Child care" means the care of a child by someone other than a parent; stepparent; legal guardian; eligible relative caregiver; relative custodian who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor custodian or guardian as established according to section 256N.22, subdivision 10; foster parent providing care to a child placed in a family foster home under section 260C.007, subdivision 16b; or the spouse spouse of any of the foregoing in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

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

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

Subd. 13. **Family.** "Family" means parents; stepparents; guardians and their spouses; ~~or; other eligible relative caregivers and their spouses;~~ relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor custodians or guardians as established by section 256N.22, subdivision 10, and their spouses; foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b, and their spouses; and their blood related the blood-related dependent children and adoptive siblings under the age of 18 years living in the same home ~~including~~ including as any of the above. Family includes children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities ~~or parents, stepparents, guardians and their spouses, or other relative caregivers and their spouses~~ and adults temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. An adult family member who is not in an authorized activity under this chapter may be temporarily absent for up to 60 days. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or postsecondary student may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents; stepparents; guardians and their spouses; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor custodians or guardians as established by section 256N.22, subdivision 10, and their spouses; foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b, and their spouses; or eligible relative caregivers and their spouses residing in the same household.

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

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

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

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

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

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

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

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

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

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

Sec. 11. Minnesota Statutes 2022, section 119B.13, subdivision 1, is amended to read:

Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning November 15, 2021~~ October 30, 2023, the maximum rate paid for child care assistance in any county or county price cluster under the child care fund shall be:

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

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

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

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

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

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

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

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

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

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

(g) If a child uses two providers under section 119B.097, the maximum payment must not exceed:

(1) the daily rate for one day of care;

(2) the weekly rate for one week of care by the child's primary provider; and

(3) two daily rates during two weeks of care by a child's secondary provider.

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

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

(j) Beginning October 30, 2023, the maximum registration fee paid for child care assistance in any county or county price cluster under the child care fund shall be ~~set as follows: (1) beginning November 15, 2021~~, the greater of the 40th 75th percentile of the 2024 most recent child care provider rate survey or the registration fee in effect at the time of the update; ~~and (2) beginning the~~

~~first full service period on or after January 1, 2025, the maximum registration fee shall be the greater of the 40th percentile of the 2024 child care provider rate survey or the registration fee in effect at the time of the update. The registration fees under clause (1) continue until the registration fees under clause (2) go into effect.~~

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

Sec. 12. **[119B.196] FAMILY, FRIEND, AND NEIGHBOR GRANT PROGRAM.**

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

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

(1) provide culturally and linguistically appropriate training, support, and resources to FFN caregivers and children's families to improve and promote children's health, safety, nutrition, and learning;

(2) connect FFN caregivers and children's families with community resources that support the families' physical and mental health and economic and developmental needs;

(3) connect FFN caregivers and children's families to early childhood screening programs and facilitate referrals to state and local agencies, schools, community organizations, and medical providers, as appropriate;

(4) provide FFN caregivers and children's families with information about high-quality, community-based early care and learning programs and financial assistance available to the families, including but not limited to child care assistance under this chapter and early learning scholarships under section 124D.165;

(5) provide FFN caregivers with information about registering as a legal nonlicensed child care provider as defined in section 119B.011, subdivision 16, and establishing a licensed family or group family child care program;

(6) provide transportation for FFN caregivers and children's families to educational and other early childhood training activities;

(7) translate materials for FFN caregivers and children's families and provide translation services to FFN caregivers and children's families;

(8) develop and disseminate social-emotional learning, health and safety, and early learning kits to FFN caregivers; and

(9) establish play and learning groups for FFN caregivers.

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

Subd. 4. **Reporting requirements.** (a) Grantees shall provide data and program outcomes to the commissioner in a form and manner specified by the commissioner for the purpose of evaluating the grant program.

(b) Beginning February 1, 2024, and every two years thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over child care on program outcomes.

Sec. 13. **[143.01] DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to this chapter.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of children, youth, and families.

Subd. 3. **Department.** "Department" means the Department of Children, Youth, and Families.

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

Sec. 14. **[143.02] CREATION OF THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.**

Subdivision 1. **Department.** The Department of Children, Youth, and Families is established.

Subd. 2. **Transfer and restructuring provisions.** The restructuring of agencies under this act must be conducted in accordance with sections 15.039 and 43A.045.

Subd. 3. **Successor and employee protection clause.** (a) Personnel relating to the functions assigned to the commissioner in section 143.03 are transferred to the department effective 30 days after approval by the commissioner.

(b) Before the commissioner's appointment, personnel relating to the functions in this section may be transferred beginning July 1, 2024, with 30 days' notice from the commissioner of management and budget.

(c) The following protections shall apply to employees who are transferred to the department from state agencies:

(1) no transferred employee shall have their employment status and job classification altered as a result of the transfer;

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

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

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

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

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

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

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

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

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

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

Sec. 15. [143.03] COMMISSIONER.

Subdivision 1. **General.** The department is under the administrative control of the commissioner. The commissioner is appointed by the governor with the advice and consent of the senate. The commissioner has the general powers provided in section 15.06, subdivision 6. The commissioner's

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

Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the commissioner. Any money received under this paragraph is appropriated and dedicated for the purpose for which the money is granted. The commissioner must biennially report to the chairs and ranking minority members of relevant legislative committees and divisions by January 15 of each even-numbered year a list of all grants and gifts received under this subdivision.

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

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

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

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

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

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

(4) increasing the alignment and coordination of family access to child care and early learning programs and improving systems of support for early childhood and learning providers and services;

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

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

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

Sec. 16. **[143.04] STATE AND COUNTY SYSTEMS.**

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

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

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

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

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

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

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

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

Sec. 17. **[143.05] RULEMAKING.**

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

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

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

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

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

Sec. 18. **[145.9285] COMMUNITY SOLUTIONS FOR HEALTHY CHILD DEVELOPMENT GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health shall establish the community solutions for healthy child development grant program. The purpose of the program is to:

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

(2) reduce racial disparities in children's health and development from prenatal to grade 3; and

(3) promote racial and geographic equity.

Subd. 2. **Commissioner's duties.** The commissioner shall:

(1) develop a request for proposals for the healthy child development grant program in consultation with the Community Solutions Advisory Council;

(2) provide outreach, technical assistance, and program development support to increase capacity for new and existing service providers in order to better meet statewide needs, particularly in greater Minnesota and areas where services to reduce health disparities have not been established;

(3) review responses to requests for proposals, in consultation with the Community Solutions Advisory Council, and award grants under this section;

(4) ensure communication with the ethnic councils, Minnesota Indian Affairs Council, and the state advisory council on early childhood education and care on the request for proposal process;

(5) establish a transparent and objective accountability process, in consultation with the Community Solutions Advisory Council, that is focused on outcomes that grantees agree to achieve;

(6) provide grantees with access to data to assist grantees in establishing and implementing effective community-led solutions;

(7) maintain data on outcomes reported by grantees; and

(8) contract with an independent third-party entity to evaluate the success of the grant program and to build the evidence base for effective community solutions in reducing health disparities of children of color and American Indian children from prenatal to grade 3.

Subd. 3. **Community Solutions Advisory Council; establishment; duties; compensation.**

(a) The commissioner, in consultation with the three ethnic councils under section 15.0145 and the Indian Affairs Council under section 3.922, shall appoint a 13-member Community Solutions Advisory Council, as follows:

(1) three members representing Black Minnesotans of African heritage, one of whom is a parent with a child under the age of eight years at the time of the appointment;

(2) three members representing Latino and Latina Minnesotans with an ethnic heritage from Mexico, a country in Central or South America, Cuba, the Dominican Republic, or Puerto Rico, one of whom is a parent with a child under the age of eight years at the time of the appointment;

(3) three members representing Asian-Pacific Minnesotans with Asian-Pacific heritage, one of whom is a parent with a child under the age of eight years at the time of the appointment;

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

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

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

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

(d) The Community Solutions Advisory Council shall:

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

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

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

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

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

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

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

(g) The advisory council shall expire upon expiration or repeal of the healthy childhood development program.

(h) The commissioner of health must provide meeting space and administrative support for the advisory council.

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

(1) organizations or entities that work with communities of color and American Indian communities;

(2) Tribal Nations and Tribal organizations as defined in section 658P of the Child Care and Development Block Grant Act of 1990; and

(3) organizations or entities focused on supporting healthy child development.

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

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

(1) organizations or entities led by people of color and serving communities of color;

(2) organizations or entities led by American Indians and serving American Indians, including Tribal Nations and Tribal organizations;

(3) organizations or entities with proposals focused on healthy development from prenatal to grade 3;

(4) organizations or entities with proposals focusing on multigenerational solutions;

(5) organizations or entities located in or with proposals to serve communities located in counties that are moderate to high risk according to the Wilder Research Risk and Reach Report; and

(6) community-based organizations that have historically served communities of color and American Indians and have not traditionally had access to state grant funding.

The advisory council may recommend additional strategic considerations and priorities to the commissioner.

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

Subd. 6. **Geographic distribution of grants.** The commissioner and the advisory council shall ensure that grant money is prioritized and awarded to organizations and entities that are within

counties that have a higher proportion of people of color and American Indians than the state average, to the extent possible.

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

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

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

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

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

~~(3) administration of medical assistance.~~

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

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

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

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

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

Subd. 2. **State systems account created.** A state systems account for the Department of Human Services is created in the state treasury. Money collected by the commissioner of human services for the programs in subdivision 1 must be deposited in the account. Money in the state systems account and federal matching money is appropriated to the commissioner of human services for purposes of this section.

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

Sec. 21. **[256E.38] DIAPER DISTRIBUTION GRANT PROGRAM.**

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

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

- (1) a network of well-established partners for diaper distribution;
- (2) the infrastructure needed to efficiently manage diaper procurement and distribution statewide;
- (3) relationships with national organizations that support and enhance the work of addressing diaper need;
- (4) the ability to engage in building community awareness of diaper need and advocate for diaper need at local, state, and federal levels;
- (5) a commitment to and demonstration of working with organizations across ideological and political spectrums;
- (6) the ability to address diaper need for children from birth through early childhood; and
- (7) a commitment to working within an equity framework by ensuring access to organizations that provide culturally specific services or are located in communities with high concentrations of poverty.

Subd. 3. **Application.** Applicants must apply to the commissioner in a form and manner prescribed by the commissioner. Applications must be filed at the times and for the periods determined by the commissioner.

Subd. 4. **Eligible uses of grant money.** An eligible applicant that receives grant money under this section shall use the money to purchase diapers and wipes and may use up to four percent of the money for administrative costs.

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

- (1) retain records documenting expenditure of the grant money;
- (2) report to the commissioner on the use of the grant money; and
- (3) comply with any additional requirements imposed by the commissioner.

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

Sec. 22. Laws 2023, chapter 52, article 5, section 27, is amended to read:

Sec. 27. **299A.95 OFFICE OF RESTORATIVE PRACTICES.**

Subdivision 1. **Definition.** As used in this section, "restorative practices" means a practice within a program or policy that incorporates core restorative principles, including but not limited to voluntariness, prioritization of agreement by the people closest to the harm on what is needed to repair the harm, reintegration into the community, honesty, and respect. Restorative practices include but are not limited to victim-offender conferences, family group conferences, circles, community conferences, and other similar victim-centered practices. Restorative practices funded under this statute may be used at any point including before court involvement, after court involvement, to prevent court involvement, or in conjunction with court involvement. Restorative practices are rooted in community values and create meaningful outcomes that may include but are not limited to:

(1) establishing and meeting goals related to increasing connection to community, restoring relationships, and increasing empathy; considering all perspectives involved; and taking responsibility for impact of actions by all parties involved;

(2) addressing the needs of those who have been harmed;

(3) recognizing and addressing the underlying issues of behavior;

(4) engaging with those most directly affected by an incident and including community members that reflect the diversity of the individual's environment;

(5) determining the appropriate responses to specific incidents through the use of a collaborative process;

(6) providing solutions and approaches that affirm and are tailored to specific cultures; and

(7) implementing policies and procedures that are informed by the science of the social, emotional, and cognitive development of children.

Subd. 2. **Establishment.** The Office of Restorative Practices is established within the Department of Public Safety. The Office of Restorative Practices shall have the powers and duties described in this section.

~~Subd. 3. **Department of Children, Youth, and Family; automatic transfer.** In the event that a Department of Children, Youth, and Family is created as an independent agency, the Office of Restorative Practices shall be transferred to that department pursuant to section 15.039 effective six months following the effective date for legislation creating that department.~~

Subd. 4. **Director; other staff.** (a) The commissioner of public safety shall appoint a director of the Office of Restorative Practices. The director should have qualifications that include or are similar to the following:

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

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

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

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

(5) understanding of educational barriers.

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

Subd. 5. **Duties.** (a) The Office of Restorative Practices shall promote the use of restorative practices across multiple disciplines, including but not limited to:

(1) pretrial diversion programs established pursuant to section 388.24;

(2) delinquency, criminal justice, child welfare, and education systems; and

(3) community violence prevention practices.

(b) The Office of Restorative Practices shall collaborate with Tribal communities, counties, multicounty agencies, other state agencies, nonprofit agencies, and other jurisdictions, and with existing restorative practices initiatives in those jurisdictions to establish new restorative practices initiatives, support existing restorative practices initiatives, and identify effective restorative practices initiatives.

(c) The Office of Restorative Practices shall encourage collaboration between jurisdictions by creating a statewide network, led by restorative practitioners, to share effective methods and practices.

(d) The Office of Restorative Practices shall create a statewide directory of restorative practices initiatives. The office shall make this directory available to all restorative practices initiatives, counties, multicounty agencies, nonprofit agencies, and Tribes in order to facilitate referrals to restorative practices initiatives and programs.

(e) The Office of Restorative Practices shall work throughout the state to build capacity for the use of restorative practices in all jurisdictions and shall encourage every county to have at least one available restorative practices initiative.

(f) The Office of Restorative Practices shall engage restorative practitioners in discerning ways to measure the effectiveness of restorative efforts throughout the state.

(g) The Office of Restorative Practices shall oversee the coordination and establishment of local restorative practices advisory committees. The office shall oversee compliance with the conditions of this funding program. If a complaint or concern about a local advisory committee or a grant recipient is received, the Office of Restorative Practices shall exercise oversight as provided in this section.

(h) The Office of Restorative Practices shall provide information to local restorative practices advisory committees, or restorative practices initiatives in Tribal communities and governments, counties, multicounty agencies, other state agencies, and other jurisdictions about best practices that are developmentally tailored to youth, trauma-informed, and healing-centered, and provide technical support. Providing information includes but is not limited to sharing data on successful practices in

other jurisdictions, sending notification about available training opportunities, and sharing known resources for financial support. The Office of Restorative Practices shall also provide training and technical support to local restorative practices advisory committees. Training includes but is not limited to the use and scope of restorative practices, victim-centered restorative practices, and trauma-informed care.

(i) The Office of Restorative Practices shall annually establish minimum requirements for the grant application process.

(j) The Office of Restorative Practices shall work with Tribes, counties, multicounty agencies, and nonprofit agencies throughout the state to educate those entities about the application process for grants and encourage applications.

Subd. 6. **Grants.** (a) Within available appropriations, the director shall award grants to establish and support restorative practices initiatives. An approved applicant must receive a grant of up to \$500,000 each year.

(b) On an annual basis, the Office of Restorative Practices shall establish a minimum number of applications that must be received during the application process. If the minimum number of applications is not received, the office must reopen the application process.

(c) Grants may be awarded to private and public nonprofit agencies; local units of government, including cities, counties, and townships; local educational agencies; and Tribal governments. A restorative practices advisory committee may support multiple entities applying for grants based on community needs, the number of youth and families in the jurisdiction, and the number of restorative practices available to the community. Budgets supported by grant funds can include contracts with partner agencies.

(d) Applications must include the following:

(1) a list of willing restorative practices advisory committee members;

(2) letters of support from potential restorative practices advisory committee members;

(3) a description of the planning process that includes:

(i) a description of the origins of the initiative, including how the community provided input; and

(ii) an estimated number of participants to be served; and

(4) a formal document containing a project description that outlines the proposed goals, activities, and outcomes of the initiative including, at a minimum:

(i) a description of how the initiative meets the minimum eligibility requirements of the grant;

(ii) the roles and responsibilities of key staff assigned to the initiative;

(iii) identification of any key partners, including a summary of the roles and responsibilities of those partners;

(iv) a description of how volunteers and other community members are engaged in the initiative; and

(v) a plan for evaluation and data collection.

(e) In determining the appropriate amount of each grant, the Office of Restorative Practices shall consider the number of individuals likely to be served by the local restorative practices initiative.

Subd. 7. Restorative practices advisory committees; membership and duties. (a) Restorative practices advisory committees must include:

(1) a judge of the judicial district that will be served by the restorative practices initiative;

(2) the county attorney of a county that will be served by the restorative practices initiative or a designee;

(3) the chief district public defender in the district that will be served by the local restorative justice program or a designee;

(4) a representative from the children's unit of a county social services agency assigned to the area that will be served by the restorative practices initiative;

(5) a representative from the local probation department or community corrections agency that works with youth in the area that will be served by the restorative practices initiative;

(6) a representative from a local law enforcement agency that operates in the area that will be served by the restorative practices initiative;

(7) a school administrator or designee from a school or schools that operate in the area that will be served by the restorative practices initiative;

(8) multiple community members that reflect the racial, socioeconomic, and other diversity of the population of a county that will be served by the local restorative justice program and the individuals most frequently involved in the truancy, juvenile offender, and juvenile safety and placement systems;

(9) restorative practitioners, including restorative practitioners from within the community if available and, if not, from nearby communities;

(10) parents, youth, and justice-impacted participants; and

(11) at least one representative from a victims advocacy group.

(b) Community members described in paragraph (a), clause (8), must make up at least one-third of the restorative practices advisory committee.

(c) Community members, parents, youth, and justice-impacted participants participating in the advisory committee may receive a per diem from grant funds in the amount determined by the General Services Administration.

(d) The restorative practices advisory committees must utilize restorative practices in their decision-making process and come to consensus when developing, expanding, and maintaining restorative practices criteria and referral processes for their communities.

(e) Restorative practices advisory committees shall be responsible for establishing eligibility requirements for referrals to the local restorative practices initiative. Once restorative practices criteria and referral processes are developed, children, families, and cases, depending upon the point of prevention or intervention, must be referred to the local restorative practices initiatives or programs that serve the county, local community, or Tribal community where the child and family reside.

(f) Referrals may be made under circumstances, including but not limited to:

- (1) as an alternative to arrest as outlined in section 260B.1755;
- (2) for a juvenile petty offense;
- (3) for a juvenile traffic offense;
- (4) for a juvenile delinquency offense, including before and after a delinquency petition has been filed;
- (5) for a child protection case, including before and after adjudication;
- (6) for a children's mental health case;
- (7) for a juvenile status offense, including but not limited to truancy or running away;
- (8) for substance use issues;
- (9) for situations involving transition to or from the community; and
- (10) through self-referral.

Subd. 8. **Oversight of restorative practices advisory committees.** (a) Complaints by restorative practices advisory committee members, community members, restorative practices initiatives, or restorative practices practitioners regarding concerns about grant recipients may be made to the Office of Restorative Practices.

(b) The Office of Restorative Practices may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon.

(c) The Office of Restorative Practices shall establish and use a restorative process to respond to complaints so that grant recipients are being held to their agreed upon responsibilities and continue to meet the minimum eligibility requirements for grants to local restorative practices initiatives for the duration of the grant.

Subd. 9. **Report.** By February 15 of each year, the director shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety, human services, and education, on the work of the Office of Restorative Practices, any grants issued

pursuant to this section, and the status of local restorative practices initiatives in the state that were reviewed in the previous year.

Sec. 23. 2023 H.F. No. 2292, section 20, subdivision 13, if enacted, is amended to read:

Subd. 13. **Quality rating and improvement system.** (a) For transfer to the commissioner of human services for the purposes of expanding the quality rating and improvement system under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the quality rating and improvement system:

\$	2,850,000	2024
\$	1,750,000	2025

(b) The amounts in paragraph (a) must be in addition to any federal funding under the child care and development block grant authorized under Public Law 101-508 in that year for the system under Minnesota Statutes, section 124D.142.

(c) The commissioner of human services shall use up to \$1,100,000 in fiscal year 2024 from the amount appropriated under paragraph (a) to establish and report on the automatic one-star rating under Minnesota Statutes, section 124D.142, subdivision 2, paragraph (a), and to offer related supports.

(d) Any balance in the first year does not cancel but is available in the second year.

Sec. 24. DIRECTION TO COMMISSIONER; ALLOCATING BASIC SLIDING FEE MONEY.

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

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

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

Sec. 25. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; COST ESTIMATION MODEL FOR EARLY CARE AND LEARNING PROGRAMS.

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

child care resource and referral organizations under Minnesota Statutes, section 119B.19, subdivision 1; and organizations representing caregivers, teachers, and directors.

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

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

(1) the quality of care;

(2) the geographic area;

(3) the type of child care provider and associated licensing standards;

(4) the age of the child;

(5) whether the early care and learning is inclusive by caring for children with disabilities alongside children without disabilities;

(6) child care provider and staff compensation, including benefits such as professional development stipends, health care benefits, and retirement benefits;

(7) a child care provider's fixed costs, including rent and mortgage payments, property taxes, and business-related insurance payments;

(8) a child care provider's operating expenses, including expenses for training and substitutes; and

(9) a child care provider's hours of operation.

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

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

(2) a plan to seek federal approval to use the model for child care provider payment rates for child care assistance.

Sec. 26. DIRECTION TO COMMISSIONER; INCREASE FOR MAXIMUM CHILD CARE ASSISTANCE RATES.

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

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

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

Sec. 27. FIRST APPOINTMENTS AND TERMS FOR THE COMMUNITY SOLUTIONS ADVISORY COUNCIL.

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

Sec. 28. APPOINTMENT OF COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES.

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

Sec. 29. DATA PRACTICES.

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

(1) the commissioner of children, youth, and families may access data maintained by the commissioners of education, human services, and public safety related to the responsibilities transferred under section 30; and

(2) the commissioners of education, human services, and public safety may access data maintained by the commissioner of children, youth, and families related to each department's respective responsibilities transferred under section 30.

(b) Data sharing authorized by this subdivision includes only the data necessary to coordinate department activities and services transferred under section 30.

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

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

(e) This section expires July 1, 2027.

Sec. 30. TRANSFERS FROM OTHER AGENCIES.

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

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

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

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

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

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

(g) The commissioner of children, youth, and families must provide four successive quarterly reports to relevant legislative committees on the status of transferring programs; responsibilities; not public data as defined in section 13.02, subdivision 8a; and personnel under this section. The first report must cover the quarter starting July 1, 2024, and each report must be submitted by the 15th of the month following the quarter end.

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

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

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

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

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

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

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

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

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

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

(10) electronic benefit transactions under Minnesota Statutes, sections 256.9862, 256.9863, 256.9865, 256.987, 256.9871, 256.9872, and 256J.77;

(11) Minnesota food assistance program under Minnesota Statutes, section 256D.64;

(12) Minnesota food shelf program under Minnesota Statutes, section 256E.34;

(13) MFIP and Temporary Assistance for Needy Families (TANF) under Minnesota Statutes, sections 256.9864 and 256.9865 and chapters 256J and 256P;

(14) Diversionary Work Program (DWP) under Minnesota Statutes, section 256J.95;

(15) resettlement programs under Minnesota Statutes, section 256B.06, subdivision 6;

(16) child abuse under Minnesota Statutes, chapter 256E;

(17) reporting of the maltreatment of minors under Minnesota Statutes, chapter 260E;

(18) children in voluntary foster care for treatment under Minnesota Statutes, chapter 260D;

(19) juvenile safety and placement under Minnesota Statutes, chapter 260C;

(20) the Minnesota Indian Family Preservation Act under Minnesota Statutes, sections 260.751 to 260.835;

(21) the Interstate Compact for Juveniles under Minnesota Statutes, section 260.515, and the Interstate Compact on the Placement of Children under Minnesota Statutes, sections 260.851 to 260.93;

(22) adoption under Minnesota Statutes, sections 259.20 to 259.89;

(23) Northstar Care for Children under Minnesota Statutes, chapter 256N;

(24) child support under Minnesota Statutes, chapters 13, 13B, 214, 256, 256J, 257, 259, 518, 518A, 518C, 551, 552, 571, and 588, and Minnesota Statutes, section 609.375;

(25) community action programs under Minnesota Statutes, sections 256E.30 to 256E.32; and

(26) Family Assets for Independence in Minnesota under Minnesota Statutes, section 256E.35.

Subd. 3. **Department of Education.** The powers and duties of the Department of Education with respect to the following responsibilities and related elements are transferred to the Department of Children, Youth, and Families according to Minnesota Statutes, section 15.039:

(1) Head Start Program and Early Head Start under Minnesota Statutes, sections 119A.50 to 119A.545;

(2) the early childhood screening program under Minnesota Statutes, sections 121A.16 to 121A.19;

(3) early learning scholarships under Minnesota Statutes, section 124D.165;

(4) the interagency early childhood intervention system under Minnesota Statutes, sections 125A.259 to 125A.48;

(5) voluntary prekindergarten programs and school readiness plus programs under Minnesota Statutes, section 124D.151;

(6) early childhood family education programs under Minnesota Statutes, sections 124D.13 to 124D.135;

(7) school readiness under Minnesota Statutes, sections 124D.15 to 124D.16; and

(8) after-school community learning programs under Minnesota Statutes, section 124D.2211.

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

- (1) the juvenile justice program under Minnesota Statutes, section 299A.72;
- (2) grants-in-aid to youth intervention programs under Minnesota Statutes, section 299A.73;
- and
- (3) the Office of Restorative Practices under Minnesota Statutes, section 299A.95.

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

Sec. 31. **TRANSITION REPORT TO THE LEGISLATURE.**

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

- (1) the completed, ongoing, and anticipated work related to the transfer of programs, responsibilities, and personnel to the department;
- (2) the development of interagency agreements for services that will be shared by agencies, including any agreements related to access or sharing of not public data;
- (3) efforts to secure needed federal approvals for the transfer of programs and responsibilities;
- (4) regular engagement with leaders and staff of state agencies, county and Tribal governments, and school districts about the creation of the department and the transfer of programs; responsibilities; not public data as defined in section 13.02, subdivision 8a; and personnel to the department;
- (5) input from individuals impacted by the programs that are to be transferred to the department and input from local services providers and other stakeholders about how to improve services through the creation of the department; and
- (6) plans and timelines related to the items referenced in clauses (1) to (5).

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

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

Sec. 32. **MODERNIZING INFORMATION TECHNOLOGY FOR PROGRAMS IMPACTING CHILDREN AND FAMILIES.**

(a) To the extent there is funding available for this purpose in the state systems account established under Minnesota Statutes, section 256.014, subdivision 2, the commissioner of human services shall develop and implement a plan to transform and modernize the information technology

systems that support the programs impacting children and families, including youth programs and child care and early learning programs, currently administered by the Departments of Education and Human Services and other departments with programs impacting children and families as identified by the Children's Cabinet. The commissioner may contract for the services contained in this section.

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

(1) minimize the time and effort needed for families to apply for, enroll in, and maintain enrollment in programs;

(2) minimize the time and effort needed for providers to administer programs;

(3) improve coordination among programs for families;

(4) assess the impact of childhood programs on children's outcomes, including school readiness and educational outcomes; and

(5) monitor and collect nonbiometric attendance data at child care centers licensed under Minnesota Rules, chapter 9503, through a combination of state-provided technology and integration with private child care management systems.

(c) In developing and implementing the plan required under this section, the commissioner must consult with the commissioners of education and information technology services and other departments with programs impacting children and families as identified by the Children's Cabinet and other stakeholders. The plan and corresponding implementation must be coordinated and aligned with other systems modernization activities that affect the same state agencies and programs.

(d) By February 1 of each year, the commissioner, in collaboration with the commissioner of information technology services, must provide a report to the legislative committees with jurisdiction over impacted programs on the status of the use of money, plan development, and strategy implementation. This paragraph expires on February 1 of the year after all the funds appropriated for the purposes described in paragraph (a) in the state systems account established under Minnesota Statutes, section 256.014, subdivision 2, have been spent.

(e) When the Department of Children, Youth, and Families is operational, the responsibilities and authorities given to the commissioner of human services under this section shall transfer to the commissioner of children, youth, and families.

Sec. 33. PREPARED MEALS FOOD RELIEF GRANTS.

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

Subd. 2. **Eligible grantees.** Eligible grantees are nonprofit organizations and federally recognized American Indian Tribes or Bands located in Minnesota as defined in Minnesota Statutes, section 10.65, with a demonstrated history of providing and distributing prepared meals customized for the population that they serve, including tailoring meals to the cultural, religious, and dietary needs of the population served. Eligible grantees must prepare meals in a licensed commercial kitchen and distribute meals according to ServSafe guidelines.

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

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

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

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

(b) In granting money, the commissioner shall prioritize applicants that:

(1) have demonstrated ability to provide prepared meals to racially and geographically diverse populations at greater risk for food insecurity;

(2) work with external community partners to distribute meals targeting nontraditional meal sites reaching those most in need; and

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

(i) Minnesota food producers and processors; or

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

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

Sec. 34. DIRECTION TO COMMISSIONER; ADMINISTRATION OF GREAT START SCHOLARSHIPS PROGRAM.

The commissioner of human services, in collaboration with the commissioner of education and the Children's Cabinet, shall administer the great start scholarships program under Minnesota Statutes, section 119C.01, until the Department of Children, Youth, and Families is operational. The commissioner of human services may transfer administration of the program to the commissioner of children, youth, and families when the Department of Children, Youth, and Families is operational.

Sec. 35. REVISOR INSTRUCTION.

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

Sec. 36. **REPEALER.**

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

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

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

ARTICLE 13

CHILD CARE WORKFORCE

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

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

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

Sec. 2. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

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

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

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

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

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

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

(6) families who are participating in services or activities that are included in an approved family stabilization plan under section 256J.575;

(7) MFIP child-only families under section 256J.88, for up to 20 hours of child care per week for children ages six and under, as recommended by the treating mental health professional as defined in section 245I.04, subdivision 2, when the child's primary caregiver has a diagnosis of a mental illness;

~~(7)~~ (8) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2;

~~(8)~~ (9) families who are participating in the transition year extension under section 119B.011, subdivision 20a;

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

~~(10)~~ (11) student parents who turn 21 years of age and who continue to meet the other requirements under section 119B.011, subdivision 19b. A student parent continues to be eligible until the student parent is approved for basic sliding fee child care assistance or until the student parent's redetermination, whichever comes first. At the student parent's redetermination, if the student parent was not approved for basic sliding fee child care assistance, a student parent's eligibility ends following a 15-day adverse action notice.

EFFECTIVE DATE. This section is effective May 12, 2025.

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

Subdivision 1. **Authorization.** ~~A county or~~ The commissioner must authorize the provider chosen by an applicant or a participant before the county can authorize payment for care provided by that provider. The commissioner must establish the requirements necessary for authorization of providers. A provider must be reauthorized every two years. ~~A legal, nonlicensed family child care provider also must be reauthorized when another person over the age of 13 joins the household, a current household member turns 13, or there is reason to believe that a household member has a factor that prevents authorization. The provider is required to report all family changes that would require reauthorization. When a provider has been authorized for payment for providing care for families in more than one county, the county responsible for reauthorization of that provider is the county of the family with a current authorization for that provider and who has used the provider for the longest length of time.~~

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

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

Subd. 1a. **Background study required.** (a) This subdivision only applies to legal, nonlicensed family child care providers.

~~(b) Prior to authorization, and as part of each reauthorization required in subdivision 1, the county the commissioner shall perform a background study on every member of the provider's household who is age 13 and older. The county shall also perform a background study on an individual who has reached age ten but is not yet age 13 and is living in the household where the nonlicensed child care will be provided when the county has reasonable cause as defined under section 245C.02, subdivision 15 individuals identified under section 245C.02, subdivision 6a.~~

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

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

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

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

Sec. 5. Minnesota Statutes 2022, section 119B.125, subdivision 1b, is amended to read:

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

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

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

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

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

Sec. 6. Minnesota Statutes 2022, section 119B.125, subdivision 2, is amended to read:

Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization under this section shall collect the information required under section 245C.05, ~~subdivision 1,~~ and forward the information to the ~~county~~ agency commissioner. The background study must include a review of

the information required under section 245C.08, ~~subdivisions 2, subdivision 3, and 4, paragraph (b).~~

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

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

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

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

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

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

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

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

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

or

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

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

Sec. 7. Minnesota Statutes 2022, section 119B.125, subdivision 3, is amended to read:

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

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

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

(3) the person is providing child care in the state of licensure or in the area under the jurisdiction of the licensing Tribe.

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

Sec. 8. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

Subd. 4. **Unsafe care.** ~~A county~~ (a) The commissioner may deny authorization as a child care provider to any applicant or rescind authorization of any provider when ~~the~~ a county or the commissioner knows or has reason to believe that the provider is unsafe or that the circumstances of the chosen child care arrangement are unsafe, based on statewide criteria developed by the commissioner. ~~The county must include the conditions under which a provider or care arrangement will be determined to be unsafe in the county's child care fund plan under section 119B.08, subdivision 3~~

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

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

Sec. 9. Minnesota Statutes 2022, section 119B.125, subdivision 6, is amended to read:

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

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

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

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

~~(c) A county or the commissioner may deny or revoke a provider's authorization to receive child care assistance payments under section 119B.13, subdivision 6, paragraph (d), pursue a fraud disqualification under section 256.98, take an action against the provider under chapter 245E, or establish an attendance record overpayment under paragraph (d) against a current or former provider. When the county or the commissioner knows or has reason to believe that ~~the~~ a current or former provider has not complied with the record-keeping requirement in this subdivision-;~~

(1) the commissioner may:

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

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

or

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

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

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

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

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

Sec. 10. Minnesota Statutes 2022, section 119B.125, subdivision 7, is amended to read:

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

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

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

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

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

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

Sec. 11. Minnesota Statutes 2022, section 119B.13, subdivision 4, is amended to read:

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

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

Sec. 12. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

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

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

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

(d) ~~A county or~~ The commissioner may refuse to issue a child care authorization to a certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified, licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified, licensed, or legal nonlicensed provider if:

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

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

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

(4) the provider is operating after:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 13. Minnesota Statutes 2022, section 119B.16, subdivision 1c, is amended to read:

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

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

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

Sec. 14. Minnesota Statutes 2022, section 119B.16, subdivision 3, is amended to read:

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

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

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

Sec. 15. Minnesota Statutes 2022, section 119B.161, subdivision 2, is amended to read:

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

(b) The notice must:

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

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

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

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

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

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

Sec. 16. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

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

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

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

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

Sec. 17. **[119B.162] RECONSIDERATION OF CORRECTION ORDERS.**

(a) If a provider believes that the contents of the commissioner's correction order issued under chapter 245E are in error, the provider may ask the commissioner 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 or submitted in the provider licensing and reporting hub within 30 calendar days from the date the correction order was mailed or issued through the hub 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) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration.

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

Sec. 18. Minnesota Statutes 2022, section 119B.19, subdivision 7, is amended to read:

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

- (1) maintain one database of all existing child care resources and services and one database of family referrals;
- (2) provide a child care referral service for families;
- (3) develop resources to meet the child care service needs of families;
- (4) increase the capacity to provide culturally responsive child care services;
- (5) coordinate professional development opportunities for child care and school-age care providers;
- (6) administer and award child care services grants;
- (7) cooperate with the Minnesota Child Care Resource and Referral Network and its member programs to develop effective child care services and child care resources; ~~and~~

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

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

(10) provide supports that enable economically challenged individuals to obtain the job skills training, career counseling, and job placement assistance necessary to begin a career path in child care.

Sec. 19. [119B.252] EARLY CHILDHOOD REGISTERED APPRENTICESHIP GRANT PROGRAM.

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

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

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

(c) "Early childhood registered apprenticeship program" means an organization holding the TEACH license with the Department of Human Services that is registered with the Department of Labor and Industry under chapter 178.

(d) "Early childhood signatory employer" means an employer that participates in an early childhood registered apprenticeship program and employs an apprentice and that is:

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

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

(3) an early childhood family education program under section 124D.13; a school readiness program under section 124D.15; a voluntary prekindergarten program under section 124D.151; a special education program under chapter 125A; or a school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9;

(4) a Head Start program under United States Code, title 42, section 9801, et seq.;

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

(6) a Tribally licensed child care program.

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

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

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

(2) stipends for mentors; or

(3) stipends for early childhood signatory employers.

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

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

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

(3) participates in meetings and on-the-job learning with a mentor consistent with the requirements in the apprenticeship program standards;

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

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

Subd. 5. **Stipends for mentors.** A mentor shall receive up to \$4,000 for each apprentice mentored under this section, provided the mentor complies with the requirements in the apprenticeship program standard and completes eight weeks of mentor training and additional training on observation. Mentors may use money received through stipends for personal expenses. The training must be free of charge to mentors.

Subd. 6. **Stipends for early childhood signatory employers.** (a) An early childhood signatory employer shall receive up to \$5,000 for each apprentice employed under this section, provided the early childhood signatory employer complies with the requirements in the apprenticeship program standard and the following requirements:

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

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

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

Sec. 20. **[119B.27] GREAT START COMPENSATION SUPPORT PAYMENTS.**

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

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

- (1) family and group family child care homes licensed under Minnesota Rules, chapter 9502;
- (2) child care centers licensed under Minnesota Rules, chapter 9503;
- (3) certified license-exempt child care centers under chapter 245H;
- (4) Tribally licensed child care programs; and
- (5) other programs as determined by the commissioner.

(b) To be eligible, programs must not be:

(1) the subject of a finding of fraud for which the program or individual is currently serving a penalty or exclusion;

(2) the subject of suspended, denied, or terminated payments to a provider under section 256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02, subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;

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

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

Subd. 3. **Requirements.** (a) As a condition of payment under this section, a program must:

(1) complete an application developed by the commissioner for each payment period for which the program applies for funding;

(2) submit data on child enrollment and attendance to the commissioner in the form and manner specified by the commissioner; and

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

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

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

(b) A program must expend money received under this section no later than six months after the date the payment was received.

(c) A program that receives a payment under this section must comply with all requirements listed in the application. The commissioner must establish methods to determine that the application requirements have been met.

Subd. 4. **Record retention.** (a) A program that receives a payment under this section must keep accurate and legible records of the following:

(1) use of money;

(2) staff employment, compensation, and benefits, which must include time sheets or other records of daily hours worked; documentation of compensation and benefits; documentation of written changes to employees' rate or rates of pay and basis thereof as a result of payments received under this section, as required under section 181.032, paragraphs (d) to (f); and any other records required to be maintained under section 177.30; and

(3) attendance. Daily attendance records must be completed every day and must include the date, the first and last name of each child in attendance, and the time each child is dropped off at and picked up from the program. To the extent possible, the person dropping off or picking up the child must enter the times.

(b) The requirement to document compensation and benefits under paragraph (a), clause (2), applies to family and group family child care homes only if a payment received under this section is used for employee compensation or benefits.

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

Subd. 5. **Enforcement.** A program that receives a payment under this section that fails to meet the requirements of this section is subject to discontinuation of future installment payments, recovery of overpayments, and actions under chapter 245E. Except when based on a finding of fraud, actions to establish an overpayment must be made within six years of receipt of the payments. Once an overpayment is established, collection may continue until money has been repaid in full. The appeal process under section 119B.16 applies to actions taken for failure to meet the requirements of this section.

Subd. 6. **Payments.** (a) The commissioner shall provide payments under this section to all eligible programs on a noncompetitive basis. The payment amounts shall be based on the number of full-time equivalent staff who regularly care for children in the program, including any employees, sole proprietors, or independent contractors.

(b) For purposes of this section, "one full-time equivalent" is defined as an individual caring for children 32 hours per week. An individual can count as more or less than one full-time equivalent staff, but as no more than two full-time equivalent staff.

(c) The commissioner must establish an amount to award per full-time equivalent individual who regularly cares for children in the program.

(d) Payments must be increased by ten percent for programs receiving child care assistance payments under section 119B.03 or 119B.05 or early learning scholarships under section 124D.165, or for programs located in a child care access equity area. The commissioner must develop a method for establishing child care access equity areas. For purposes of this section, "child care access equity area" means an area with low access to child care, high poverty rates, high unemployment rates, low homeownership rates, and low median household incomes.

(e) The commissioner shall establish the form, frequency, and manner for making payments under this section.

Subd. 7. Eligible uses of money. (a) Child care centers licensed under Minnesota Rules, chapter 9503, certified license-exempt child care centers under chapter 245H, and Tribally licensed child care centers must use money received under this section to pay for increases in compensation, benefits, premium pay, or additional federal taxes assessed on the compensation of employees as a result of paying increased compensation or premium pay to all paid employees or independent contractors regularly caring for children.

(b) Family and group family child care homes licensed under Minnesota Rules, chapter 9502, and Tribally licensed family child care homes must use money received under this section for one or more of the following purposes:

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

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

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

(4) providing mental health supports for children; or

(5) purchasing training or other professional development.

Subd. 8. Legal nonlicensed child care provider payments. (a) Legal nonlicensed child care providers, as defined in section 119B.011, subdivision 16, are eligible to apply for a payment of up to \$500 for costs incurred before the first month when payments from the child care assistance program are issued.

(b) A payment received under this subdivision must be used for one or more of the following activities:

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

(2) purchasing training or other professional development.

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

Subd. 9. **Report.** By January 1 each year, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over child care and early learning the number of payments provided to programs and related outcomes since the last report. This subdivision expires January 31, 2033.

Subd. 10. **Carryforward authority.** Money appropriated under this section is available until expended.

Sec. 21. **[119B.28] SHARED SERVICES GRANTS.**

Subdivision 1. **Establishment.** The commissioner of human services shall establish a grant program to award money to public entities and private for-profit and nonprofit organizations for planning, establishment, expansion, improvement, or operation of shared services alliances.

Subd. 2. **Shared services alliances.** For purposes of this section, "shared services alliances" are networks of eligible entities that share services to reduce costs and achieve efficiencies. "Eligible entities" are:

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

(2) Tribally licensed family child care programs; and

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

Subd. 3. **Eligible uses of money.** Grantees must use money received under this section to deliver one or more of the following services:

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

(2) shared administrative staff for tasks such as record keeping and complying with reporting requirements for programs, including but not limited to the child care assistance program, Head Start, the child and adult care food program, and early learning scholarships;

(3) coordination of bulk purchasing;

(4) management of a substitute pool;

(5) support for implementing shared curriculum and assessments;

(6) mentoring of child care providers to improve business practices;

(7) provision of and training in child care management software to simplify processes such as enrollment, billing, and tracking expenditures;

(8) support for a group of providers sharing one or more physical spaces within a larger building;
or

(9) other services as determined by the commissioner.

Subd. 4. **Administration; reporting.** (a) The commissioner must develop a process to award grants under this section that includes application forms, timelines, and standards for renewals.

(b) The commissioner must develop a process by which grantees will report to the department on how grant money was spent.

Sec. 22. **[119B.29] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY GRANTS.**

Subdivision 1. **Establishment.** The commissioner of human services shall award money under this section to one or more eligible organizations to offer grants or other supports to eligible child care providers for technology intended to improve the providers' business practices.

Subd. 2. **Eligibility.** (a) To be eligible for a grant from the department under this section, an organization must be a public entity or private for-profit or nonprofit organization with:

(1) the ability to develop technology products for child care business management; or

(2) the ability to offer training, technical assistance, coaching, or other supports to help child care providers learn to use technology products for child care business management.

(b) Grantees may award grants or offer supports under this section to the following types of child care providers:

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

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

(3) Tribally licensed child care programs.

Subd. 3. **Eligible uses of money.** Grantees must use money received under this section, either directly or through grants to eligible child care providers, for one or more of the following purposes:

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

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

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

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

or

(5) other services as determined by the commissioner.

Subd. 4. **Administration.** The commissioner must develop a process to award grants under this section that includes application forms, timelines, reporting requirements, and standards for renewal.

Sec. 23. Minnesota Statutes 2022, section 256.046, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 24. Minnesota Statutes 2022, section 256.983, subdivision 5, is amended to read:

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

(b) If, upon investigation, a preponderance of evidence shows a provider committed an intentional program violation, intentionally gave the county or Tribe materially false information on the provider's billing forms, provided false attendance records to a county, Tribe, or the commissioner, or committed financial misconduct as described in section 245E.01, subdivision 8, the county or Tribal agency may recommend that the commissioner suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to pursuing other available remedies. ~~The county or tribe must send notice in accordance with the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended under this section, the payment suspension shall remain in effect until: (1) the commissioner, county, tribe, or a law enforcement authority determines that there is insufficient evidence warranting the action and a county, tribe, or the commissioner does not pursue an additional administrative remedy under chapter 119B or 245E, or section 256.046 or 256.98; or (2) all criminal, civil, and administrative proceedings related to the provider's alleged misconduct conclude and any appeal rights are exhausted.~~

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

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

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

Sec. 25. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD CARE AND EARLY EDUCATION PROFESSIONAL WAGE SCALE.**

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

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

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

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

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

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

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

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

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

(iv) voluntary prekindergarten and school readiness plus programs;

(v) school readiness programs;

(vi) early childhood family education programs;

(vii) programs for children who are eligible for Part B or Part C of the Individuals with Disabilities Education Act, Public Law 108-446; and

(viii) Head Start programs.

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

Sec. 26. DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE STABILIZATION GRANTS.

(a) The commissioner of human services must continue providing child care stabilization grants under Laws 2021, First Special Session chapter 7, article 14, section 21, from July 1, 2023, through no later than December 31, 2023.

(b) The commissioner shall award transition child care stabilization grant amounts to all eligible programs. The transition month grant amounts must be based on the number of full-time equivalent staff who regularly care for children in the program, including employees, sole proprietors, or independent contractors. One full-time equivalent staff is defined as an individual caring for children 32 hours per week. An individual can count as more, or less, than one full-time equivalent staff, but as no more than two full-time equivalent staff.

ARTICLE 14

CHILD SUPPORT, SAFETY, AND PERMANENCY

Section 1. [245.0962] QUALITY PARENTING INITIATIVE GRANT PROGRAM.

Subdivision 1. **Establishment.** The commissioner of human services must establish a quality parenting initiative grant program to implement quality parenting initiative principles and practices to support children and families experiencing foster care placements.

Subd. 2. **Eligible applicants.** To be eligible for a grant under this section, an applicant must be a nonprofit organization or a nongovernmental organization and must have experience providing training and technical assistance on how to implement quality parenting initiative principles and practices.

Subd. 3. **Application.** An organization seeking a grant under this section must apply to the commissioner in the time and manner specified by the commissioner.

Subd. 4. **Grant activities.** Grant money must be used to provide training and technical assistance to county and Tribal agencies, community-based agencies, and other stakeholders on:

- (1) conducting initial foster care telephone calls under section 260C.219, subdivision 6;
- (2) supporting practices that create birth family to foster family partnerships; and
- (3) informing child welfare practices by supporting youth leadership and the participation of individuals with experience in the foster care system.

Sec. 2. [256.4793] FAMILY FIRST PREVENTION SERVICES ACT SUPPORT AND DEVELOPMENT GRANT PROGRAM.

Subdivision 1. **Authorization.** The commissioner shall establish a grant program to support prevention and early intervention services in order to implement and build upon Minnesota's Family First Prevention Services Act Title IV-E prevention services plan.

Subd. 2. **Uses.** Grant funds must be used to:

- (1) implement or expand any Family First Prevention Services Act service or program that is included in Minnesota's prevention services plan;
- (2) implement or expand any proposed future Family First Prevention Services Act service or program;
- (3) implement or expand any prevention or family preservation service or programming; or
- (4) evaluate any of the programs or services listed in this subdivision.

Subd. 3. **Special revenue account established.** (a) Funds appropriated under this section shall be transferred to a special revenue account. The commissioner shall retain federal reimbursement

generated under this section. Federal reimbursement shall be transferred to the special revenue account and is appropriated to the commissioner for the purposes of this section.

(b) The commissioner must provide an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance that identifies the amount of funds appropriated and transferred to this account under paragraph (a) and how the funds were used.

Sec. 3. [256.4794] FAMILY FIRST PREVENTION SERVICES ACT KINSHIP NAVIGATOR PROGRAM.

Subdivision 1. **Authorization.** The commissioner shall establish a grant program for Kinship Navigator programs as outlined by the federal Family First Prevention Services Act.

Subd. 2. **Uses.** Eligible grantees must use funds to assess kinship caregiver needs, provide connections to local and statewide resources, provide case management to assist with complex cases, and provide support to meet caregiver needs.

Subd. 3. **Special revenue account established.** (a) Funds appropriated under this section shall be transferred to a special revenue account. The commissioner shall retain federal reimbursement generated under this section. Federal reimbursement shall be transferred to the special revenue account and is appropriated to the commissioner for the purposes of this section.

(b) The commissioner must provide an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance that identifies the amount of funds appropriated and transferred to this account under paragraph (a) and how the funds were used.

Sec. 4. Minnesota Statutes 2022, section 256N.24, subdivision 12, is amended to read:

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:

(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 on 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 on the date that the commissioner signs the amendment to the Northstar Adoption Assistance or Northstar Kinship Assistance benefit agreement.

Sec. 5. [260.014] FAMILY FIRST PREVENTION AND EARLY INTERVENTION ALLOCATION PROGRAM.

Subdivision 1. **Authorization.** The commissioner shall establish a program that allocates money to counties and federally recognized Tribes in Minnesota to provide prevention and early intervention services under the Family First Prevention Services Act.

Subd. 2. **Uses.** (a) Money allocated to counties and Tribes may be used for the following purposes:

(1) to implement or expand any service or program that is included in the state's prevention plan;

(2) to implement or expand any proposed service or program;

(3) to implement or expand any existing service or program; and

(4) any other use approved by the commissioner.

A county or a Tribe must use at least ten percent of the allocation to provide services and supports directly to families.

Subd. 3. **Payments.** (a) The commissioner shall allocate state money appropriated under this section to each county board or Tribe on a calendar-year basis using a formula established by the commissioner.

(b) A county agency or an initiative Tribe must submit a plan and report the use of money as determined by the commissioner.

(c) The commissioner may distribute money under this section for a two-year period.

Subd. 4. **Prohibition on supplanting existing money.** Money received under this section must be used to address prevention and early intervention staffing, programming, and other activities as determined by the commissioner. Money must not be used to supplant current county or Tribal expenditures for these purposes.

Sec. 6. Minnesota Statutes 2022, section 260.761, subdivision 2, as amended by Laws 2023, chapter 16, section 16, is amended to read:

Subd. 2. **Notice to Tribes of services or court proceedings involving an Indian child.** (a) When a child-placing agency has information that a family assessment or investigation, or noncaregiver sex trafficking assessment being conducted may involve an Indian child, the child-placing agency shall notify the Indian child's Tribe of the family assessment or investigation, or noncaregiver sex trafficking assessment according to section 260E.18. The child-placing agency

~~shall provide~~ initial notice ~~shall be provided~~ by telephone and by email or facsimile and shall include the child's full name and date of birth; the full names and dates of birth of the child's biological parents; and if known the full names and dates of birth of the child's grandparents and of the child's Indian custodian. If information regarding the child's grandparents or Indian custodian is not immediately available, the child-placing agency shall continue to request this information and shall notify the Tribe when it is received. Notice shall be provided to all Tribes to which the child may have any Tribal lineage. The child-placing agency shall request that the Tribe or a designated Tribal representative participate in evaluating the family circumstances, identifying family and Tribal community resources, and developing case plans. The child-placing agency shall continue to include the Tribe in service planning and updates as to the progress of the case.

(b) When a child-placing agency has information that a child receiving services may be an Indian child, the child-placing agency shall notify the Tribe by telephone and by email or facsimile of the child's full name and date of birth, the full names and dates of birth of the child's biological parents, and, if known, the full names and dates of birth of the child's grandparents and of the child's Indian custodian. This notification must be provided ~~so for~~ the Tribe ~~can~~ to determine if the child is a member or eligible for Tribal membership in the Tribe, and ~~must be provided~~ the agency must provide this notification to the Tribe within seven days of receiving information that the child may be an Indian child. If information regarding the child's grandparents or Indian custodian is not available within the seven-day period, the child-placing agency shall continue to request this information and shall notify the Tribe when it is received. Notice shall be provided to all Tribes to which the child may have any Tribal lineage.

(c) In all child placement proceedings, when a court has reason to believe that a child placed in emergency protective care is an Indian child, the court administrator or a designee shall, as soon as possible and before a hearing takes place, notify the Tribal social services agency by telephone and by email or facsimile of the date, time, and location of the emergency protective care or other initial hearing. The court shall make efforts to allow appearances by telephone or video conference for Tribal representatives, parents, and Indian custodians.

(d) The child-placing agency or individual petitioner shall effect service of any petition governed by sections 260.751 to 260.835 by certified mail or registered mail, return receipt requested upon the Indian child's parents, Indian custodian, and Indian child's Tribe at least 10 days before the admit-deny hearing is held. If the identity or location of the Indian child's parents or Indian custodian and Tribe cannot be determined, the child-placing agency shall provide the notice required in this paragraph to the United States Secretary of the Interior, Bureau of Indian Affairs by certified mail, return receipt requested.

(e) A Tribe, the Indian child's parents, or the Indian custodian may request up to 20 additional days to prepare for the admit-deny hearing. The court shall allow appearances by telephone, video conference, or other electronic medium for Tribal representatives, the Indian child's parents, or the Indian custodian.

(f) A child-placing agency or individual petitioner must provide the notices required under this subdivision at the earliest possible time to facilitate involvement of the Indian child's Tribe. Nothing in this subdivision is intended to hinder the ability of the child-placing agency, individual petitioner, and the court to respond to an emergency situation. Lack of participation by a Tribe shall not prevent the Tribe from intervening in services and proceedings at a later date. A Tribe may participate in a

case at any time. At any stage of the child-placing agency's involvement with an Indian child, the agency shall provide full cooperation to the Tribal social services agency, including disclosure of all data concerning the Indian child. Nothing in this subdivision relieves the child-placing agency of satisfying the notice requirements in state or federal law.

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

Sec. 7. **[260.786] CHILD WELFARE STAFF ALLOCATION FOR TRIBES.**

Subdivision 1. Allocations. The commissioner shall allocate \$80,000 annually to each of Minnesota's federally recognized Tribes that, at the beginning of the fiscal year, have not joined and are not in the process of planning to join the American Indian Child welfare initiative under section 256.01, subdivision 14b. Tribes not participating in or planning to join the initiative as of July 1, 2023, are: Bois Fort Band of Chippewa, Fond du Lac Band of Lake Superior Chippewa, Grand Portage Band of Lake Superior Chippewa, Lower Sioux Indian Community, Prairie Island Indian Community, and Upper Sioux Indian Community.

Subd. 2. Purposes. Money must be used to address staffing for responding to notifications under the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, to the extent necessary, or to provide other child protection and child welfare services. Money must not be used to supplant current Tribal expenditures for these purposes.

Subd. 3. Reporting. By June 1 each year, Tribes receiving this money shall provide a report to the commissioner. The report shall be written in a manner prescribed by the commissioner and must include an accounting of money spent, staff hired, job duties, and other information as required by the commissioner.

Subd. 4. Redistribution of money. If a Tribe joins the American Indian child welfare initiative, the payment for that Tribe shall be distributed equally among the remaining Tribes receiving an allocation under this section.

Sec. 8. Minnesota Statutes 2022, section 260C.007, subdivision 14, is amended to read:

Subd. 14. **Egregious harm.** "Egregious harm" means the infliction of bodily harm to a child or neglect of a child which demonstrates a grossly inadequate ability to provide minimally adequate parental care. The egregious harm need not have occurred in the state or in the county where a termination of parental rights action is otherwise properly ~~venued~~ has proper venue. Egregious harm includes, but is not limited to:

(1) conduct ~~towards~~ toward a child that constitutes a violation of sections 609.185 to 609.2114, 609.222, subdivision 2, 609.223, or any other similar law of any other state;

(2) the infliction of "substantial bodily harm" to a child, as defined in section 609.02, subdivision 7a;

(3) conduct ~~towards~~ toward a child that constitutes felony malicious punishment of a child under section 609.377;

(4) conduct ~~towards~~ toward a child that constitutes felony unreasonable restraint of a child under section 609.255, subdivision 3;

(5) conduct ~~towards~~ toward a child that constitutes felony neglect or endangerment of a child under section 609.378;

(6) conduct ~~towards~~ toward a child that constitutes assault under section 609.221, 609.222, or 609.223;

(7) conduct ~~towards~~ toward a child that constitutes sex trafficking, solicitation, inducement, ~~or~~ promotion of, or receiving profit derived from prostitution under section 609.322;

(8) conduct ~~towards~~ toward a child that constitutes murder or voluntary manslaughter as defined by United States Code, title 18, section 1111(a) or 1112(a);

(9) conduct ~~towards~~ toward a child that constitutes aiding or abetting, attempting, conspiring, or soliciting to commit a murder or voluntary manslaughter that constitutes a violation of United States Code, title 18, section 1111(a) or 1112(a); or

(10) conduct toward a child that constitutes criminal sexual conduct under sections 609.342 to 609.345 or sexual extortion under section 609.3458.

Sec. 9. Minnesota Statutes 2022, section 260C.007, subdivision 26d, is amended to read:

Subd. 26d. **Qualified residential treatment program.** "Qualified residential treatment program" means a children's residential treatment program licensed under chapter 245A or licensed or approved by a tribe that is approved to receive foster care maintenance payments under section 256.82 that:

(1) has a trauma-informed treatment model designed to address the needs of children with serious emotional or behavioral disorders or disturbances;

(2) has registered or licensed nursing staff and other licensed clinical staff who:

(i) provide care within the scope of their practice; and

(ii) are available 24 hours per day and seven days per week;

(3) is accredited by any of the following independent, nonprofit organizations: the Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and the Council on Accreditation (COA), or any other nonprofit accrediting organization approved by the United States Department of Health and Human Services;

(4) if it is in the child's best interests, facilitates participation of the child's family members in the child's treatment programming consistent with the child's out-of-home placement plan under sections 260C.212, subdivision 1, and 260C.708;

(5) facilitates outreach to family members of the child, including siblings;

(6) documents how the facility facilitates outreach to the child's parents and relatives, as well as documents the child's parents' and other relatives' contact information;

(7) documents how the facility includes family members in the child's treatment process, including after the child's discharge, and how the facility maintains the child's sibling connections; and

(8) provides the child and child's family with discharge planning and family-based aftercare support for at least six months after the child's discharge. Aftercare support may include clinical care consultation under section 256B.0671, subdivision 7, and mental health certified family peer specialist services under section 256B.0616.

Sec. 10. 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. 11. 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~~ 3, 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. 12. Minnesota Statutes 2022, section 260C.80, subdivision 1, is amended to read:

Subdivision 1. **Office of the Foster Youth Ombudsperson.** The Office of the Foster Youth Ombudsperson is hereby created. The ombudsperson serves ~~at the pleasure of the governor~~ in the unclassified service, must be selected without regard to political affiliation, and must be a person highly competent and qualified to work to improve the lives of youth in the foster care system, while understanding the administration and public policy related to youth in the foster care system. The ombudsperson may be removed only for just cause. No person may serve as the foster youth ombudsperson while holding any other public office. The foster youth ombudsperson is accountable to the governor and may investigate decisions, acts, and other matters related to the health, safety, and welfare of youth in foster care to promote the highest attainable standards of competence, efficiency, and justice for youth who are in the care of the state.

Sec. 13. Minnesota Statutes 2022, section 260E.01, is amended to read:

260E.01 POLICY.

~~(a)~~ The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through maltreatment. While it is recognized that most parents want to keep their children safe, sometimes circumstances or conditions interfere with their ability to do so. When this occurs, the health and safety of the children must be of paramount concern. Intervention and prevention efforts must address immediate concerns for child safety and the ongoing risk of maltreatment and should engage the protective capacities of families. In furtherance of this public policy, it is the intent of the legislature under this chapter to:

(1) protect children and promote child safety;

(2) strengthen the family;

(3) make the home, school, and community safe for children by promoting responsible child care in all settings, including through the reporting of child maltreatment; ~~and~~

(4) provide protective, family support, and family preservation services when appropriate; and

~~(4)~~ (5) provide, when necessary, a safe temporary or permanent home environment for maltreated children.

~~(b)~~ In addition, it is the policy of this state to:

- ~~(1) require the reporting of maltreatment of children in the home, school, and community settings;~~
- ~~(2) provide for the voluntary reporting of maltreatment of children;~~
- ~~(3) require an investigation when the report alleges sexual abuse or substantial child endangerment;~~
- ~~(4) provide a family assessment, if appropriate, when the report does not allege sexual abuse or substantial child endangerment; and~~
- ~~(5) provide protective, family support, and family preservation services when needed in appropriate cases.~~

Sec. 14. Minnesota Statutes 2022, section 260E.02, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary child protection team that may include, but is not be limited to, the director of the local welfare agency or designees, the county attorney or designees, the county sheriff or designees, representatives of health and education, representatives of mental health, representatives of agencies providing specialized services or responding to youth who experience or are at risk of experiencing sex trafficking or sexual exploitation, or other appropriate human services or community-based agencies, and parent groups. As used in this section, a "community-based agency" may include, but is not limited to, schools, social services agencies, family service and mental health collaboratives, children's advocacy centers, early childhood and family education programs, Head Start, or other agencies serving children and families. A member of the team must be designated as the lead person of the team responsible for the planning process to develop standards for the team's activities with battered women's and domestic abuse programs and services.

Sec. 15. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision to read:

Subd. 15a. **Noncaregiver sex trafficker.** "Noncaregiver sex trafficker" means an individual who is alleged to have engaged in the act of sex trafficking a child and who is not a person responsible for the child's care, who does not have a significant relationship with the child as defined in section 609.341, and who is not a person in a current or recent position of authority as defined in section 609.341, subdivision 10.

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

Sec. 16. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision to read:

Subd. 15b. **Noncaregiver sex trafficking assessment.** "Noncaregiver sex trafficking assessment" is a comprehensive assessment of child safety, the risk of subsequent child maltreatment, and strengths and needs of the child and family. The local welfare agency shall only perform a noncaregiver sex trafficking assessment when a maltreatment report alleges sex trafficking of a child by someone other than the child's caregiver. A noncaregiver sex trafficking assessment does not include a determination of whether child maltreatment occurred. A noncaregiver sex trafficking assessment includes a determination of a family's need for services to address the safety of the child or children, the safety of family members, and the risk of subsequent child maltreatment.

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

Sec. 17. Minnesota Statutes 2022, section 260E.03, subdivision 22, is amended to read:

Subd. 22. **Substantial child endangerment.** "Substantial child endangerment" means that a person responsible for a child's care, by act or omission, commits or attempts to commit an act against a child ~~under their~~ in the person's care that constitutes any of the following:

- (1) egregious harm under subdivision 5;
- (2) abandonment under section 260C.301, subdivision 2;
- (3) neglect under subdivision 15, paragraph (a), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;
- (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;
- (5) manslaughter in the first or second degree under section 609.20 or 609.205;
- (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;
- (7) sex trafficking, solicitation, inducement, ~~and~~ or promotion of prostitution under section 609.322;
- (8) criminal sexual conduct under sections 609.342 to 609.3451;
- (9) sexual extortion under section 609.3458;
- (10) solicitation of children to engage in sexual conduct under section 609.352;
- (11) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;
- (12) use of a minor in sexual performance under section 617.246; or
- (13) parental behavior, status, or condition ~~that mandates that~~ requiring the county attorney to file a termination of parental rights petition under section 260C.503, subdivision 2.

Sec. 18. Minnesota Statutes 2022, section 260E.14, subdivision 2, is amended to read:

Subd. 2. **Sexual abuse.** (a) The local welfare agency is the agency responsible for investigating an allegation of sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual functioning within the family unit as a person responsible for the child's care, or a person with a significant relationship to the child if that person resides in the child's household.

(b) The local welfare agency is also responsible for assessing or investigating when a child is identified as a victim of sex trafficking.

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

Sec. 19. Minnesota Statutes 2022, section 260E.14, subdivision 5, is amended to read:

Subd. 5. **Law enforcement.** (a) The local law enforcement agency is the agency responsible for investigating a report of maltreatment if a violation of a criminal statute is alleged.

(b) Law enforcement and the responsible agency must coordinate their investigations or assessments as required under this chapter when ~~the~~: (1) a report alleges maltreatment that is a violation of a criminal statute by a person who is a parent, guardian, sibling, person responsible for the child's care functioning within the family unit, or by a person who lives in the child's household and who has a significant relationship to the child; in a setting other than a facility as defined in section 260E.03; or (2) a report alleges sex trafficking of a child.

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

Sec. 20. Minnesota Statutes 2022, section 260E.17, subdivision 1, is amended to read:

Subdivision 1. **Local welfare agency.** (a) Upon receipt of a report, the local welfare agency shall determine whether to conduct a family assessment ~~or~~ an investigation, or a noncaregiver sex trafficking assessment as appropriate to prevent or provide a remedy for maltreatment.

(b) The local welfare agency shall conduct an investigation when the report involves sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.

(c) The local welfare agency shall begin an immediate investigation ~~if~~, at any time when the local welfare agency is using responding with a family assessment response, and the local welfare agency determines that there is reason to believe that sexual abuse ~~or~~, substantial child endangerment, or a serious threat to the child's safety exists.

(d) The local welfare agency may conduct a family assessment for reports that do not allege sexual abuse, except as indicated in paragraph (f), or substantial child endangerment. In determining that a family assessment is appropriate, the local welfare agency may consider issues of child safety, parental cooperation, and the need for an immediate response.

(e) The local welfare agency may conduct a family assessment ~~on~~ for a report that was initially screened and assigned for an investigation. In determining that a complete investigation is not required, the local welfare agency must document the reason for terminating the investigation and notify the local law enforcement agency if the local law enforcement agency is conducting a joint investigation.

(f) The local welfare agency shall conduct a noncaregiver sex trafficking assessment when a maltreatment report alleges sex trafficking of a child and the alleged offender is a noncaregiver sex trafficker as defined by section 260E.03, subdivision 15a.

(g) During a noncaregiver sex trafficking assessment, the local welfare agency shall initiate an immediate investigation if there is reason to believe that a child's parent, caregiver, or household member allegedly engaged in the act of sex trafficking a child or was alleged to have engaged in any conduct requiring the agency to conduct an investigation.

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

Sec. 21. Minnesota Statutes 2022, section 260E.18, is amended to read:

260E.18 NOTICE TO CHILD'S TRIBE.

The local welfare agency shall provide immediate notice, according to section 260.761, subdivision 2, to an Indian child's Tribe when the agency has reason to believe that the family assessment ~~or, investigation, or noncaregiver sex trafficking assessment~~ may involve an Indian child. For purposes of this section, "immediate notice" means notice provided within 24 hours.

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

Sec. 22. Minnesota Statutes 2022, section 260E.20, subdivision 2, is amended to read:

Subd. 2. **Face-to-face contact.** (a) Upon receipt of a screened in report, the local welfare agency shall ~~conduct a~~ have face-to-face contact with the child reported to be maltreated and with the child's primary caregiver sufficient to complete a safety assessment and ensure the immediate safety of the child. When it is possible and the report alleges substantial child endangerment or sexual abuse, the local welfare agency is not required to provide notice before conducting the initial face-to-face contact with the child and the child's primary caregiver.

(b) Except in a noncaregiver sex trafficking assessment, the local welfare agency shall have face-to-face contact with the child and primary caregiver ~~shall occur~~ immediately after the agency screens in a report if sexual abuse or substantial child endangerment is alleged and within five calendar days of a screened in report for all other reports. If the alleged offender was not already interviewed as the primary caregiver, the local welfare agency shall also conduct a face-to-face interview with the alleged offender in the early stages of the assessment or investigation, except in a noncaregiver sex trafficking assessment. Face-to-face contact with the child and primary caregiver in response to a report alleging sexual abuse or substantial child endangerment may be postponed for no more than five calendar days if the child is residing in a location that is confirmed to restrict contact with the alleged offender as established in guidelines issued by the commissioner, or if the local welfare agency is pursuing a court order for the child's caregiver to produce the child for questioning under section 260E.22, subdivision 5.

(c) At the initial contact with the alleged offender, the local welfare agency or the agency responsible for assessing or investigating the report must inform the alleged offender of the complaints or allegations made against the individual in a manner consistent with laws protecting the rights of the person who made the report. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation. In a noncaregiver sex trafficking assessment, the local child welfare agency is not required to inform or interview the alleged offender.

(d) The local welfare agency or the agency responsible for assessing or investigating the report must provide the alleged offender with an opportunity to make a statement, except in a noncaregiver sex trafficking assessment. The alleged offender may submit supporting documentation relevant to the assessment or investigation.

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

Sec. 23. Minnesota Statutes 2022, section 260E.24, subdivision 2, is amended to read:

Subd. 2. **Determination after family assessment or a noncaregiver sex trafficking assessment.** After conducting a family assessment or a noncaregiver sex trafficking assessment, the local welfare agency shall determine whether child protective services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment. The local welfare agency must document the information collected under section 260E.20, subdivision 3, related to the completed family assessment in the child's or family's case notes.

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

Sec. 24. Minnesota Statutes 2022, section 260E.24, subdivision 7, is amended to read:

Subd. 7. **Notification at conclusion of family assessment or a noncaregiver sex trafficking assessment.** Within ten working days of the conclusion of a family assessment or a noncaregiver sex trafficking assessment, the local welfare agency shall notify the parent or guardian of the child of the need for services to address child safety concerns or significant risk of subsequent maltreatment. The local welfare agency and the family may also jointly agree that family support and family preservation services are needed.

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

Sec. 25. Minnesota Statutes 2022, section 260E.33, subdivision 1, is amended to read:

Subdivision 1. **Following a family assessment or a noncaregiver sex trafficking assessment.** Administrative reconsideration is not applicable to a family assessment or noncaregiver sex trafficking assessment since no determination concerning maltreatment is made.

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

Sec. 26. Minnesota Statutes 2022, section 260E.35, subdivision 6, is amended to read:

Subd. 6. **Data retention.** (a) Notwithstanding sections 138.163 and 138.17, a record maintained or a record derived from a report of maltreatment by a local welfare agency, agency responsible for assessing or investigating the report, court services agency, or school under this chapter shall be destroyed as provided in paragraphs (b) to (e) by the responsible authority.

(b) For a report alleging maltreatment that was not accepted for an assessment or an investigation, a family assessment case, a noncaregiver sex trafficking assessment case, and a case where an investigation results in no determination of maltreatment or the need for child protective services, the record must be maintained for a period of five years after the date that the report was not accepted for assessment or investigation or the date of the final entry in the case record. A record of a report that was not accepted must contain sufficient information to identify the subjects of the report, the nature of the alleged maltreatment, and the reasons ~~as to~~ why the report was not accepted. Records under this paragraph may not be used for employment, background checks, or purposes other than to assist in future screening decisions and risk and safety assessments.

(c) All records relating to reports that, upon investigation, indicate ~~either~~ maltreatment or a need for child protective services shall be maintained for ten years after the date of the final entry in the case record.

(d) All records regarding a report of maltreatment, including a notification of intent to interview that was received by a school under section 260E.22, subdivision 7, shall be destroyed by the school when ordered to do so by the agency conducting the assessment or investigation. The agency shall order the destruction of the notification when other records relating to the report under investigation or assessment are destroyed under this subdivision.

(e) Private or confidential data released to a court services agency under subdivision 3, paragraph (d), must be destroyed by the court services agency when ordered to do so by the local welfare agency that released the data. The local welfare agency or agency responsible for assessing or investigating the report shall order destruction of the data when other records relating to the assessment or investigation are destroyed under this subdivision.

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

Sec. 27. Minnesota Statutes 2022, section 518A.31, is amended to read:

518A.31 SOCIAL SECURITY OR VETERANS' BENEFIT PAYMENTS RECEIVED ON BEHALF OF THE CHILD.

(a) The amount of the monthly Social Security benefits or apportioned veterans' benefits provided for a joint child shall be included in the gross income of the parent on whose eligibility the benefits are based.

(b) The amount of the monthly survivors' and dependents' educational assistance provided for a joint child shall be included in the gross income of the parent on whose eligibility the benefits are based.

(c) If Social Security or apportioned veterans' benefits are provided for a joint child based on the eligibility of the obligor, and are received by the obligee as a representative payee for the child or by the child attending school, then the amount of the benefits shall also be subtracted from the obligor's net child support obligation as calculated pursuant to section 518A.34.

(d) If the survivors' and dependents' educational assistance is provided for a joint child based on the eligibility of the obligor, and is received by the obligee as a representative payee for the child or by the child attending school, then the amount of the assistance shall also be subtracted from the obligor's net child support obligation as calculated under section 518A.34.

(e) Upon a motion to modify child support, any regular or lump sum payment of Social Security or apportioned veterans' benefit received by the obligee for the benefit of the joint child based upon the obligor's disability prior to filing the motion to modify may be used to satisfy arrears that remain due for the period of time for which the benefit was received. This paragraph applies only if the derivative benefit was not considered in the guidelines calculation of the previous child support order.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 28. Minnesota Statutes 2022, section 518A.32, subdivision 3, is amended to read:

Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis.** A parent is not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis upon a showing by the parent that:

(1) the unemployment, underemployment, or employment on a less than full-time basis is temporary and will ultimately lead to an increase in income;

(2) the unemployment, underemployment, or employment on a less than full-time basis represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child; ~~or~~

(3) the unemployment, underemployment, or employment on a less than full-time basis is because a parent is physically or mentally incapacitated or due to incarceration-; or

(4) a governmental agency authorized to determine eligibility for general assistance or supplemental Social Security income has determined that the individual is eligible to receive general assistance or supplemental Social Security income. Actual income earned by the parent may be considered for the purpose of calculating child support.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 29. Minnesota Statutes 2022, section 518A.32, subdivision 4, is amended to read:

Subd. 4. **TANF or MFIP recipient.** If the parent of a joint child is a recipient of a temporary assistance to a needy family (TANF) cash grant; or comparable state-funded Minnesota family investment program (MFIP) benefits, no potential income is to be imputed to that parent.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 30. Minnesota Statutes 2022, section 518A.34, is amended to read:

518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.

(a) To determine the presumptive child support obligation of a parent, the court shall follow the procedure set forth in this section.

(b) To determine the obligor's basic support obligation, the court shall:

(1) determine the gross income of each parent under section 518A.29;

(2) calculate the parental income for determining child support (PICS) of each parent, by subtracting from the gross income the credit, if any, for each parent's nonjoint children under section 518A.33;

(3) determine the percentage contribution of each parent to the combined PICS by dividing the combined PICS into each parent's PICS;

(4) determine the combined basic support obligation by application of the guidelines in section 518A.35;

(5) determine each parent's share of the combined basic support obligation by multiplying the percentage figure from clause (3) by the combined basic support obligation in clause (4); and

(6) apply the parenting expense adjustment formula provided in section 518A.36 to determine the obligor's basic support obligation.

(c) If the parents have split custody of joint children, child support must be calculated for each joint child as follows:

(1) the court shall determine each parent's basic support obligation under paragraph (b) and include the amount of each parent's obligation in the court order. If the basic support calculation results in each parent owing support to the other, the court shall offset the higher basic support obligation with the lower basic support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. For the purpose of the cost-of-living adjustment required under section 518A.75, the adjustment must be based on each parent's basic support obligation prior to offset. For the purposes of this paragraph, "split custody" means that there are two or more joint children and each parent has at least one joint child more than 50 percent of the time;

(2) if each parent pays all child care expenses for at least one joint child, the court shall calculate child care support for each joint child as provided in section 518A.40. The court shall determine each parent's child care support obligation and include the amount of each parent's obligation in the court order. If the child care support calculation results in each parent owing support to the other, the court shall offset the higher child care support obligation with the lower child care support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation; and

(3) if each parent pays all medical or dental insurance expenses for at least one joint child, medical support shall be calculated for each joint child as provided in section 518A.41. The court shall determine each parent's medical support obligation and include the amount of each parent's obligation in the court order. If the medical support calculation results in each parent owing support to the other, the court shall offset the higher medical support obligation with the lower medical support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as provided in section 518A.41.

(d) The court shall determine the child care support obligation for the obligor as provided in section 518A.40.

(e) The court shall determine the medical support obligation for each parent as provided in section 518A.41. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as described in section 518A.41.

(f) The court shall determine each parent's total child support obligation by adding together each parent's basic support, child care support, and health care coverage obligations as provided in this section.

(g) If Social Security benefits or veterans' benefits are received by one parent as a representative payee for a joint child based on the other parent's eligibility, the court shall subtract the amount of benefits from the other parent's net child support obligation, if any. Any benefit received by the obligee for the benefit of the joint child based upon the obligor's disability or past earnings in any given month in excess of the child support obligation must not be treated as an arrearage payment or a future payment.

(h) The final child support order shall separately designate the amount owed for basic support, child care support, and medical support. If applicable, the court shall use the self-support adjustment and minimum support adjustment under section 518A.42 to determine the obligor's child support obligation.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 31. Minnesota Statutes 2022, section 518A.41, is amended to read:

518A.41 MEDICAL SUPPORT.

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter and chapter 518.

(a) "Health care coverage" means ~~medical, dental, or other health care benefits that are provided by one or more health plans. Health care coverage does not include any form of public coverage~~ private health care coverage, including fee for service, health maintenance organization, preferred provider organization, and other types of private health care coverage. Health care coverage also means public health care coverage under which medical or dental services could be provided to a dependent child.

~~(b) "Health carrier" means a carrier as defined in sections 62A.011, subdivision 2, and 62L.02, subdivision 16.~~

~~(c) "Health plan" (b) "Private health care coverage" means a health plan, other than any form of public coverage, that provides medical, dental, or other health care benefits and is:~~

- (1) provided on an individual or group basis;
- (2) provided by an employer or union;
- (3) purchased in the private market; ~~or~~
- (4) provided through MinnesotaCare under chapter 256L; or

~~(4) (5) available to a person eligible to carry insurance for the joint child, including a party's spouse or parent.~~

~~Health plan~~ Private health care coverage includes, but is not limited to, a health plan meeting the definition under section 62A.011, subdivision 3, except that the exclusion of coverage designed solely to provide dental or vision care under section 62A.011, subdivision 3, clause (6), does not apply to the definition of health plan private health care coverage under this section; a group health plan governed under the federal Employee Retirement Income Security Act of 1974 (ERISA); a

self-insured plan under sections 43A.23 to 43A.317 and 471.617; and a policy, contract, or certificate issued by a community-integrated service network licensed under chapter 62N.

(c) "Public health care coverage" means health care benefits provided by any form of medical assistance under chapter 256B. Public health care coverage does not include MinnesotaCare or health plans subsidized by federal premium tax credits or federal cost-sharing reductions.

~~(d) "Medical support" means providing health care coverage for a joint child by carrying health care coverage for the joint child or by contributing to the cost of health care coverage, public coverage, unreimbursed medical health-related expenses, and uninsured medical health-related expenses of the joint child.~~

(e) "National medical support notice" means an administrative notice issued by the public authority to enforce health insurance provisions of a support order in accordance with Code of Federal Regulations, title 45, section 303.32, in cases where the public authority provides support enforcement services.

~~(f) "Public coverage" means health care benefits provided by any form of medical assistance under chapter 256B. Public coverage does not include MinnesotaCare or health plans subsidized by federal premium tax credits or federal cost-sharing reductions.~~

~~(g) (f) "Uninsured medical health-related expenses" means a joint child's reasonable and necessary health-related medical and dental expenses if the joint child is not covered by a health plan or public coverage private health insurance care when the expenses are incurred.~~

~~(h) (g) "Unreimbursed medical health-related expenses" means a joint child's reasonable and necessary health-related medical and dental expenses if a joint child is covered by a health plan or public coverage health care coverage and the plan or health care coverage does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed medical health-related expenses do not include the cost of premiums. Unreimbursed medical health-related expenses include, but are not limited to, deductibles, co-payments, and expenses for orthodontia, and prescription eyeglasses and contact lenses, but not over-the-counter medications if coverage is under a health plan provided through health care coverage.~~

Subd. 2. **Order.** (a) A completed national medical support notice issued by the public authority or a court order that complies with this section is a qualified medical child support order under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a).

(b) Every order addressing child support must state:

(1) the names, last known addresses, and Social Security numbers of the parents and the joint child that is a subject of the order unless the court prohibits the inclusion of an address or Social Security number and orders the parents to provide the address and Social Security number to the administrator of the health plan;

(2) if a joint child is not presently enrolled in health care coverage, whether appropriate health care coverage for the joint child is available and, if so, state:

- (i) the parents' responsibilities for carrying health care coverage;
- (ii) the cost of premiums and how the cost is allocated between the parents; ~~and~~
- (iii) the circumstances, if any, under which an obligation to provide private health care coverage for the joint child will shift from one parent to the other; and
- ~~(3) if appropriate health care coverage is not available for the joint child, (iv) whether a contribution for ~~medical support~~ public health care coverage is required; and~~
- ~~(4)~~ (3) how unreimbursed or uninsured ~~medical~~ health-related expenses will be allocated between the parents.

Subd. 3. **Determining appropriate health care coverage.** Public health care coverage is presumed appropriate. In determining whether a parent has appropriate private health care coverage for the joint child, the court must consider the following factors:

(1) comprehensiveness of private health care coverage providing medical benefits. Dependent private health care coverage providing medical benefits is presumed comprehensive if it includes medical and hospital coverage and provides for preventive, emergency, acute, and chronic care; or if it meets the minimum essential coverage definition in United States Code, title 26, section 5000A(f). If both parents have private health care coverage providing medical benefits that is presumed comprehensive under this paragraph, the court must determine which parent's private health care coverage is more comprehensive by considering what other benefits are included in the private health care coverage;

(2) accessibility. Dependent private health care coverage is accessible if the covered joint child can obtain services from a health plan provider with reasonable effort by the parent with whom the joint child resides. Private health care coverage is presumed accessible if:

(i) primary care is available within 30 minutes or 30 miles of the joint child's residence and specialty care is available within 60 minutes or 60 miles of the joint child's residence;

(ii) the private health care coverage is available through an employer and the employee can be expected to remain employed for a reasonable amount of time; and

(iii) no preexisting conditions exist to unduly delay enrollment in private health care coverage;

(3) the joint child's special medical needs, if any; and

(4) affordability. Dependent private health care coverage is presumed affordable if ~~it is reasonable in cost. If both parents have health care coverage available for a joint child that is comparable with regard to comprehensiveness of medical benefits, accessibility, and the joint child's special needs, the least costly health care coverage is presumed to be the most appropriate health care coverage for the joint child~~ the premium to cover the marginal cost of the joint child does not exceed five percent of the parents' combined monthly PICS. A court may additionally consider high deductibles and the cost to enroll the parent if the parent must enroll themselves in private health care coverage to access private health care coverage for the child.

Subd. 4. **Ordering health care coverage.** ~~(a) If a joint child is presently enrolled in health care coverage, the court must order that the parent who currently has the joint child enrolled continue that enrollment unless the parties agree otherwise or a party requests a change in coverage and the court determines that other health care coverage is more appropriate.~~

~~(b) If a joint child is not presently enrolled in health care coverage providing medical benefits, upon motion of a parent or the public authority, the court must determine whether one or both parents have appropriate health care coverage providing medical benefits for the joint child.~~

(a) If a joint child is presently enrolled in health care coverage, the court shall order that the parent who currently has the joint child enrolled in health care coverage continue that enrollment if the health care coverage is appropriate as defined under subdivision 3.

~~(b)~~ (b) If only one parent has appropriate health care coverage providing medical benefits available, the court must order that parent to carry the coverage for the joint child.

~~(c)~~ (c) If both parents have appropriate health care coverage providing medical benefits available, the court must order the parent with whom the joint child resides to carry the health care coverage for the joint child, unless:

(1) a party expresses a preference for private health care coverage providing medical benefits available through the parent with whom the joint child does not reside;

(2) the parent with whom the joint child does not reside is already carrying dependent private health care coverage providing medical benefits for other children and the cost of contributing to the premiums of the other parent's health care coverage would cause the parent with whom the joint child does not reside extreme hardship; or

(3) the parties agree as to which parent will carry health care coverage providing medical benefits and agree on the allocation of costs.

~~(d)~~ (d) If the exception in paragraph ~~(c)~~ (c), clause (1) or (2), applies, the court must determine which parent has the most appropriate health care coverage providing medical benefits available and order that parent to carry health care coverage for the joint child.

~~(e)~~ (e) If neither parent has appropriate health care coverage available, the court must order the parents to:

~~(1)~~ (1) contribute toward the actual health care costs of the joint children based on a pro rata share; or

~~(2) if the joint child is receiving any form of public coverage, the parent with whom the joint child does not reside shall contribute a monthly amount toward the actual cost of public coverage. The amount of the noncustodial parent's contribution is determined by applying the noncustodial parent's PICS to the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). If the noncustodial parent's PICS meets the eligibility requirements for MinnesotaCare, the contribution is the amount the noncustodial parent would pay for the child's premium. If the noncustodial parent's PICS exceeds the eligibility requirements, the contribution is the amount of the premium for the highest eligible income on the premium scale for MinnesotaCare under section~~

~~256L.15, subdivision 2, paragraph (d). For purposes of determining the premium amount, the noneustodial parent's household size is equal to one parent plus the child or children who are the subject of the child support order. The custodial parent's obligation is determined under the requirements for public coverage as set forth in chapter 256B; or~~

~~(3) if the noneustodial parent's PICS meet the eligibility requirement for public coverage under chapter 256B or the noneustodial parent receives public assistance, the noneustodial parent must not be ordered to contribute toward the cost of public coverage.~~

~~(g) (f) If neither parent has appropriate health care coverage available, the court may order the parent with whom the child resides to apply for public health care coverage for the child.~~

~~(h) The commissioner of human services must publish a table with the premium schedule for public coverage and update the chart for changes to the schedule by July 1 of each year.~~

~~(i) (g) If a joint child is not presently enrolled in private health care coverage providing dental benefits, upon motion of a parent or the public authority, the court must determine whether one or both parents have appropriate ~~dental~~ private health care coverage providing dental benefits for the joint child, and the court may order a parent with appropriate ~~dental~~ private health care coverage providing dental benefits available to carry the health care coverage for the joint child.~~

~~(j) (h) If a joint child is not presently enrolled in available private health care coverage providing benefits other than medical benefits or dental benefits, upon motion of a parent or the public authority, the court may determine whether ~~that other~~ private health care coverage providing other health benefits for the joint child is appropriate, and the court may order a parent with that appropriate private health care coverage available to carry the coverage for the joint child.~~

Subd. 5. Medical support costs; unreimbursed and uninsured ~~medical~~ health-related expenses. (a) Unless otherwise agreed to by the parties and approved by the court, the court must order that the cost of private health care coverage and all unreimbursed and uninsured ~~medical~~ health-related expenses ~~under the health plan~~ be divided between the obligor and obligee based on their proportionate share of the parties' combined monthly PICS. The amount allocated for medical support is considered child support but is not subject to a cost-of-living adjustment under section 518A.75.

(b) If a party owes a ~~joint child~~ basic support obligation for a joint child and is ordered to carry private health care coverage for the joint child, and the other party is ordered to contribute to the carrying party's cost for coverage, the carrying party's ~~child~~ basic support payment must be reduced by the amount of the contributing party's contribution.

(c) If a party owes a ~~joint child~~ basic support obligation for a joint child and is ordered to contribute to the other party's cost for carrying private health care coverage for the joint child, the contributing party's child support payment must be increased by the amount of the contribution. The contribution toward private health care coverage must not be charged in any month in which the party ordered to carry private health care coverage fails to maintain private coverage.

(d) If the party ordered to carry private health care coverage for the joint child already carries dependent private health care coverage for other dependents and would incur no additional premium

costs to add the joint child to the existing health care coverage, the court must not order the other party to contribute to the premium costs for health care coverage of the joint child.

(e) If a party ordered to carry private health care coverage for the joint child does not already carry dependent private health care coverage but has other dependents who may be added to the ordered health care coverage, the full premium costs of the dependent private health care coverage must be allocated between the parties in proportion to the party's share of the parties' combined monthly PICS, unless the parties agree otherwise.

(f) If a party ordered to carry private health care coverage for the joint child is required to enroll in a health plan so that the joint child can be enrolled in dependent private health care coverage under the plan, the court must allocate the costs of the dependent private health care coverage between the parties. The costs of the private health care coverage for the party ordered to carry the health care coverage for the joint child must not be allocated between the parties.

(g) If the joint child is receiving any form of public health care coverage:

(1) the parent with whom the joint child does not reside shall contribute a monthly amount toward the actual cost of public health care coverage. The amount of the noncustodial parent's contribution is determined by applying the noncustodial parent's PICS to the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). If the noncustodial parent's PICS meets the eligibility requirements for MinnesotaCare, the contribution is the amount that the noncustodial parent would pay for the child's premium;

(2) if the noncustodial parent's PICS exceeds the eligibility requirements, the contribution is the amount of the premium for the highest eligible income on the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). For purposes of determining the premium amount, the noncustodial parent's household size is equal to one parent plus the child or children who are the subject of the order;

(3) the custodial parent's obligation is determined under the requirements for public health care coverage in chapter 256B; or

(4) if the noncustodial parent's PICS is less than 200 percent of the federal poverty guidelines for one person or the noncustodial parent receives public assistance, the noncustodial parent must not be ordered to contribute toward the cost of public health care coverage.

(h) The commissioner of human services must publish a table for section 256L.15, subdivision 2, paragraph (d), and update the table with changes to the schedule by July 1 of each year.

Subd. 6. Notice or court order sent to party's employer, union, or health carrier. (a) The public authority must forward a copy of the national medical support notice or court order for private health care coverage to the party's employer within two business days after the date the party is entered into the work reporting system under section 256.998.

(b) The public authority or a party seeking to enforce an order for private health care coverage must forward a copy of the national medical support notice or court order to the obligor's employer or union, or to the health carrier under the following circumstances:

(1) the party ordered to carry private health care coverage for the joint child fails to provide written proof to the other party or the public authority, within 30 days of the effective date of the court order, that the party has applied for private health care coverage for the joint child;

(2) the party seeking to enforce the order or the public authority gives written notice to the party ordered to carry private health care coverage for the joint child of its intent to enforce medical support. The party seeking to enforce the order or public authority must mail the written notice to the last known address of the party ordered to carry private health care coverage for the joint child; and

(3) the party ordered to carry private health care coverage for the joint child fails, within 15 days after the date on which the written notice under clause (2) was mailed, to provide written proof to the other party or the public authority that the party has applied for private health care coverage for the joint child.

(c) The public authority is not required to forward a copy of the national medical support notice or court order to the obligor's employer or union, or to the health carrier, if the court orders private health care coverage for the joint child that is not employer-based or union-based coverage.

Subd. 7. Employer or union requirements. (a) An employer or union must forward the national medical support notice or court order to its health plan within 20 business days after the date on the national medical support notice or after receipt of the court order.

(b) Upon determination by an employer's or union's health plan administrator that a joint child is eligible to be covered under the health plan, the employer or union and health plan must enroll the joint child as a beneficiary in the health plan, and the employer must withhold any required premiums from the income or wages of the party ordered to carry health care coverage for the joint child.

(c) If enrollment of the party ordered to carry private health care coverage for a joint child is necessary to obtain dependent private health care coverage under the plan, and the party is not enrolled in the health plan, the employer or union must enroll the party in the plan.

(d) Enrollment of dependents and, if necessary, the party ordered to carry private health care coverage for the joint child must be immediate and not dependent upon open enrollment periods. Enrollment is not subject to the underwriting policies under section 62A.048.

(e) Failure of the party ordered to carry private health care coverage for the joint child to execute any documents necessary to enroll the dependent in the health plan does not affect the obligation of the employer or union and health plan to enroll the dependent in a plan. Information and authorization provided by the public authority, or by a party or guardian, is valid for the purposes of meeting enrollment requirements of the health plan.

(f) An employer or union that is included under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), may not deny enrollment to the joint child or to the parent if necessary to enroll the joint child based on exclusionary clauses described in section 62A.048.

(g) A new employer or union of a party who is ordered to provide private health care coverage for a joint child must enroll the joint child in the party's health plan as required by a national medical support notice or court order.

Subd. 8. **Health plan requirements.** (a) If a health plan administrator receives a completed national medical support notice or court order, the plan administrator must notify the parties, and the public authority if the public authority provides support enforcement services, within 40 business days after the date of the notice or after receipt of the court order, of the following:

(1) whether health care coverage is available to the joint child under the terms of the health plan and, if not, the reason why health care coverage is not available;

(2) whether the joint child is covered under the health plan;

(3) the effective date of the joint child's coverage under the health plan; and

(4) what steps, if any, are required to effectuate the joint child's coverage under the health plan.

(b) If the employer or union offers more than one plan and the national medical support notice or court order does not specify the plan to be carried, the plan administrator must notify the parents and the public authority if the public authority provides support enforcement services. When there is more than one option available under the plan, the public authority, in consultation with the parent with whom the joint child resides, must promptly select from available plan options.

(c) The plan administrator must provide the parents and public authority, if the public authority provides support enforcement services, with a notice of the joint child's enrollment, description of the health care coverage, and any documents necessary to effectuate coverage.

(d) The health plan must send copies of all correspondence regarding the private health care coverage to the parents.

(e) An insured joint child's parent's signature is a valid authorization to a health plan for purposes of processing an insurance reimbursement payment to the medical services provider or to the parent, if medical services have been prepaid by that parent.

Subd. 9. **Employer or union liability.** (a) An employer or union that willfully fails to comply with the order or notice is liable for any uninsured ~~medical~~ health-related expenses incurred by the dependents while the dependents were eligible to be enrolled in the health plan and for any other premium costs incurred because the employer or union willfully failed to comply with the order or notice.

(b) An employer or union that fails to comply with the order or notice is subject to a contempt finding, a \$250 civil penalty under section 518A.73, and is subject to a civil penalty of \$500 to be paid to the party entitled to reimbursement or the public authority. Penalties paid to the public authority are designated for child support enforcement services.

Subd. 10. **Contesting enrollment.** (a) A party may contest a joint child's enrollment in a health plan on the limited grounds that the enrollment is improper due to mistake of fact or that the enrollment meets the requirements of section 518.145.

(b) If the party chooses to contest the enrollment, the party must do so no later than 15 days after the employer notifies the party of the enrollment by doing the following:

(1) filing a motion in district court or according to section 484.702 and the expedited child support process rules if the public authority provides support enforcement services;

(2) serving the motion on the other party and public authority if the public authority provides support enforcement services; and

(3) securing a date for the matter to be heard no later than 45 days after the notice of enrollment.

(c) The enrollment must remain in place while the party contests the enrollment.

Subd. 11. **Disenrollment; continuation of coverage; coverage options.** (a) Unless a court order provides otherwise, a child for whom a party is required to provide private health care coverage under this section must be covered as a dependent of the party until the child is emancipated, until further order of the court, or as consistent with the terms of the health care coverage.

(b) The health carrier, employer, or union may not disenroll or eliminate health care coverage for the child unless:

(1) the health carrier, employer, or union is provided satisfactory written evidence that the court order is no longer in effect;

(2) the joint child is or will be enrolled in comparable private health care coverage through another health plan that will take effect no later than the effective date of the disenrollment;

(3) the employee is no longer eligible for dependent health care coverage; or

(4) the required premium has not been paid by or on behalf of the joint child.

(c) The health plan must provide 30 days' written notice to the joint child's parents, and the public authority if the public authority provides support enforcement services, before the health plan disenrolls or eliminates the joint child's health care coverage.

(d) A joint child enrolled in private health care coverage under a qualified medical child support order, including a national medical support notice, under this section is a dependent and a qualified beneficiary under the Consolidated Omnibus Budget and Reconciliation Act of 1985 (COBRA), Public Law 99-272. Upon expiration of the order, the joint child is entitled to the opportunity to elect continued health care coverage that is available under the health plan. The employer or union must provide notice to the parties and the public authority, if it provides support services, within ten days of the termination date.

(e) If the public authority provides support enforcement services and a plan administrator reports to the public authority that there is more than one coverage option available under the health plan, the public authority, in consultation with the parent with whom the joint child resides, must promptly select health care coverage from the available options.

Subd. 12. **Spousal or former spousal coverage.** The court must require the parent with whom the joint child does not reside to provide dependent private health care coverage for the benefit of

the parent with whom the joint child resides if the parent with whom the child does not reside is ordered to provide dependent private health care coverage for the parties' joint child and adding the other parent to the health care coverage results in no additional premium cost.

Subd. 13. **Disclosure of information.** (a) If the public authority provides support enforcement services, the parties must provide the public authority with the following information:

(1) information relating to dependent health care coverage ~~or public coverage~~ available for the benefit of the joint child for whom support is sought, including all information required to be included in a medical support order under this section;

(2) verification that application for court-ordered health care coverage was made within 30 days of the court's order; and

(3) the reason that a joint child is not enrolled in court-ordered health care coverage, if a joint child is not enrolled in health care coverage or subsequently loses health care coverage.

(b) Upon request from the public authority under section 256.978, an employer, union, or plan administrator, including an employer subject to the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), must provide the public authority the following information:

(1) information relating to dependent private health care coverage available to a party for the benefit of the joint child for whom support is sought, including all information required to be included in a medical support order under this section; and

(2) information that will enable the public authority to determine whether a health plan is appropriate for a joint child, including, but not limited to, all available plan options, any geographic service restrictions, and the location of service providers.

(c) The employer, union, or plan administrator must not release information regarding one party to the other party. The employer, union, or plan administrator must provide both parties with insurance identification cards and all necessary written information to enable the parties to utilize the insurance benefits for the covered dependent.

(d) The public authority is authorized to release to a party's employer, union, or health plan information necessary to verify availability of dependent private health care coverage, or to establish, modify, or enforce medical support.

(e) An employee must disclose to an employer if medical support is required to be withheld under this section and the employer must begin withholding according to the terms of the order and under section 518A.53. If an employee discloses an obligation to obtain private health care coverage and health care coverage is available through the employer, the employer must make all application processes known to the individual and enroll the employee and dependent in the plan.

Subd. 14. **Child support enforcement services.** The public authority must take necessary steps to establish, enforce, and modify an order for medical support if the joint child receives public assistance or a party completes an application for services from the public authority under section 518A.51.

Subd. 15. **Enforcement.** (a) Remedies available for collecting and enforcing child support apply to medical support.

(b) For the purpose of enforcement, the following are additional support:

(1) the costs of individual or group health or hospitalization coverage;

(2) dental coverage;

(3) medical costs ordered by the court to be paid by either party, including health care coverage premiums paid by the obligee because of the obligor's failure to obtain health care coverage as ordered; and

(4) liabilities established under this subdivision.

(c) A party who fails to carry court-ordered dependent private health care coverage is liable for the joint child's uninsured ~~medical~~ health-related expenses unless a court order provides otherwise. A party's failure to carry court-ordered health care coverage, or to provide other medical support as ordered, is a basis for modification of medical support under section 518A.39, subdivision 8, unless it meets the presumption in section 518A.39, subdivision 2.

(d) Payments by the health carrier or employer for services rendered to the dependents that are directed to a party not owed reimbursement must be endorsed over to and forwarded to the vendor or appropriate party or the public authority. A party retaining insurance reimbursement not owed to the party is liable for the amount of the reimbursement.

Subd. 16. **Offset.** (a) If a party is the parent with primary physical custody as defined in section 518A.26, subdivision 17, and is an obligor ordered to contribute to the other party's cost for carrying health care coverage for the joint child, the other party's child support and spousal maintenance obligations are subject to an offset under subdivision 5.

(b) The public authority, if the public authority provides child support enforcement services, may remove the offset to a party's child support obligation when:

(1) the party's court-ordered private health care coverage for the joint child terminates;

(2) the party does not enroll the joint child in other private health care coverage; and

(3) a modification motion is not pending.

The public authority must provide notice to the parties of the action. If neither party requests a hearing, the public authority must remove the offset effective the first day of the month following termination of the joint child's private health care coverage.

(c) The public authority, if the public authority provides child support enforcement services, may resume the offset when the party ordered to provide private health care coverage for the joint child has resumed the court-ordered private health care coverage or enrolled the joint child in other private health care coverage. The public authority must provide notice to the parties of the action. If neither party requests a hearing, the public authority must resume the offset effective the first day of the month following certification that private health care coverage is in place for the joint child.

(d) A party may contest the public authority's action to remove or resume the offset to the child support obligation if the party makes a written request for a hearing within 30 days after receiving written notice. If a party makes a timely request for a hearing, the public authority must schedule a hearing and send written notice of the hearing to the parties by mail to the parties' last known addresses at least 14 days before the hearing. The hearing must be conducted in district court or in the expedited child support process if section 484.702 applies. The district court or child support magistrate must determine whether removing or resuming the offset is appropriate and, if appropriate, the effective date for the removal or resumption.

Subd. 16a. **Suspension or reinstatement of medical support contribution.** (a) If a party is the parent with primary physical custody, as defined in section 518A.26, subdivision 17, and is ordered to carry private health care coverage for the joint child but fails to carry the court-ordered private health care coverage, the public authority may suspend the medical support obligation of the other party if that party has been court-ordered to contribute to the cost of the private health care coverage carried by the parent with primary physical custody of the joint child.

(b) If the public authority provides child support enforcement services, the public authority may suspend the other party's medical support contribution toward private health care coverage when:

- (1) the party's court-ordered private health care coverage for the joint child terminates;
- (2) the party does not enroll the joint child in other private health care coverage; and
- (3) a modification motion is not pending.

The public authority must provide notice to the parties of the action. If neither party requests a hearing, the public authority must remove the medical support contribution effective the first day of the month following the termination of the joint child's private health care coverage.

(c) If the public authority provides child support enforcement services, the public authority may reinstate the medical support contribution when the party ordered to provide private health care coverage for the joint child has resumed the joint child's court-ordered private health care coverage or has enrolled the joint child in other private health care coverage. The public authority must provide notice to the parties of the action. If neither party requests a hearing, the public authority must resume the medical support contribution effective the first day of the month following certification that the joint child is enrolled in private health care coverage.

(d) A party may contest the public authority's action to suspend or reinstate the medical support contribution if the party makes a written request for a hearing within 30 days after receiving written notice. If a party makes a timely request for a hearing, the public authority must schedule a hearing and send written notice of the hearing to the parties by mail to the parties' last known addresses at least 14 days before the hearing. The hearing must be conducted in district court or in the expedited child support process if section 484.702 applies. The district court or child support magistrate must determine whether suspending or reinstating the medical support contribution is appropriate and, if appropriate, the effective date of the removal or reinstatement of the medical support contribution.

Subd. 17. **Collecting unreimbursed or uninsured medical health-related expenses.** (a) This subdivision and subdivision 18 apply when a court order has determined and ordered the parties'

proportionate share and responsibility to contribute to unreimbursed or uninsured ~~medical~~ health-related expenses.

(b) A party requesting reimbursement of unreimbursed or uninsured ~~medical~~ health-related expenses must initiate a request to the other party within two years of the date that the requesting party incurred the unreimbursed or uninsured ~~medical~~ health-related expenses. If a court order has been signed ordering the contribution ~~towards~~ toward unreimbursed or uninsured expenses, a two-year limitations provision must be applied to any requests made on or after January 1, 2007. The provisions of this section apply retroactively to court orders signed before January 1, 2007. Requests for unreimbursed or uninsured expenses made on or after January 1, 2007, may include expenses incurred before January 1, 2007, and on or after January 1, 2005.

(c) A requesting party must mail a written notice of intent to collect the unreimbursed or uninsured ~~medical~~ health-related expenses and a copy of an affidavit of health care expenses to the other party at the other party's last known address.

(d) The written notice must include a statement that the other party has 30 days from the date the notice was mailed to (1) pay in full; (2) agree to a payment schedule; or (3) file a motion requesting a hearing to contest the amount due or to set a court-ordered monthly payment amount. If the public authority provides services, the written notice also must include a statement that, if the other party does not respond within the 30 days, the requesting party may submit the amount due to the public authority for collection.

(e) The affidavit of health care expenses must itemize and document the joint child's unreimbursed or uninsured ~~medical~~ health-related expenses and include copies of all bills, receipts, and insurance company explanations of benefits.

(f) If the other party does not respond to the request for reimbursement within 30 days, the requesting party may commence enforcement against the other party under subdivision 18; file a motion for a court-ordered monthly payment amount under paragraph (i); or notify the public authority, if the public authority provides services, that the other party has not responded.

(g) The notice to the public authority must include: a copy of the written notice, a copy of the affidavit of health care expenses, and copies of all bills, receipts, and insurance company explanations of benefits.

(h) If noticed under paragraph (f), the public authority must serve the other party with a notice of intent to enforce unreimbursed and uninsured ~~medical~~ health-related expenses and file an affidavit of service by mail with the district court administrator. The notice must state that the other party has 14 days to (1) pay in full; or (2) file a motion to contest the amount due or to set a court-ordered monthly payment amount. The notice must also state that if there is no response within 14 days, the public authority will commence enforcement of the expenses as arrears under subdivision 18.

(i) To contest the amount due or set a court-ordered monthly payment amount, a party must file a timely motion and schedule a hearing in district court or in the expedited child support process if section 484.702 applies. The moving party must provide the other party and the public authority, if the public authority provides services, with written notice at least 14 days before the hearing by mailing notice of the hearing to the public authority and to the requesting party at the requesting party's last known address. The moving party must file the affidavit of health care expenses with

the court at least five days before the hearing. The district court or child support magistrate must determine liability for the expenses and order that the liable party is subject to enforcement of the expenses as arrears under subdivision 18 or set a court-ordered monthly payment amount.

Subd. 18. **Enforcing unreimbursed or uninsured ~~medical~~ health-related expenses as arrears.**

(a) Unreimbursed or uninsured ~~medical~~ health-related expenses enforced under this subdivision are collected as arrears.

(b) If the liable party is the parent with primary physical custody as defined in section 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses must be deducted from any arrears the requesting party owes the liable party. If unreimbursed or uninsured expenses remain after the deduction, the expenses must be collected as follows:

(1) If the requesting party owes a current child support obligation to the liable party, 20 percent of each payment received from the requesting party must be returned to the requesting party. The total amount returned to the requesting party each month must not exceed 20 percent of the current monthly support obligation.

(2) If the requesting party does not owe current child support or arrears, a payment agreement under section 518A.69 is required. If the liable party fails to enter into or comply with a payment agreement, the requesting party or the public authority, if the public authority provides services, may schedule a hearing to set a court-ordered payment. The requesting party or the public authority must provide the liable party with written notice of the hearing at least 14 days before the hearing.

(c) If the liable party is not the parent with primary physical custody as defined in section 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses must be deducted from any arrears the requesting party owes the liable party. If unreimbursed or uninsured expenses remain after the deduction, the expenses must be added and collected as arrears owed by the liable party.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 32. Minnesota Statutes 2022, section 518A.42, subdivision 1, is amended to read:

Subdivision 1. **Ability to pay.** (a) It is a rebuttable presumption that a child support order should not exceed the obligor's ability to pay. To determine the amount of child support the obligor has the ability to pay, the court shall follow the procedure set out in this section.

(b) The court shall calculate the obligor's income available for support by subtracting a monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one person from the obligor's parental income for determining child support (PICS). If benefits under section 518A.31 are received by the obligee as a representative payee for a joint child or are received by the child attending school, based on the other parent's eligibility, the court shall subtract the amount of benefits from the obligor's PICS before subtracting the self-support reserve. If the obligor's income available for support calculated under this paragraph is equal to or greater than the obligor's support obligation calculated under section 518A.34, the court shall order child support under section 518A.34.

(c) If the obligor's income available for support calculated under paragraph (b) is more than the minimum support amount under subdivision 2, but less than the guideline amount under section

518A.34, then the court shall apply a reduction to the child support obligation in the following order, until the support order is equal to the obligor's income available for support:

- (1) medical support obligation;
- (2) child care support obligation; and
- (3) basic support obligation.

(d) If the obligor's income available for support calculated under paragraph (b) is equal to or less than the minimum support amount under subdivision 2 or if the obligor's gross income is less than 120 percent of the federal poverty guidelines for one person, the minimum support amount under subdivision 2 applies.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 33. Minnesota Statutes 2022, section 518A.42, subdivision 3, is amended to read:

Subd. 3. **Exception.** (a) This section does not apply to an obligor who is incarcerated or is a recipient of a general assistance grant, Supplemental Security Income, temporary assistance for needy families (TANF) grant, or comparable state-funded Minnesota family investment program (MFIP) benefits.

(b) If the court finds the obligor receives no income and completely lacks the ability to earn income, the minimum basic support amount under this subdivision does not apply.

(c) If the obligor's basic support amount is reduced below the minimum basic support amount due to the application of the parenting expense adjustment, the minimum basic support amount under this subdivision does not apply and the lesser amount is the guideline basic support.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 34. 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. 35. Minnesota Statutes 2022, section 518A.65, is amended to read:

518A.65 DRIVER'S LICENSE SUSPENSION.

(a) Upon motion of an obligee, which has been properly served on the obligor and upon which there has been an opportunity for hearing, if a court finds that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority, the court ~~shall~~ may order the commissioner of public safety to suspend the obligor's driver's license. The court may consider the circumstances in paragraph (i) to determine whether driver's license suspension is an appropriate remedy that is likely to induce the payment of child support. The court may consider whether driver's license suspension would have a direct harmful effect on the obligor or joint children that would make driver's license suspension an inappropriate remedy. The public authority may not administratively reinstate a driver's license suspended by the court unless specifically authorized to do so in the court order. This paragraph expires December 31, 2025.

(b) This paragraph is effective January 1, 2026. Upon the motion of an obligee that has been properly served on the obligor and for which there has been an opportunity for a hearing, if a court finds that the obligor has a valid driver's license issued by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority, the court may order the commissioner of public safety to suspend the obligor's driver's license. The court may consider the circumstances in paragraph (i) to determine whether driver's license suspension is an appropriate remedy that is likely to induce the payment of child support. The court may consider whether driver's license suspension would have a direct harmful effect on the obligor or joint children that would make driver's license suspension an inappropriate remedy. The public authority may not administratively reinstate a driver's license suspended by the court unless specifically authorized to do so in the court order.

(c) The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement pursuant to section 518A.69. The payment agreement must be approved by either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement pursuant to section 518A.69 after the 90 days expires, the court's order becomes effective and the commissioner of public safety shall suspend the obligor's driver's license. The remedy under this section is in addition to any other enforcement remedy available to the court. An obligee may not bring a motion under this paragraph within 12 months of a denial of a previous motion under this paragraph.

~~(b)~~ (d) If a public authority responsible for child support enforcement determines that the obligor has been or may be issued a driver's license by the commissioner of public safety ~~and~~; the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and not in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license unless exercising administrative discretion under paragraph (i). The remedy under this section is in addition to any other enforcement remedy available to the public authority. This paragraph expires December 31, 2025.

(e) This paragraph is effective January 1, 2026. If a public authority responsible for child support enforcement determines that:

(1) the obligor has a valid driver's license issued by the commissioner of public safety;

(2) the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments;

(3) the obligor is not in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority; and

(4) the obligor's mailing address is known to the public authority;

then the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license unless exercising administrative discretion under paragraph (i). The remedy under this section is in addition to any other enforcement remedy available to the public authority.

~~(e)~~ (f) At least 90 days prior to notifying the commissioner of public safety according to paragraph ~~(b)~~ (d), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to seek suspension of the obligor's driver's license and that the obligor must request a hearing within 30 days in order to contest the suspension. If the obligor makes a written request for a hearing within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice must include information that apprises the obligor of the requirement to develop a written payment agreement that is approved by a court, a child support magistrate, or the public authority responsible for child support enforcement regarding child support, maintenance, and any arrearages in order to avoid license suspension. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice, and the obligor does not execute a written payment agreement pursuant to section 518A.69 that is approved by the public authority within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license under paragraph ~~(b)~~ (d).

~~(d)~~ (g) At a hearing requested by the obligor under paragraph ~~(e)~~ (f), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments, the district court or child support magistrate shall order the commissioner of public safety to suspend the obligor's driver's license or operating privileges unless:

(1) the court or child support magistrate determines that the obligor has executed and is in compliance with a written payment agreement pursuant to section 518A.69 that is approved by the court, a child support magistrate, or the public authority; or

(2) the court, in its discretion, determines that driver's license suspension is unlikely to induce the payment of child support or would have direct harmful effects on the obligor or joint child that make driver's license suspension an inappropriate remedy. The court may consider the circumstances in paragraph (i) in exercising the court's discretion.

(e) (h) An obligor whose driver's license or operating privileges are suspended may:

(1) provide proof to the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements pursuant to section 518A.69;

(2) bring a motion for reinstatement of the driver's license. At the hearing, if the court or child support magistrate orders reinstatement of the driver's license, the court or child support magistrate must establish a written payment agreement pursuant to section 518A.69; or

(3) seek a limited license under section 171.30. A limited license issued to an obligor under section 171.30 expires 90 days after the date it is issued.

Within 15 days of the receipt of that proof or a court order, the public authority shall inform the commissioner of public safety that the obligor's driver's license or operating privileges should no longer be suspended.

(i) Prior to notifying the commissioner of public safety that an obligor's driver's license should be suspended or after an obligor's driving privileges have been suspended, the public authority responsible for child support enforcement may use administrative authority to end the suspension process or inform the commissioner of public safety that the obligor's driving privileges should no longer be suspended under any of the following circumstances:

(1) the full amount of court-ordered payments have been received for at least one month;

(2) an income withholding notice has been sent to an employer or payor of money;

(3) payments less than the full court-ordered amount have been received and the circumstances of the obligor demonstrate the obligor's substantial intent to comply with the order;

(4) the obligor receives public assistance;

(5) the case is being reviewed by the public authority for downward modification due to changes in the obligor's financial circumstances or a party has filed a motion to modify the child support order;

(6) the obligor no longer lives in the state and the child support case is in the process of interstate enforcement;

(7) the obligor is currently incarcerated for one week or more or is receiving in-patient treatment for physical health, mental health, chemical dependency, or other treatment. This clause applies for six months after the obligor is no longer incarcerated or receiving in-patient treatment;

(8) the obligor is temporarily or permanently disabled and unable to pay child support;

(9) the obligor has presented evidence to the public authority that the obligor needs driving privileges to maintain or obtain the obligor's employment;

(10) the obligor has not had a meaningful opportunity to pay toward arrears; or

(11) other circumstances of the obligor indicate that a temporary condition exists for which the suspension of the obligor's driver's license for the nonpayment of child support is not appropriate. When considering whether the suspension of the obligor's driver's license is appropriate, the public authority must assess: (i) whether the suspension of the obligor's driver's license is likely to induce the payment of child support; and (ii) whether the suspension of the obligor's driver's license would have direct harmful effects on the obligor or joint children that make driver's license suspension an inappropriate remedy.

The presence of circumstances in this paragraph does not prevent the public authority from proceeding with a suspension of the obligor's driver's license.

~~(j)~~ (j) In addition to the criteria established under this section for the suspension of an obligor's driver's license, a court, a child support magistrate, or the public authority may direct the commissioner of public safety to suspend the license of a party who has failed, after receiving notice, to comply with a subpoena relating to a paternity or child support proceeding. Notice to an obligor of intent to suspend must be served by first class mail at the obligor's last known address. The notice must inform the obligor of the right to request a hearing. If the obligor makes a written request within ten days of the date of the hearing, a hearing must be held. At the hearing, the only issues to be considered are mistake of fact and whether the obligor received the subpoena.

~~(k)~~ (k) The license of an obligor who fails to remain in compliance with an approved written payment agreement may be suspended. Prior to suspending a license for noncompliance with an approved written payment agreement, the public authority must mail to the obligor's last known address a written notice that (1) the public authority intends to seek suspension of the obligor's driver's license under this paragraph, and (2) the obligor must request a hearing, within 30 days of the date of the notice, to contest the suspension. If, within 30 days of the date of the notice, the public authority does not receive a written request for a hearing and the obligor does not comply with an approved written payment agreement, the public authority must direct the Department of Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d). If the obligor makes a written request for a hearing within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail at the obligor's last known address. If the obligor appears at the hearing and the court determines that the obligor has failed to comply with an approved written payment agreement, the court or public authority shall notify the Department of Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d). If the obligor fails to appear at the hearing, the court or public authority must notify the Department of Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d).

Sec. 36. Minnesota Statutes 2022, section 518A.77, is amended to read:

518A.77 GUIDELINES REVIEW.

~~(a)~~ No later than 2006 and every four years after that, the Department of Human Services must conduct a review of the child support guidelines as required under Code of Federal Regulations, title 45, section 302.56(h).

~~(b) This section expires January 1, 2032.~~

Sec. 37. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FOSTER CARE FEDERAL CASH ASSISTANCE BENEFITS PRESERVATION.

(a) The commissioner of human services must develop a plan to preserve and make available the income and resources attributable to a child in foster care to meet the best interests of the child. The plan must include recommendations on:

(1) policies for youth and caregiver access to preserved federal cash assistance benefit payments;

(2) representative payees for children in voluntary foster care for treatment pursuant to Minnesota Statutes, chapter 260D; and

(3) family preservation and reunification.

(b) For purposes of this section, "income and resources attributed to a child" means all benefits from programs administered by the Social Security Administration, including but not limited to retirement, survivors benefits, disability insurance programs, Supplemental Security Income, veterans benefits, and railroad retirement benefits.

(c) When developing the plan under this section, the commissioner shall consult or engage with:

(1) individuals or entities with experience in managing trusts and investment;

(2) individuals or entities with expertise in providing tax advice;

(3) individuals or entities with expertise in preserving assets to avoid any negative impact on public assistance eligibility;

(4) other relevant state agencies;

(5) Tribal social services agencies;

(6) counties;

(7) the Children's Justice Initiative;

(8) organizations that serve and advocate for children and families in the child protection system;

(9) parents, legal custodians, foster families, and kinship caregivers, to the extent possible;

(10) youth who have been or are currently in out-of-home placement; and

(11) other relevant stakeholders.

(d) By December 15, 2023, each county shall provide the following data for fiscal years 2018 to 2022 to the commissioner or the commissioner's designee in a form prescribed by the commissioner:

(1) the nonduplicated number of children in foster care in the county who received income and resources attributable to a child as defined in paragraph (b);

(2) the nonduplicated number of children for whom the county was the representative payee for income and resources attributable to a child;

(3) the amount of money that the county received from income and resources attributable to children in out-of-home placement for whom the county served as the representative payee;

(4) the county's policies and standards regarding collection and use of this money, including but not limited to:

(i) how long after a child enters out-of-home placement does the county agency become the representative payee;

(ii) the disposition of income and resources attributable to a child that exceeds the costs for out-of-home placement for a child;

(iii) how the county complies with federal reporting requirements related to the use of income and resources attributable to a child;

(iv) whether the county uses income and resources attributable to a child for out-of-home placement costs for other children who do not receive federal cash assistance benefit payments; and

(v) whether the county seeks repayment of federal income and resources attributable to a child from the child's parents, who may have received such payments or resources while the child is in out-of-home placement, and the ratio of requests for repayment to money collected on an annual basis;

(5) to the extent available, demographic information on the children in out-of-home placement for whom the county serves as the representative payee; and

(6) other information as determined by the commissioner.

(e) By January 15, 2025, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and child welfare outlining the plan developed under this section. The report must include a projected timeline for implementing the plan, estimated implementation costs, and any legislative actions that may be required to implement the plan. The report must also include data provided by counties related to the requirements for the parent or custodian of a child to reimburse a county for the cost of care, examination, or treatment in subdivision (f), and a list of counties that failed to provide complete information and data to the commissioner or the commissioner's designee as required under paragraph (d).

(f) By December 15, 2023, every county shall provide the commissioner of human services with the following data from fiscal years 2018 to 2022 in a form prescribed by the commissioner:

(1) the nonduplicated number of cases in which the county charged parental fees to the parents or custodians of a child to reimburse the cost of care, examination, or treatment; and

(2) the nonduplicated number of cases in which the county received parental fee payments from a parent or custodian of a child to reimburse the cost of care, examination, or treatment, and the total amount collected in those cases.

(g) The commissioner may contract with an individual or entity to collect and analyze financial data reported by counties in paragraphs (d) and (f).

Sec. 38. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; CHILD PROTECTION INFORMATION TECHNOLOGY SYSTEM REVIEW.

(a) The commissioner of human services must contract with an independent consultant to perform a thorough evaluation of the social services information system (SSIS) that supports the child protection system in Minnesota. The consultant must make recommendations for improving the current system for usability, system performance, and federal Comprehensive Child Welfare Information System compliance, and must address technical problems and identify any unnecessary or unduly burdensome data entry requirements that have contributed to system capacity issues. The consultant must assist the commissioner with selecting a platform for future development of an information technology system for child protection.

(b) The commissioner of human services must conduct a study and develop recommendations to streamline and reduce SSIS data entry requirements for child protection cases. The study must review all input fields required on current reporting forms and determine which input fields and information are required under state or federal law. The study must be completed in partnership with local social services agencies and other entities, as determined by the commissioner. By June 30, 2024, the commissioner must provide a status report and an implementation timeline to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection. The status report must include information about the procedures used for soliciting ongoing user input from stakeholders, the progress made on soliciting and hiring a consultant to conduct the system evaluation required under paragraph (a), and a report on the progress and completed efforts to streamline data entry requirements and improve user experiences.

Sec. 39. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; MALTREATMENT SCREENING UPDATES.

(a) The commissioner of human services must send a formal communication to all hospital systems and children's residential facilities located in Minnesota informing the hospital systems and facilities that the 2023 Minnesota child maltreatment intake, screening, and response path guidelines, issued under Minnesota Statutes, section 260E.15, have been updated to address situations in which parents or legal guardians of a child are actively seeking services needed to keep the child safe but are unable to access the necessary services. The communication must clearly state that the 2023 guidelines indicate that such situations should not be reported or screened in as maltreatment and must include information on how hospital system and children's residential facility administrators and staff can access the 2023 Minnesota child maltreatment intake, screening, and response path guidelines.

(b) The commissioner must consult with stakeholders to assess and suggest modifications to the maltreatment screening guidelines issued under Minnesota Statutes, section 260E.15, so that the parents or legal guardians of a child who is in an emergency department or hospital setting due to mental illness, emotional disturbance, or a disability and who cannot be safely discharged to the child's parents due to the lack of access to necessary services are not considered to be neglecting or abandoning the child, absent other factors or circumstances that may indicate neglect or abandonment.

Sec. 40. **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; SURVEY OF OUT-OF-STATE CHILDREN'S RESIDENTIAL FACILITY PLACEMENTS.**

(a) By September 1, 2023, the commissioner of human services shall develop and make available a survey of all county social services agencies to gather the following data for fiscal years 2018 to 2022:

(1) the aggregate number of children who were placed for any period in a children's residential facility under Minnesota Statutes, section 260.93, that is located in another state; and

(2) the total cost for these placements, including county, state, and federal contributions.

(b) All county social services agencies shall complete the survey and submit responses as prescribed by the commissioner by January 31, 2024.

(c) By March 1, 2024, the commissioner shall submit all survey responses and a list of the counties that complied and the counties that failed to comply with the requirements under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and child protection.

Sec. 41. **INDEPENDENT LIVING SKILLS FOR FOSTER YOUTH GRANTS.**

Subdivision 1. **Program established.** The commissioner shall establish direct grants to local social service agencies, Tribes, and other organizations to provide independent living services to eligible foster youth.

Subd. 2. **Grant awards.** The commissioner shall request proposals and make grants to eligible applicants. The commissioner shall determine the timing and form of the application and the criteria for making grant awards to eligible applicants.

Subd. 3. **Program reporting.** Grant recipients shall provide the commissioner with a report that describes all of the activities and outcomes of the services funded by the grant program in a format and at a time determined by the commissioner.

Subd. 4. **Undistributed funds.** Undistributed funds must be reallocated by the commissioner for the goals of the grant program. Undistributed funds are available until expended.

Sec. 42. **COMMUNITY RESOURCE CENTERS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Commissioner" means the commissioner of human services or the commissioner's designee.

(c) "Communities and families who lack opportunities" means any community or family that experiences inequities in accessing supports and services due to the community's or family's circumstances, including but not limited to racism, income, disability, language, gender, and geography.

(d) "Community resource center" means a community-based coordinated point of entry that provides culturally responsive, relationship-based service navigation and other supportive services for expecting and parenting families and youth.

(e) "Culturally responsive, relationship-based service navigation" means the aiding of families in finding services and supports that are meaningful to the families in ways that are built on trust and that use cultural values, beliefs, and practices of families, communities, indigenous families, and Tribal Nations for case planning, service design, and decision-making processes.

(f) "Expecting and parenting family" means any configuration of parents, grandparents, guardians, foster parents, kinship caregivers, and youth who are pregnant or expecting or have children and youth that they care for and support.

(g) "Protective factors" means conditions, attributes, or strengths of individuals, families, and communities, and in society that mitigate risk, promote the healthy development and well-being of children, youth, and families, and help support families.

Subd. 2. **Community resource centers established.** The commissioner, in consultation with other state agencies, partners, and the Community Resource Center Advisory Council, may award grants to support the planning, implementation, and evaluation of community resource centers to provide culturally responsive, relationship-based service navigation, parent, family, and caregiver supports to expecting and parenting families with a focus on ensuring equitable access to programs and services that promote protective factors and support children and families.

Subd. 3. **Commissioner's duties; related infrastructure.** The commissioner, in consultation with the Community Resource Center Advisory Council, shall:

- (1) develop a request for proposals to support community resource centers;
- (2) provide outreach and technical assistance to support applicants with data or other matters pertaining to the equity of access to funding;
- (3) provide technical assistance to grantees, including but not limited to skill building and professional development, trainings, evaluations, communities of practice, networking, and trauma informed mental health consultation; and
- (4) provide grant coordination and management focused on promoting equity and accountability.

Subd. 4. **Grantee duties.** At a minimum, grantees shall:

- (1) provide culturally responsive, relationship-based service navigation and supports for expecting and parenting families;
- (2) improve community engagement and feedback gathering to support continuous improvement and program planning to better promote protective factors;
- (3) demonstrate community-based planning with multiple partners;
- (4) develop or use an existing parent and family advisory council consisting of community members with lived expertise to advise the work of the grantee; and

(5) participate in program evaluation, data collection, and technical assistance activities.

Subd. 5. **Eligibility.** Organizations eligible to receive grant funding under this section include:

(1) community-based organizations, Tribal Nations, urban Indian organizations, local and county government agencies, schools, nonprofit agencies or any cooperative of these organizations; and

(2) organizations or cooperatives supporting communities and families who lack opportunities.

Subd. 6. **Community Resource Center Advisory Council; establishment and duties.** (a) The commissioner, in consultation with other relevant state agencies, shall appoint members to the Community Resource Center Advisory Council.

(b) Membership must be demographically and geographically diverse and include:

(1) parents and family members with lived experience who lack opportunities;

(2) community-based organizations serving families who lack opportunities;

(3) Tribal and urban American Indian representatives;

(4) county government representatives;

(5) school and school district representatives; and

(6) state partner representatives.

(c) Duties of the Community Resource Center Advisory Council include but are not limited to:

(1) advising the commissioner on the development and funding of a network of community resource centers;

(2) advising the commissioner on the development of requests for proposals and grant award processes;

(3) advising the commissioner on the development of program outcomes and accountability measures; and

(4) advising the commissioner on ongoing governance and necessary support in the implementation of community resource centers.

Subd. 7. **Grantee reporting.** Grantees must report program data and outcomes to the commissioner in a manner determined by the commissioner and the Community Resource Center Advisory Council.

Subd. 8. **Evaluation.** The commissioner, in partnership with the Community Resource Center Advisory Council, shall develop an outcome and evaluation plan. By July 1, 2025, the Community Resource Center Advisory Council must provide a report to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services that reflects the duties of the Community Resource Center Advisory Council in subdivision

6 and may describe outcomes and impacts related to equity, community partnerships, program and service availability, child development, family well-being, and child welfare system involvement.

Sec. 43. **REPEALER.**

Minnesota Statutes 2022, section 518A.59, is repealed.

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

ARTICLE 15

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 246.54, subdivision 1a, as amended by 2023 S.F. No. 2934, article 8, section 5, if enacted, is amended to read:

Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the following schedule:

(1) zero percent for the first 30 days;

(2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate for the client; and

(3) 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged.

(b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause (2), the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

(c) Between July 1, 2023, and June 30, 2025, the county is not responsible for the cost of care under paragraph (a), clause (3), for a person who is committed as a person who has a mental illness and is dangerous to the public under section 253B.18 and who is awaiting transfer to another state-operated facility or program. This paragraph expires June 30, 2025.

(d) Notwithstanding any law to the contrary, the client is not responsible for payment of the cost of care under this subdivision.

Sec. 2. Minnesota Statutes 2022, section 256B.0652, subdivision 5, is amended to read:

Subd. 5. **Authorization; home care nursing services.** (a) All home care nursing services shall be authorized by the commissioner or the commissioner's designee. Authorization for home care nursing services shall be based on medical necessity and cost-effectiveness when compared with alternative care options. The commissioner may authorize medically necessary home care nursing services in quarter-hour units when:

(1) the recipient requires more individual and continuous care than can be provided during a skilled nurse visit; or

(2) the cares are outside of the scope of services that can be provided by a home health aide or personal care assistant.

(b) The commissioner may authorize:

(1) up to two times the average amount of direct care hours provided in nursing facilities statewide for case mix classification "K" as established by the annual cost report submitted to the department by nursing facilities in May 1992;

(2) home care nursing in combination with other home care services and community first services and supports as defined in section 256B.85 up to the total cost allowed under this subdivision and subdivision 7;

(3) up to 16 hours per day if the recipient requires more nursing than the maximum number of direct care hours as established in clause (1) and, but for the provision of the nursing services, the recipient would require a hospital level of care as defined in Code of Federal Regulations, title 42, section 440.10.

(c) The commissioner may authorize up to 16 hours per day of medically necessary home care nursing services or up to 24 hours per day of medically necessary home care nursing services until such time as the commissioner is able to make a determination of eligibility for recipients who are cooperatively applying for home care services under the community alternative care program developed under section 256B.49, or until it is determined by the appropriate regulatory agency that a health benefit plan is or is not required to pay for appropriate medically necessary health care services. Recipients or their representatives must cooperatively assist the commissioner in obtaining this determination. Recipients who are eligible for the community alternative care program may not receive more hours of nursing under this section and sections 256B.0651, 256B.0653, and 256B.0659 than would otherwise be authorized under section 256B.49.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval if required. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Laws 2021, First Special Session chapter 7, article 2, section 84, is amended to read:

Sec. 84. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FEDERAL FUND AND CHILD CARE AND DEVELOPMENT BLOCK GRANT ALLOCATIONS.

(a) The commissioner of human services shall allocate \$3,000,000 in fiscal year 2022 from the child care and development block grant for grants to organizations operating child care resource and referral programs under Minnesota Statutes, section 119B.19, to offer a child care one-stop regional assistance network.

(b) The commissioner of human services shall allocate \$50,000 in fiscal year 2022 from the child care and development block grant for modifications to the family child care provider frequently asked questions website.

(c) The commissioner of human services shall allocate \$4,500,000 in fiscal year 2022 from the child care and development block grant for costs to cover the fees related to administering child care background studies.

(d) The commissioner of human services shall allocate \$2,059,000 in fiscal year 2022 from the child care and development block grant for the child care center regulation modernization project.

(e) The commissioner of human services shall allocate \$1,719,000 in fiscal year 2022 from the child care and development block grant for the family child care regulation modernization project.

(f) The commissioner of human services shall allocate \$100,000 in fiscal year 2022 from the federal fund for a working group to review alternative child care licensing models.

(g) The commissioner of human services shall allocate \$59,000 in fiscal year 2022 from the child care and development block grant for the family child care training advisory committee.

(h) The commissioner of human services shall allocate \$7,650,000 in fiscal year 2022 from the child care and development block grant for child care information technology and system improvements.

(i) The allocations in this section are available until June 30, 2025. Any funds that the commissioner of human services determines by June 30, 2023, will not be fully expended by the end of the federal award may be used for other allowable activities under United States Code, title 42, section 9857 et seq.; Code of Federal Regulations, title 45, parts 98 and 99; and Public Law 117-2, known as The American Rescue Plan Act of 2021.

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

Sec. 4. Laws 2021, First Special Session chapter 7, article 14, section 23, is amended to read:

Sec. 23. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FEDERAL FUND AND CHILD CARE AND DEVELOPMENT BLOCK GRANT ALLOCATIONS.

(a) The commissioner of human services shall allocate \$1,435,000 in fiscal year 2022 from the child care and development block grant for the quality rating and improvement system evaluation and equity report under Minnesota Statutes, section 124D.142, subdivisions 3 and 4.

(b) The commissioner of human services shall allocate \$499,000 in fiscal year 2022 from the child care and development block grant for the ombudsperson for family child care providers under Minnesota Statutes, section 245.975.

(c) The commissioner of human services shall allocate \$858,000 in fiscal year 2022 from the child care and development block grant for transfer to the commissioner of management and budget for the affordable high-quality child care and early education for all families working group.

(d) The commissioner of human services shall allocate \$200,000 in fiscal year 2022 from the child care and development block grant for transfer to the commissioner of management and budget for completion of the early childhood governance report.

(e) The commissioner of human services shall allocate \$150,000 in fiscal year 2022 from the child care and development block grant to develop recommendations for implementing a family supports and improvement program.

(f) The commissioner of human services shall allocate \$1,000,000 in fiscal year 2022 from the child care and development block grant for REETAIN grants under Minnesota Statutes, section 119B.195.

(g) The commissioner of human services shall allocate \$2,000,000 in fiscal year 2022 from the child care and development block grant for the TEACH program under Minnesota Statutes, section 136A.128.

(h) The commissioner of human services shall allocate \$304,398,000 in fiscal year 2022 from the federal fund for child care stabilization grants, including up to \$5,000,000 for administration.

(i) The commissioner of human services shall allocate \$200,000 in fiscal year 2022 from the federal fund for the shared services pilot program for family child care providers.

(j) The commissioner of human services shall allocate \$290,000 in fiscal year 2022 from the child care and development block grant for a report on participation in early care and education programs by children in foster care.

(k) The commissioner of human services shall allocate \$3,500,000 in fiscal year 2022 from the child care and development block grant for the commissioner of human services to administer the child care and development block grant allocations in this act.

(l) The allocations in this section are available until June 30, 2025. Any funds that the commissioner of human services determines by June 30, 2023, will not be fully expended by the end of the federal award may be used for other allowable activities under United States Code, title 42, section 9857 et seq.; Code of Federal Regulations, title 45, parts 98 and 99; and Public Law 117-2, known as The American Rescue Plan Act of 2021.

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

Sec. 5. Laws 2023, chapter 52, article 7, section 12, is amended to read:

Sec. 12. **609A.015 AUTOMATIC EXPUNGEMENT OF RECORDS.**

Subdivision 1. **Eligibility; dismissal; exoneration.** (a) A person who is the subject of a criminal record or delinquency record is eligible for a grant of expungement relief without the filing of a petition:

(1) if the person was arrested and all charges were dismissed after a case was filed unless dismissal was based on a finding that the defendant was incompetent to proceed;

(2) upon the dismissal and discharge of proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance; or

(3) if all pending actions or proceedings were resolved in favor of the person.

(b) For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the person. For purposes of this chapter, an action or proceeding is resolved in favor of the person if the petitioner received an order under section 590.11 determining that the person is eligible for compensation based on exoneration.

(c) The service requirements in section 609A.03, subdivision 8, do not apply to any expungements ordered under this subdivision.

(d) An expungement order does not apply to records held by the commissioners of health and human services.

Subd. 2. **Eligibility; diversion and stay of adjudication.** (a) A person is eligible for a grant of expungement relief if the person has successfully completed the terms of a diversion program or stay of adjudication for a qualifying offense that is not a felony and has not been petitioned or charged with a new offense, other than an offense that would be a petty misdemeanor, in Minnesota:

(1) for one year immediately following completion of the diversion program or stay of adjudication; or

(2) for one year immediately preceding a subsequent review performed pursuant to subdivision 5, paragraph (a).

(b) The service requirements in section 609A.03, subdivision 8, do not apply to any expungements ordered under this subdivision.

(c) An expungement order does not apply to records held by the commissioners of health and human services.

Subd. 3. **Eligibility; certain criminal proceedings.** (a) A person is eligible for a grant of expungement relief if the person:

(1) was convicted of a qualifying offense;

(2) has not been convicted of a new offense, other than an offense that would be a petty misdemeanor, in Minnesota:

(i) during the applicable waiting period immediately following discharge of the disposition or sentence for the crime; or

(ii) during the applicable waiting period immediately preceding a subsequent review performed pursuant to subdivision 5, paragraph (a); and

(3) is not charged with an offense, other than an offense that would be a petty misdemeanor, in Minnesota at the time the person reaches the end of the applicable waiting period or at the time of a subsequent review.

(b) As used in this subdivision, "qualifying offense" means a conviction for:

(1) any petty misdemeanor offense other than a violation of a traffic regulation relating to the operation or parking of motor vehicles;

(2) any misdemeanor offense other than:

(i) section 169A.20 under the terms described in section 169A.27 (fourth-degree driving while impaired);

(ii) section 518B.01, subdivision 14 (violation of an order for protection);

(iii) section 609.224 (assault in the fifth degree);

(iv) section 609.2242 (domestic assault);

(v) section 609.748 (violation of a harassment restraining order);

(vi) section 609.78 (interference with emergency call);

(vii) section 609.79 (obscene or harassing phone calls);

(viii) section 617.23 (indecent exposure);

(ix) section 609.746 (interference with privacy); or

(x) section 629.75 (violation of domestic abuse no contact order);

(3) any gross misdemeanor offense other than:

(i) section 169A.25 (second-degree driving while impaired);

(ii) section 169A.26 (third-degree driving while impaired);

(iii) section 518B.01, subdivision 14 (violation of an order for protection);

(iv) section 609.2113, subdivision 3 (criminal vehicular operation);

(v) section 609.2231 (assault in the fourth degree);

(vi) section 609.224 (assault in the fifth degree);

(vii) section 609.2242 (domestic assault);

(viii) section 609.233 (criminal neglect);

(ix) section 609.3451 (criminal sexual conduct in the fifth degree);

(x) section 609.377 (malicious punishment of child);

(xi) section 609.485 (escape from custody);

(xii) section 609.498 (tampering with witness);

(xiii) section 609.582, subdivision 4 (burglary in the fourth degree);

(xiv) section 609.746 (interference with privacy);

- (xv) section 609.748 (violation of a harassment restraining order);
- (xvi) section 609.749 (harassment; stalking);
- (xvii) section 609.78 (interference with emergency call);
- (xviii) section 617.23 (indecent exposure);
- (xix) section 617.261 (nonconsensual dissemination of private sexual images); or
- (xx) section 629.75 (violation of domestic abuse no contact order); or
- (4) any felony offense listed in section 609A.02, subdivision 3, paragraph (b), other than:
 - (i) section 152.023, subdivision 2 (possession of a controlled substance in the third degree);
 - (ii) 152.024, subdivision 2 (possession of a controlled substance in the fourth degree);
 - (iii) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness); or
 - (iv) section 609.746, subdivision 1, paragraph (e) (interference with privacy; subsequent violation or minor victim).
- (c) As used in this subdivision, "applicable waiting period" means:
 - (1) if the offense was a petty misdemeanor, two years since discharge of the sentence;
 - (2) if the offense was a misdemeanor, two years since discharge of the sentence for the crime;
 - (3) if the offense was a gross misdemeanor, three years since discharge of the sentence for the crime;
 - (4) if the offense was a felony violation of section 152.025, four years since the discharge of the sentence for the crime; and
 - (5) if the offense was any other felony, five years since discharge of the sentence for the crime.
- (d) Felony offenses deemed to be a gross misdemeanor or misdemeanor pursuant to section 609.13, subdivision 1, remain ineligible for expungement under this section. Gross misdemeanor offenses ineligible for a grant of expungement under this section remain ineligible if deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2.
- (e) The service requirements in section 609A.03, subdivision 8, do not apply to any expungements ordered under this subdivision.
- (f) An expungement order does not apply to records held by the commissioners of health and human services.

Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an automatic expungement under this section of that eligibility at any hearing where the court dismisses and

discharges proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance; concludes that all pending actions or proceedings were resolved in favor of the person; grants a person's placement into a diversion program; or sentences a person or otherwise imposes a consequence for a qualifying offense.

(b) To the extent possible, prosecutors, defense counsel, supervising agents, and coordinators or supervisors of a diversion program shall notify a person who may become eligible for an automatic expungement under this section of that eligibility.

(c) If any party gives notification under this subdivision, the notification shall inform the person that:

(1) a record expunged under this section may be opened for purposes of a background study by the Department of Human Services or the Department of Health under section 245C.08 and for purposes of a background check by the Professional Educator Licensing and Standards Board as required under section 122A.18, subdivision 8; and

(2) the person can file a petition under section 609A.03, subject to the process in section 609A.03 and the limitations in section 609A.02, to expunge the record and request that the petition be directed to records held by the commissioner of human services, the commissioner of health, and the Professional Educator Licensing and Standards Board.

Subd. 5. Bureau of Criminal Apprehension to identify eligible persons and grant expungement relief. (a) The Bureau of Criminal Apprehension shall identify any records that qualify for a grant of expungement relief pursuant to this subdivision or subdivision 1, 2, or 3. The Bureau of Criminal Apprehension shall make an initial determination of eligibility within 30 days of the end of the applicable waiting period. If a record is not eligible for a grant of expungement at the time of the initial determination, the Bureau of Criminal Apprehension shall make subsequent eligibility determinations annually until the record is eligible for a grant of expungement.

(b) In making the determination under paragraph (a), the Bureau of Criminal Apprehension shall identify individuals who are the subject of relevant records through the use of fingerprints and thumbprints where fingerprints and thumbprints are available. Where fingerprints and thumbprints are not available, the Bureau of Criminal Apprehension shall identify individuals through the use of the person's name and date of birth. Records containing the same name and date of birth shall be presumed to refer to the same individual unless other evidence establishes, by a preponderance of the evidence, that they do not refer to the same individual. The Bureau of Criminal Apprehension is not required to review any other evidence in making a determination.

(c) The Bureau of Criminal Apprehension shall grant expungement relief to qualifying persons and seal its own records without requiring an application, petition, or motion. Records shall be sealed 60 days after notice is sent to the judicial branch pursuant to paragraph (e) unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(d) Nonpublic criminal records maintained by the Bureau of Criminal Apprehension and subject to a grant of expungement relief shall display a notation stating "expungement relief granted pursuant to section 609A.015."

(e) The Bureau of Criminal Apprehension shall inform the judicial branch of all cases for which expungement relief was granted pursuant to this section. Notification may be through electronic means and may be made in real time or in the form of a monthly report. Upon receipt of notice, the judicial branch shall seal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and shall issue any order deemed necessary to achieve this purpose.

(f) The Bureau of Criminal Apprehension shall inform each law enforcement agency that its records may be affected by a grant of expungement relief. Notification may be through electronic means. Each notified law enforcement agency that receives a request to produce records shall first determine if the records were subject to a grant of expungement under this section. The law enforcement agency must not disclose records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and must maintain the data consistent with the classification in paragraph (g). This paragraph does not apply to requests from a criminal justice agency as defined in section 609A.03, subdivision 7a, paragraph (f).

(g) Data on the person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph (f), are private data on individuals as defined in section 13.02, subdivision 12.

(h) The prosecuting attorney shall notify the victim that an offense qualifies for automatic expungement under this section in the manner provided in section 611A.03, subdivisions 1 and 2.

(i) In any subsequent prosecution of a person granted expungement relief, the expunged criminal record may be pleaded and has the same effect as if the relief had not been granted.

(j) The Bureau of Criminal Apprehension is directed to develop, modify, or update a system to provide criminal justice agencies with uniform statewide access to criminal records sealed by expungement.

Subd. 6. **Immunity from civil liability.** Employees of the Bureau of Criminal Apprehension shall not be held civilly liable for the exercise or the failure to exercise, or the decision to exercise or the decision to decline to exercise, the powers granted by this section or for any act or omission occurring within the scope of the performance of their duties under this section.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to offenses that meet the eligibility criteria on or after that date and applies retroactively to offenses that met the eligibility criteria before January 1, 2025, and are stored in the Bureau of Criminal Apprehension's criminal history system as of January 1, 2025.

Sec. 6. Laws 2023, chapter 52, article 7, section 16, is amended to read:

Sec. 16. Minnesota Statutes 2022, section 609A.03, subdivision 7a, is amended to read:

Subd. 7a. **Limitations of order effective January 1, 2015, and later.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105 shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) except as provided in clause (2), an expunged record may be opened, used, or exchanged between criminal justice agencies without a court order for the purposes of initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services;

(2) when a criminal justice agency seeks access to a record that was sealed under section 609A.02, subdivision 3, paragraph (a), clause (1), after an acquittal or a court order dismissing for lack of probable cause, for purposes of a criminal investigation, prosecution, or sentencing, the requesting agency must obtain an ex parte court order after stating a good-faith basis to believe that opening the record may lead to relevant information;

(3) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order;

(4) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the commissioner had been properly served with notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner of human services following proper service of a petition, or following proceedings under section 609A.017, 609A.025, or 609A.035 upon service of an order to the commissioner of human services;

(5) an expunged record of a conviction may be opened for purposes of a background check required under section 122A.18, subdivision 8, unless the court order for expungement is directed specifically to the Professional Educator Licensing and Standards Board;

(6) the court may order an expunged record opened upon request by the victim of the underlying offense if the court determines that the record is substantially related to a matter for which the victim is before the court;

(7) a prosecutor may request, and the district court shall provide, certified records of conviction for a record expunged pursuant to sections 609A.015, 609A.017, 609A.02, 609A.025, and 609A.035, and the certified records of conviction may be disclosed and introduced in criminal court proceedings as provided by the rules of court and applicable law; and

(8) the subject of an expunged record may request, and the court shall provide, certified or uncertified records of conviction for a record expunged pursuant to sections 609A.015, 609A.017, 609A.02, 609A.025, and 609A.035.

(c) An agency or jurisdiction subject to an expungement order shall maintain the record in a manner that provides access to the record by a criminal justice agency under paragraph (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau of Criminal Apprehension shall notify the commissioner of human services or the Professional Educator Licensing and Standards Board of the existence of a sealed record and of the right to obtain access under paragraph (b), clause (4) or (5). Upon request, the agency or jurisdiction subject to the expungement order shall provide access to the record to the commissioner of human services or the Professional Educator Licensing and Standards Board under paragraph (b), clause (4) or (5).

(d) An expunged record that is opened or exchanged under this subdivision remains subject to the expungement order in the hands of the person receiving the record.

(e) A criminal justice agency that receives an expunged record under paragraph (b), clause (1) or (2), must maintain and store the record in a manner that restricts the use of the record to the investigation, prosecution, or sentencing for which it was obtained.

(f) For purposes of this section, a "criminal justice agency" means a court or government agency that performs the administration of criminal justice under statutory authority.

(g) This subdivision applies to expungement orders subject to its limitations and effective on or after January 1, 2015, and grants of expungement relief issued on or after January 1, 2025.

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

Sec. 7. Minnesota Statutes 2022, section 245D.261, subdivision 3, as added by 2023 S.F. No. 2934, article 1, section 6, if enacted, is amended to read:

Subd. 3. **Provider requirements for remote overnight supervision; commissioner notification.**

(a) A license holder providing remote overnight supervision in a community residential setting must:

(1) use technology;

(2) notify the commissioner of the community residential setting's intent to use technology in lieu of on-site staff. The notification must:

(i) indicate a start date for the use of technology; and

(ii) attest that all requirements under this section are met and policies required under subdivision 4 are available upon request;

(3) clearly state in each person's support plan addendum that the community residential setting is a program without the in-person presence of overnight direct support;

(4) include with each person's support plan addendum the license holder's protocols for responding to situations that present a serious risk to the health, safety, or rights of residents served by the program; and

(5) include in each person's support plan addendum the person's maximum permissible response time as determined by the person's support team.

~~(b) Upon being notified via technology that an incident has occurred that may jeopardize the health, safety, or rights of a resident, the license holder must document an evaluation of the need for the physical presence of a staff member. If a physical presence is needed, a staff person, volunteer, or contractor must be on site to respond to the situation within the resident's maximum permissible response time.~~ Upon being notified via technology that an incident has occurred that jeopardizes the health, safety, or rights of a resident, the license holder must document an evaluation of the need for the physical presence of a staff member and determine whether a physical presence is needed in a time that is less than the maximum permissible response time under paragraph (a), clause (5). If it is determined that a physical presence is needed that requires a response time less than the

maximum response time under paragraph (a), clause (5), the plan under subdivision 4, paragraph (a), clause (6), must be deployed.

(c) A license holder must notify the commissioner if remote overnight supervision technology will no longer be used by the license holder.

(d) Upon receipt of notification of use of remote overnight supervision or discontinuation of use of remote overnight supervision by a license holder, the commissioner shall notify the county licensing agency and update the license.

Sec. 8. 2023 S.F. No. 2934, article 9, section 2, subdivision 16, if enacted, is amended to read:

Subd. 16. Grant Programs; Disabilities Grants	113,684,000	30,377,000
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(a) **Temporary Grants for Small Customized Living Providers.** \$5,450,000 in fiscal year 2024 is for grants to assist small customized living providers to transition to community residential services licensure or integrated community supports licensure. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(b) **Lead Agency Capacity Building Grants.** \$444,000 in fiscal year 2024 and \$2,396,000 in fiscal year 2025 are for grants to assist organizations, counties, and Tribes to build capacity for employment opportunities for people with disabilities. The base for this appropriation is \$2,413,000 in fiscal year 2026 and \$2,411,000 in fiscal year 2027.

(c) **Employment and Technical Assistance Center Grants.** \$450,000 in fiscal year 2024 and \$1,800,000 in fiscal year 2025 are for employment and technical assistance grants to assist organizations and employers in promoting a more inclusive workplace for people with disabilities.

(d) **Case Management Training Grants.** \$37,000 in fiscal year 2024 and \$123,000 in fiscal year 2025 are for grants to provide case management training to organizations and employers to support the state's disability employment supports system. The base for

this appropriation is \$45,000 in fiscal year 2026 and \$45,000 in fiscal year 2027.

(e) Self-Directed Bargaining Agreement; Electronic Visit Verification Stipends. \$6,095,000 in fiscal year 2024 is for onetime stipends of \$200 to bargaining members to offset the potential costs related to people using individual devices to access the electronic visit verification system. Of this amount, \$5,600,000 is for stipends and \$495,000 is for administration. This is a onetime appropriation and is available until June 30, 2025.

(f) Self-Directed Collective Bargaining Agreement; Temporary Rate Increase Memorandum of Understanding. \$1,600,000 in fiscal year 2024 is for onetime stipends for individual providers covered by the SEIU collective bargaining agreement based on the memorandum of understanding related to the temporary rate increase in effect between December 1, 2020, and February 7, 2021. Of this amount, \$1,400,000 of the appropriation is for stipends and \$200,000 is for administration. This is a onetime appropriation.

(g) Self-Directed Collective Bargaining Agreement; Retention Bonuses. \$50,750,000 in fiscal year 2024 is for onetime retention bonuses covered by the SEIU collective bargaining agreement. Of this amount, \$50,000,000 is for retention bonuses and \$750,000 is for administration of the bonuses. This is a onetime appropriation and is available until June 30, 2025.

(h) Self-Directed Bargaining Agreement; Training Stipends. \$2,100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for onetime stipends of \$500 for collective bargaining unit members who complete designated, voluntary trainings made available through or recommended by the State Provider Cooperation Committee. Of

this amount, \$2,000,000 in fiscal year 2024 is for stipends, and \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for administration. This is a onetime appropriation.

(i) Self-Directed Bargaining Agreement; Orientation Program. \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for onetime \$100 payments to collective bargaining unit members who complete voluntary orientation requirements. Of this amount, \$1,500,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for the onetime \$100 payments, and \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for orientation-related costs. This is a onetime appropriation.

(j) Self-Directed Bargaining Agreement; Home Care Orientation Trust. \$1,000,000 in fiscal year 2024 is for the Home Care Orientation Trust under Minnesota Statutes, section 179A.54, subdivision 11. The commissioner shall disburse the appropriation to the board of trustees of the Home Care Orientation Trust for deposit into an account designated by the board of trustees outside the state treasury and state's accounting system. This is a onetime appropriation.

(k) HIV/AIDS Supportive Services. \$12,100,000 in fiscal year 2024 is for grants to community-based HIV/AIDS supportive services providers as defined in Minnesota Statutes, section 256.01, subdivision 19, and for payment of allowed health care costs as defined in Minnesota Statutes, section ~~256.935~~ 256.9365. This is a onetime appropriation and is available until June 30, 2025.

(l) Motion Analysis Advancements Clinical Study and Patient Care. \$400,000 in fiscal year 2024 is for a grant to the Mayo Clinic Motion Analysis Laboratory and Limb Lab for continued research in motion analysis

advancements and patient care. This is a onetime appropriation and is available through June 30, 2025.

(m) Grant to Family Voices in Minnesota. \$75,000 in fiscal year 2024 and \$75,000 in fiscal year 2025 are for a grant to Family Voices in Minnesota under Minnesota Statutes, section 256.4776.

(n) Parent-to-Parent Programs.

(1) \$550,000 in fiscal year 2024 and \$550,000 in fiscal year 2025 are for grants to organizations that provide services to underserved communities with a high prevalence of autism spectrum disorder. This is a onetime appropriation and is available until June 30, 2025.

(2) The commissioner shall give priority to organizations that provide culturally specific and culturally responsive services.

(3) Eligible organizations must:

(i) conduct outreach and provide support to newly identified parents or guardians of a child with special health care needs;

(ii) provide training to educate parents and guardians in ways to support their child and navigate the health, education, and human services systems;

(iii) facilitate ongoing peer support for parents and guardians from trained volunteer support parents; and

(iv) communicate regularly with other parent-to-parent programs and national organizations to ensure that best practices are implemented.

(4) Grant recipients must use grant money for the activities identified in clause (3).

(5) For purposes of this paragraph, "special health care needs" means disabilities, chronic

illnesses or conditions, health-related educational or behavioral problems, or the risk of developing disabilities, illnesses, conditions, or problems.

(6) Each grant recipient must report to the commissioner of human services annually by January 15 with measurable outcomes from programs and services funded by this appropriation the previous year including the number of families served and the number of volunteer support parents trained by the organization's parent-to-parent program.

(o) Self-Advocacy Grants for Persons with Intellectual and Developmental Disabilities. \$323,000 in fiscal year 2024 and \$323,000 in fiscal year 2025 are for self-advocacy grants under Minnesota Statutes, section 256.477. Of these amounts, \$218,000 in fiscal year 2024 and \$218,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 1, paragraph (a), clauses (5) to (7), and for administrative costs, and \$105,000 in fiscal year 2024 and \$105,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 2.

(p) Technology for Home Grants. \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for technology for home grants under Minnesota Statutes, section 256.4773.

(q) Community Residential Setting Transition. \$500,000 in fiscal year 2024 is for a grant to Hennepin County to expedite approval of community residential setting licenses subject to the corporate foster care moratorium exception under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (5).

(r) Base Level Adjustment. The general fund base is \$27,343,000 in fiscal year 2026 and \$27,016,000 in fiscal year 2027.

Sec. 9. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD CARE AND DEVELOPMENT BLOCK GRANT ALLOCATIONS.

(a) The commissioner of human services shall allocate \$22,000,000 in fiscal year 2024, \$8,000,000 in fiscal year 2025, \$8,000,000 in fiscal year 2026, and \$8,000,000 in fiscal year 2027 from the child care and development block grant for the child care assistance program rates under Minnesota Statutes, section 119B.13.

(b) The commissioner of human services shall allocate \$7,824,000 in fiscal year 2025, \$8,406,000 in fiscal year 2026, and \$8,960,000 in fiscal year 2027 from the child care and development block grant for basic sliding fee program reprioritization under Minnesota Statutes, section 119B.03.

(c) The commissioner of human services shall allocate \$11,250,000 in fiscal year 2024, \$11,500,000 in fiscal year 2025, \$11,500,000 in fiscal year 2026, and \$11,500,000 in fiscal year 2027 for additional funding for the basic sliding fee program under Minnesota Statutes, section 119B.03

(d) The commissioner of human services shall allocate \$2,920,000 in fiscal year 2025, \$2,920,000 in fiscal year 2026, and \$2,920,000 in fiscal year 2027 from the child care and development block grant for the child care one-stop shop regional assistance network under Minnesota Statutes, section 119B.19, subdivision 7, clause (9).

(e) The commissioner of human services shall allocate \$500,000 in fiscal year 2024, \$500,000 in fiscal year 2025, \$500,000 in fiscal year 2026, and \$500,000 in fiscal year 2027 from the child care and development block grant for the shared services grants under Minnesota Statutes, section 119B.28.

(f) The commissioner of human services shall allocate \$300,000 in fiscal year 2024, \$300,000 in fiscal year 2025, \$300,000 in fiscal year 2026, and \$300,000 in fiscal year 2027 from the child care and development block grant for child care provider access to technology grants under Minnesota Statutes, section 119B.29.

Sec. 10. INFORMATION TECHNOLOGY PROJECTS FOR SERVICE DELIVERY TRANSFORMATION.

Subdivision 1. **Uses of appropriations.** Amounts appropriated to the commissioner of human services for subdivisions 3 to 7 must be expended only to achieve the outcomes identified in each subdivision. The commissioner must allocate available appropriations to maximize federal funding and achieve the outcomes specified in subdivisions 3 to 7.

Subd. 2. **Reports required.** (a) The commissioner of human services, in consultation with the commissioner of information technology services, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by October 1, 2023, that identifies:

(1) a schedule of planned completion dates for the projects included in subdivisions 3 to 7;

(2) the projected budget amount for each project included in subdivisions 3 to 7; and

(3) baseline metrics and other performance indicators against which progress will be measured so that the outcomes identified in subdivisions 3 to 7 are achieved.

(b) To the extent practicable, the metrics and performance indicators required under paragraph (a) must be specific and expressed in easily understood terms; measurable; achievable; relevant; and time bound. Any changes to the outcomes, metrics, or other performance indicators under this subdivision must be developed in consultation with the commissioner of information technology services and reported to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance in the report submitted under paragraph (c).

(c) By October 1, 2024, and each October 1 thereafter, until all funds are expended or all outcomes are achieved, whichever occurs first, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance that identifies the actual amounts expended for each project in subdivisions 3 to 7, including a description of the types and purposes of expenditures. The report must also describe progress toward achieving the outcomes for each project based on the baseline metrics and performance indicators established in the report required under paragraph (a) during the previous fiscal year.

Subd. 3. **Transforming service delivery.** Any amount appropriated for this subdivision is to advance efforts to develop and maintain a person-centered human services system by increasing the ease, speed, and simplicity of accessing human services for Minnesotans, and for county, Tribal, and state human services workers. Outcomes to be achieved include:

(1) funding foundational work and persistent cross-functional product teams of business and technology resources to support ongoing iterative development that:

(i) improves the experience of Minnesotans interacting with the human services system, including reducing the overall time from an application to the determination of eligibility and receiving of benefits;

(ii) improves information technology delivery times and efficiency of software development by increasing business agility to respond to new or shifting needs; and

(iii) improves the experience of county and Tribal human services workers;

(2) developing and hosting dashboards, visualizations, or analytics that can be shared with external partners and the public to foster data-driven decision making; and

(3) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

Subd. 4. **Integrated services for children and families.** (a) Any amount appropriated for this subdivision is to stabilize and update legacy information technology systems, modernize systems, and develop a plan for the future of information technology systems for the programs that serve children and families. Outcomes to be achieved include:

(1) reducing unscheduled downtime on Social Services Information System by at least 20 percent;

(2) completing the transition of automated child support systems from mainframe technology to a web-based environment;

(3) making information received regarding an individual's eligibility for benefits easier to understand;

(4) enhancing the child support participant portal to provide additional options for uploading and updating information, making payments, exchanging data securely, and providing other features requested by users of the portal; and

(5) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

(b) The commissioner must contract with an independent consultant to perform a thorough evaluation of the SSIS, which supports the child protection system in Minnesota. The consultant must make recommendations for improving the current system for usability, system performance, and federal Comprehensive Child Welfare Information System compliance and must address technical problems and identify any unnecessary or unduly burdensome data entry requirements that have contributed to system capacity issues. The consultant must assist the commissioner with selecting a platform for future development of an information technology system for child protection.

(c) The commissioner of human services must conduct a study and develop recommendations to streamline and reduce SSIS data entry requirements for child protection cases. The study must be completed in partnership with local social services agencies and others, as determined by the commissioner. The study must review all input fields required on current reporting forms and determine which input fields and information are required under state or federal law. By June 30, 2024, the commissioner must provide a status report and an implementation timeline to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection. The status report must include information about procedures for soliciting ongoing user input from stakeholders, progress on solicitation and hiring of a consultant to conduct the system evaluation required under paragraph (a), and a report on the progress and completed efforts to streamline data entry requirements and improve user experience.

Subd. 5. **Medicaid Management Information System modernization.** Any amount appropriated for this subdivision is to meet federal compliance requirements and enhance, modernize, and stabilize the functionality of Minnesota's Medicaid Management Information System. Outcomes to be achieved include:

(1) reducing disruptions and delays in filling prescriptions for medical assistance and MinnesotaCare enrollees, and improving call center support for pharmacies and enrollees to ensure prompt resolution of issues;

(2) improving the timeliness and accuracy of claims processing and approval of prior authorization requests;

(3) advancing the exchange of health information between providers and trusted partners so that enrollee care is timely, coordinated, proactive, and reflects the preferences and culture of the enrollee and their family; and

(4) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

Subd. 6. **Provider licensing and reporting hub.** Any amount appropriated for this subdivision is to develop, implement, and support ongoing maintenance and operations of an integrated human services provider licensing and reporting hub. Outcomes to be achieved include:

(1) creating and maintaining user personas for all provider licensing and reporting hub users that document the unique requirements for each user;

(2) creating an electronic licensing application within the provider licensing and reporting hub to ensure efficient data collection and analysis;

(3) creating a persistent, cross-functional product team of business and technology resources to support the ongoing iterative development of the provider licensing and reporting hub; and

(4) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

Subd. 7. **Improving the Minnesota Eligibility Technology System functionality.** Any amount appropriated for this subdivision is to meet federal compliance requirements and for necessary repairs to improve the core functionality of the Minnesota Eligibility Technology System to improve the speed and accuracy of eligibility determinations and reduce the administrative burden for state, county, and Tribal workers. Outcomes to be achieved include:

(1) implementing the capability for medical assistance and MinnesotaCare enrollees to apply, renew, and make changes to their eligibility and select health plans online;

(2) reducing manual data entry and other steps taken by county and Tribal eligibility workers to improve the accuracy and timeliness of eligibility determinations;

(3) completing necessary changes to comply with federal requirements; and

(4) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

Sec. 11. **OUTCOMES AND EVALUATION CONSULTATION REQUIREMENTS.**

Before implementing any new grant program established in this act that includes program outcomes, evaluation metrics or requirements, progress indicators, or other related measurements and with a budget of \$750,000 or more per fiscal year, the commissioner administering the program shall submit to the commissioner of management and budget draft measurements and consult with the commissioner of management and budget on those measurements. The consultation required under this section must be completed within 30 days after the consultation is requested. After consultation, the commissioner must incorporate measurements agreed upon through consultation with the commissioner of management and budget into grant applications, requests for proposals, contracts, and any reports to the legislature.

Sec. 12. **EFFECTIVE DATE CHANGES.**

(a) The effective date for 2023 S.F. No. 2934, article 3, section 5, if enacted during the 2023 regular legislative session, is January 1, 2024, or upon federal approval, whichever occurs later, except that paragraph (a), clause (6), is effective the day following final enactment. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained. This paragraph

prevails over any contrary effective date for 2023 S.F. No. 2934, article 3, section 5, enacted during the 2023 regular legislative session, regardless of order of enactment.

(b) The effective date for 2023 S.F. No. 2934, article 5, section 10, if enacted during the 2023 regular legislative session, is the day following final enactment, except for paragraph (p), which is effective retroactive to June 30, 2022. This paragraph prevails over any contrary effective date for 2023 S.F. No. 2934, article 5, section 10, enacted during the 2023 regular legislative session, regardless of order of enactment.

(c) The effective date for 2023 S.F. No. 2934, article 5, section 11, if enacted during the 2023 regular legislative session, is the day following final enactment, except for paragraph (g), which is effective retroactive to June 30, 2022. This paragraph prevails over any contrary effective date for 2023 S.F. No. 2934, article 5, section 11, enacted during the 2023 regular legislative session, regardless of order of enactment.

ARTICLE 16

HEALTH CARE AFFORDABILITY AND DELIVERY

Section 1. [4.047] HEALTH SUBCABINET.

Subdivision 1. **Establishment.** The Health Subcabinet is established.

Subd. 2. **Membership.** The Health Subcabinet shall consist of the commissioners of human services, commerce, management and budget, and health and the executive director of MNsure.

Subd. 3. **Director; staffing and administrative support.** An executive director must be hired to manage the activities of the Health Subcabinet and serve as its chair. The commissioner of management and budget, in coordination with other state agencies and boards, as applicable, must provide staffing and administrative support to the executive director and the subcabinet established in this section.

Subd. 4. **Duties.** The Health Subcabinet shall coordinate state agency and, as applicable, private sector efforts to reform the health care delivery and payment systems; foster sustainability in health care spending; ensure the availability of affordable and comprehensive health care coverage and health care; ensure access to high-quality health care services; and reduce disparities and inequities in the experience or outcomes of health care.

Sec. 2. Minnesota Statutes 2022, section 62J.03, is amended by adding a subdivision to read:

Subd. 11. **Health care entity.** "Health care entity" includes clinics, hospitals, ambulatory surgical centers, physician organizations, accountable care organizations, integrated provider and plan systems, county-based purchasing plans, health carriers, health care providers as defined under section 62J.03, subdivision 8, and entities required to report under section 62J.84.

Sec. 3. **[62J.0416] IDENTIFY STRATEGIES FOR REDUCTION OF ADMINISTRATIVE SPENDING AND LOW-VALUE CARE.**

(a) The commissioner of health shall develop recommendations for strategies to reduce the volume and growth of administrative spending by health care organizations and group purchasers, and the magnitude of low-value care delivered to Minnesota residents. The commissioner shall:

(1) review the availability of data and identify gaps in the data infrastructure to estimate aggregated and disaggregated administrative spending and low-value care;

(2) based on available data, estimate the volume and change over time of administrative spending and low-value care in Minnesota;

(3) conduct an environmental scan and key informant interviews with experts in health care finance, health economics, health care management or administration, and the administration of health insurance benefits to determine drivers of spending growth for spending on administrative services or the provision of low-value care; and

(4) convene a clinical learning community and an employer task force to review the evidence from clauses (1) to (3) and develop a set of actionable strategies to address administrative spending volume and growth and the magnitude of the volume of low-value care.

(b) By March 31, 2025, the commissioner shall deliver the recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy.

Sec. 4. [62J.0417] PAYMENT MECHANISMS IN RURAL HEALTH CARE.

(a) The commissioner shall develop a plan to assess readiness of rural communities and rural health care providers to adopt value based, global budgeting or alternative payment systems and recommend steps needed to implement them. The commissioner may use the development of case studies and modeling of alternate payment systems to demonstrate value-based payment systems that ensure a baseline level of essential community or regional health services and address population health needs.

(b) The commissioner shall develop recommendations for pilot projects with the aim of ensuring financial viability of rural health care entities in the context of spending growth targets. The commissioner shall include the plan, recommendations, and related findings in the reports required under section 62J.312, subdivision 3.

Sec. 5. [62J.312] CENTER FOR HEALTH CARE AFFORDABILITY.

Subdivision 1. **Center establishment; research and analysis.** (a) The commissioner shall establish a center for health care affordability within the Minnesota Department of Health. The commissioner, through the center, shall carry out the duties assigned under this section.

(b) The commissioner shall conduct research on and analyze the drivers of health care spending growth in order to increase transparency and identify strategies that help to reduce waste and low-value care; eliminate unproductive administrative spending; enhance the provision of effective, high-value care; consider the sustainability of health care spending growth and the relationship of health care spending growth to health equity; and identify delivery system, payment, and health care market reforms to increase health care affordability.

(c) To perform the duties under paragraph (b), the commissioner shall:

(1) identify additional data needed from health care entities and the level of granularity of required reporting, while limiting additional reporting burdens to the extent possible by ensuring effective use of existing data and reporting mechanisms;

(2) establish the form and manner for data reporting, including but not limited to data specifications, methods of reporting, and reporting schedules;

(3) assist reporting entities in submitting data and information; and

(4) conduct background research and environmental scans, perform qualitative and quantitative analyses, and perform economic modeling.

Subd. 2. **Public input.** (a) The commissioner shall obtain public feedback on the research agenda for the center for health care affordability and on the research activities conducted under this section by consulting with health care entities, licensed physicians and other health care providers, employers and other purchasers, the commissioners of human services and management and budget, patients and patient advocates, individuals with expertise in health care spending or health economics, and other stakeholders. The commissioner may convene an advisory body or bodies to obtain public feedback.

(b) The commissioner shall hold public hearings, at least annually, to share initial and final analyses conducted under this section, solicit community input on strategies to strengthen health care affordability, and hear testimony about experiences and challenges related to health care affordability.

Subd. 3. **Reporting.** The commissioner shall provide periodic reports to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy describing the analyses conducted under this section and making recommendations for strategies to address unsustainable rates of health care spending growth.

Subd. 4. **Contracting.** In carrying out the duties required by this section, the commissioner may contract with entities with expertise in health economics, health care finance, accounting, and actuarial science.

Subd. 5. **Access to information.** (a) The commissioner may request that a state agency provide data in a usable format as requested by the commissioner at no cost to the commissioner.

(b) The commissioner may also request from a state agency unique or custom data sets. That agency may charge the commissioner for providing the data at the same rate the agency would charge any other public or private entity.

(c) Unless specified elsewhere in statute, any information provided to the commissioner by a state agency must be de-identified. For purposes of this requirement, "de-identified" means that a process was used to prevent the identity of a person from being connected with information and to ensure that all identifiable information has been removed.

(d) Notwithstanding any provisions to the contrary, the commissioner may use data collected and maintained under section 62U.04 to carry out the duties required under this section.

(e) Any health care entity subject to reporting under this section that fails to provide data in the form and manner prescribed by the commissioner is subject to a fine paid to the commissioner of up to \$500 for each day the data are past due. The commissioner may grant an extension of the reporting deadlines upon a showing of good cause by the entity. Any fine levied against the entity under this subdivision is subject to the contested case and judicial review provisions of sections 14.57 and 14.69.

(f) Any data submitted to the commissioner must retain their original classification under the Minnesota Data Practices Act under chapter 13.

Subd. 6. **340B covered entity report.** (a) Beginning April 1, 2024, each 340B covered entity, as defined by section 340B(a)(4) of the Public Health Service Act, must report to the commissioner of health by April 1 of each year the following information related to its participation in the federal 340B program for the previous calendar year:

(1) the National Provider Identification (NPI) number;

(2) the name of the 340B covered entity;

(3) the servicing address of the 340B covered entity;

(4) the classification of the 340B covered entity;

(5) the aggregated acquisition cost for prescription drugs obtained under the 340B program;

(6) the aggregated payment amount received for drugs obtained under the 340B program and dispensed to patients;

(7) the aggregated payment made to pharmacies under contract to dispense drugs obtained under the 340B program; and

(8) the number of claims for prescription drugs described in clause (6).

(b) The information required under paragraph (a) must be reported by payer type, including commercial insurance, medical assistance and MinnesotaCare, and Medicare, in the form and manner defined by the commissioner. For covered entities that are hospitals, the information required under paragraph (a), clauses (5) to (8), must also be reported at the national drug code level for the 50 most frequently dispensed drugs by the facility under the 340B program.

(c) Data submitted under paragraph (a) must include prescription drugs dispensed by outpatient facilities that are identified as child facilities under the federal 340B program based on their inclusion on the hospital's Medicare cost report.

(d) Data submitted to the commissioner under paragraph (a) must be classified as nonpublic data as defined in section 13.02, subdivision 9.

(e) Beginning November 15, 2024, and by November 15 of each year thereafter, the commissioner shall prepare a report that aggregates the data submitted under paragraph (a). The commissioner shall submit this report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy.

Sec. 6. Minnesota Statutes 2022, section 62K.15, is amended to read:

62K.15 ANNUAL OPEN ENROLLMENT PERIODS; SPECIAL ENROLLMENT PERIODS.

(a) Health carriers offering individual health plans must limit annual enrollment in the individual market to the annual open enrollment periods for MNsure. Nothing in this section limits the application of special or limited open enrollment periods as defined under the Affordable Care Act.

(b) Health carriers offering individual health plans must inform all applicants at the time of application and enrollees at least annually of the open and special enrollment periods as defined under the Affordable Care Act.

(c) Health carriers offering individual health plans must provide a special enrollment period for enrollment in the individual market by employees of a small employer that offers a qualified small employer health reimbursement arrangement in accordance with United States Code, title 26, section 9831(d). The special enrollment period ~~shall~~ must be available only to employees newly hired by a small employer offering a qualified small employer health reimbursement arrangement, and to employees employed by the small employer at the time the small employer initially offers a qualified small employer health reimbursement arrangement. For employees newly hired by the small employer, the special enrollment period shall last for 30 days after the employee's first day of employment. For employees employed by the small employer at the time the small employer initially offers a qualified small employer health reimbursement arrangement, the special enrollment period shall last for 30 days after the date the arrangement is initially offered to employees.

(d) The commissioner of commerce shall enforce this section.

(e) Health carriers offering individual health plans through MNsure must provide a special enrollment period as required under the easy enrollment health insurance outreach program under section 62V.13.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023, and applies to health plans offered, issued, or sold on or after January 1, 2024.

Sec. 7. **[62V.13] EASY ENROLLMENT HEALTH INSURANCE OUTREACH PROGRAM.**

Subdivision 1. **Establishment.** The board, in cooperation with the commissioner of revenue, must establish the easy enrollment health insurance outreach program to:

(1) reduce the number of uninsured Minnesotans and increase access to affordable health insurance coverage;

(2) allow the commissioner of revenue to provide return information, at the request of the taxpayer, to MNsure to provide the taxpayer with information about the taxpayer's potential eligibility for financial assistance and health insurance enrollment options through MNsure;

(3) allow MNsure to estimate taxpayer potential eligibility for financial assistance for health insurance coverage; and

(4) allow MNsure to conduct targeted outreach to assist interested taxpayer households in applying for and enrolling in affordable health insurance options through MNsure, including connecting interested taxpayer households with a navigator or broker for free enrollment assistance.

Subd. 2. **Screening for eligibility for insurance assistance.** Upon receipt of and based on return information received from the commissioner of revenue under section 270B.14, subdivision 22, MNsure may make a projected assessment on whether the interested taxpayer's household may qualify for a financial assistance program for health insurance coverage.

Subd. 3. **Outreach letter and special enrollment period.** (a) MNsure must provide a written letter of the projected assessment under subdivision 2 to a taxpayer who indicates to the commissioner of revenue that the taxpayer is interested in obtaining information on access to health insurance.

(b) MNsure must allow a special enrollment period for taxpayers who receive the outreach letter in paragraph (a) and are determined eligible to enroll in a qualified health plan through MNsure. The triggering event for the special enrollment period is the day the outreach letter under this subdivision is mailed to the taxpayer. An eligible individual, and their dependents, have 65 days from the triggering event to select a qualifying health plan and coverage for the qualifying health plan is effective the first day of the month after plan selection.

(c) Taxpayers who have a member of the taxpayer's household currently enrolled in a qualified health plan through MNsure are not eligible for the special enrollment under paragraph (b).

(d) MNsure must provide information to the general public about the easy enrollment health insurance outreach program and the special enrollment period described in this subdivision.

Subd. 4. **Appeals.** (a) Projected eligibility assessments for financial assistance under this section are not appealable.

(b) Qualification for the special enrollment period under this section is appealable to MNsure under this chapter and Minnesota Rules, chapter 7700.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023, and applies to health plans offered, issued, or sold on or after January 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 256.962, subdivision 5, is amended to read:

Subd. 5. **Incentive program.** Beginning January 1, 2008, the commissioner shall establish an incentive program for organizations and licensed insurance producers under chapter 60K that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare or medical assistance, the commissioner, within the available appropriation, shall pay the organization or licensed insurance producer a ~~\$70~~ \$100

application assistance bonus. The organization or licensed insurance producer may provide an applicant a gift certificate or other incentive upon enrollment.

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

Sec. 9. [256.9631] DIRECT PAYMENT SYSTEM FOR MEDICAL ASSISTANCE AND MINNESOTACARE.

Subdivision 1. Direction to the commissioner. (a) The commissioner shall develop an implementation plan for a direct payment system to deliver services to eligible individuals in order to achieve better health outcomes and reduce the cost of health care for the state. Under this system, eligible individuals must receive services through the medical assistance fee-for-service system, county-based purchasing plans, or county-owned health maintenance organizations. The commissioner shall present an implementation plan for the direct payment system to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy by January 15, 2026. The commissioner may contract for technical assistance in developing the implementation plan and conducting related studies and analyses.

(b) For the purposes of the direct payment system, the commissioner shall make the following assumptions:

(1) health care providers are reimbursed directly for all medical assistance covered services provided to eligible individuals, using the fee-for-service payment methods specified in chapters 256, 256B, 256R, and 256S;

(2) payments to a qualified hospital provider are equivalent to the payments that would have been received based on managed care direct payment arrangements. If necessary, a qualified hospital provider may use a county-owned health maintenance organization to receive direct payments as described in section 256B.1973; and

(3) county-based purchasing plans and county-owned health maintenance organizations must be reimbursed at the capitation rate determined under sections 256B.69 and 256B.692.

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

(b) "Eligible individuals" means qualified medical assistance enrollees, defined as persons eligible for medical assistance as families and children and adults without children.

(c) "Qualified hospital provider" means a nonstate government teaching hospital with high medical assistance utilization and a level 1 trauma center, and all of the hospital's owned or affiliated health care professionals, ambulance services, sites, and clinics.

Subd. 3. Implementation plan. (a) The implementation plan must include:

(1) a timeline for the development and recommended implementation date of the direct payment system. In recommending a timeline, the commissioner must consider:

(i) timelines required by the existing contracts with managed care plans and county-based purchasing plans to sunset existing delivery models;

(ii) in counties that choose to operate a county-based purchasing plan under section 256B.692, timelines for any new procurements required for those counties to establish a new county-based purchasing plan or participate in an existing county-based purchasing plan;

(iii) in counties that choose to operate a county-owned health maintenance organization under section 256B.69, timelines for any new procurements required for those counties to establish a new county-owned health maintenance organization or to continue serving enrollees through an existing county-owned health maintenance organization; and

(iv) a recommendation on whether the commissioner should contract with a third-party administrator to administer the direct payment system and the timeline needed for procuring an administrator;

(2) the procedures to be used to ensure continuity of care for enrollees who transition from managed care to fee-for-service and any administrative resources needed to carry out these procedures;

(3) recommended quality measures for health care service delivery;

(4) any changes to fee-for-service payment rates that the commissioner determines are necessary to ensure provider access and high-quality care and to reduce health disparities;

(5) recommendations on ensuring effective care coordination under the direct payment system, especially for enrollees who have complex medical conditions, who face socioeconomic barriers to receiving care, or who are from underserved populations that experience health disparities;

(6) recommendations on whether the direct payment system should provide supplemental payments for care coordination, including:

(i) the provider types eligible for supplemental payments;

(ii) procedures to coordinate supplemental payments with existing supplemental or cost-based payment methods or to replace these existing methods; and

(iii) procedures to align care coordination initiatives funded through supplemental payments under this section with existing care coordination initiatives;

(7) recommendations on whether the direct payment system should include funding to providers for outreach initiatives to patients who, because of mental illness, homelessness, or other circumstances, are unlikely to obtain needed care and treatment;

(8) recommendations for a supplemental payment to qualified hospital providers to offset any potential revenue losses resulting from the shift from managed care payments;

(9) recommendations on whether and how the direct payment system should be expanded to deliver services and care coordination to medical assistance enrollees who are age 65 or older, are blind, or have a disability and to persons enrolled in MinnesotaCare; and

(10) recommendations for statutory changes necessary to implement the direct payment system.

(b) In developing the implementation plan, the commissioner shall:

(1) calculate the projected cost of a direct payment system relative to the cost of the current system;

(2) assess gaps in care coordination under the current medical assistance and MinnesotaCare programs;

(3) evaluate the effectiveness of approaches other states have taken to coordinate care under a fee-for-service system, including the coordination of care provided to persons who are blind or have disabilities;

(4) estimate the loss of revenue and cost savings from other payment enhancements based on managed care plan directed payments and pass-throughs;

(5) estimate cost trends under a direct payment system for managed care payments to county-based purchasing plans and county-owned health maintenance organizations;

(6) estimate the impact of a direct payment system on other revenue, including taxes, surcharges, or other federally approved in lieu of services and on other arrangements allowed under managed care;

(7) consider allowing eligible individuals to opt out of managed care as an alternative approach;

(8) assess the feasibility of a medical assistance outpatient prescription drug benefit carve-out under section 256B.69, subdivision 6d, and in consultation with the commissioners of commerce and health, assess the feasibility of including MinnesotaCare enrollees and private sector enrollees of health plan companies in the drug benefit carve-out. The assessment of feasibility must address and include recommendations related to the process and terms by which the commissioner would contract with health plan companies to administer prescription drug benefits and develop and manage a drug formulary, and the impact of the drug-benefit carve-out on health care providers, including small pharmacies;

(9) consult with the commissioners of health and commerce and the contractor or contractors analyzing the Minnesota Health Plan under section 19 and other health reform models on plan design and assumptions; and

(10) conduct other analyses necessary to develop the implementation plan.

Sec. 10. Minnesota Statutes 2022, section 256B.04, is amended by adding a subdivision to read:

Subd. 26. **Disenrollment under medical assistance and MinnesotaCare.** (a) The commissioner shall regularly update mailing addresses and other contact information for medical assistance and MinnesotaCare enrollees in cases of returned mail and nonresponse using information available through managed care and county-based purchasing plans, state health and human services programs, and other sources.

(b) The commissioner shall not disenroll an individual from medical assistance or MinnesotaCare in cases of returned mail until the commissioner makes at least two attempts by phone, email, or other methods to contact the individual. The commissioner may disenroll the individual after providing no less than 30 days for the individual to respond to the most recent contact attempt.

Sec. 11. Minnesota Statutes 2022, section 256B.056, subdivision 7, is amended to read:

Subd. 7. **Period of eligibility.** (a) Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(b) Notwithstanding any other law to the contrary:

(1) a child under 19 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months;

(2) a child 19 years of age and older but under 21 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months; and

(3) a child under six years of age who is determined eligible for medical assistance must remain eligible through the month in which the child reaches six years of age.

(c) A child's eligibility under paragraph (b) may be terminated earlier if:

(1) the child or the child's representative requests voluntary termination of eligibility;

(2) the child ceases to be a resident of this state;

(3) the child dies;

(4) the child attains the maximum age; or

(5) the agency determines eligibility was erroneously granted at the most recent eligibility determination due to agency error or fraud, abuse, or perjury attributed to the child or the child's representative.

~~(b)~~ (d) For a person eligible for an insurance affordability program as defined in section 256B.02, subdivision 19, who reports a change that makes the person eligible for medical assistance, eligibility is available for the month the change was reported and for three months prior to the month the change was reported, if the person was eligible in those prior months.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later, except that paragraph (b), clause (1), is effective January 1, 2024, or upon federal approval and the implementation of required administrative and systems changes, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained and the required administrative and systems changes are implemented.

Sec. 12. Minnesota Statutes 2022, section 256B.0631, subdivision 1, is amended to read:

Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following cost-sharing for all recipients, effective for services provided ~~on or after~~ from September 1, 2011, to December 31, 2023:

(1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms,

diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to \$20 upon federal approval;

(3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per prescription for a brand-name multisource drug listed in preferred status on the preferred drug list, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

(4) a family deductible equal to \$2.75 per month per family and adjusted annually by the percentage increase in the medical care component of the CPI-U for the period of September to September of the preceding calendar year, rounded to the next higher five-cent increment; and

(5) total monthly cost-sharing must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on cost-sharing. This paragraph does not apply to premiums charged to individuals described under section 256B.057, subdivision 9.

(b) Recipients of medical assistance are responsible for all co-payments and deductibles in this subdivision.

(c) Notwithstanding paragraph (b), the commissioner, through the contracting process under sections 256B.69 and 256B.692, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (4). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

(d) Notwithstanding paragraph (b), the commissioner may waive the collection of the family deductible described under paragraph (a), clause (4), from individuals and allow long-term care and waived service providers to assume responsibility for payment.

(e) Notwithstanding paragraph (b), the commissioner, through the contracting process under section 256B.0756 shall allow the pilot program in Hennepin County to waive co-payments. The value of the co-payments shall not be included in the capitation payment amount to the integrated health care delivery networks under the pilot program.

Sec. 13. Minnesota Statutes 2022, section 256B.0631, is amended by adding a subdivision to read:

Subd. 1a. **Prohibition on cost-sharing and deductibles.** Effective January 1, 2024, the medical assistance benefit plan must not include cost-sharing or deductibles for any medical assistance recipient or benefit.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to all medical assistance benefit plans offered, issued, or renewed on or after that date.

Sec. 14. Minnesota Statutes 2022, section 256B.0631, subdivision 3, is amended to read:

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment or deductible, except that reimbursements shall not be reduced:

(1) once a recipient has reached the \$12 per month maximum for prescription drug co-payments;
or

(2) for a recipient who has met their monthly five percent cost-sharing limit.

(b) The provider collects the co-payment or deductible from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment or deductible.

~~(c) Medical assistance reimbursement to fee-for-service providers and payments to managed care plans shall not be increased as a result of the removal of co-payments or deductibles effective on or after January 1, 2009.~~

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

Sec. 15. Minnesota Statutes 2022, section 256L.04, subdivision 10, is amended to read:

Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is ~~limited~~ available to citizens or nationals of the United States ~~and~~; lawfully present noncitizens as defined in Code of Federal Regulations, title 8, section 103.12; ~~and~~ undocumented noncitizens ~~are ineligible for MinnesotaCare~~. For purposes of this subdivision, an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services. Families with children who are citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Notwithstanding subdivisions 1 and 7, eligible persons include families and individuals who are ~~lawfully present and~~ ineligible for medical assistance by reason of immigration status and who have incomes equal to or less than 200 percent of federal poverty guidelines, except that these persons may be eligible for emergency medical assistance under section 256B.06, subdivision 4.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 16. Minnesota Statutes 2022, section 270B.14, is amended by adding a subdivision to read:

Subd. 22. **Disclosure to MNsure board.** The commissioner may disclose a return or return information to the MNsure board if a taxpayer makes the designation under section 290.433 on an income tax return filed with the commissioner. The commissioner must only disclose data necessary to provide the taxpayer with information about the potential eligibility for financial assistance and health insurance enrollment options under section 62V.13.

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

Sec. 17. **[290.433] EASY ENROLLMENT HEALTH INSURANCE OUTREACH PROGRAM CHECKOFF.**

Subdivision 1. **Taxpayer designation.** Any individual who files an income tax return may designate on their original return a request that the commissioner provide their return information to the MNsure board for purposes of providing the individual with information about potential eligibility for financial assistance and health insurance enrollment options under section 62V.13, to the extent necessary to administer the easy enrollment health insurance outreach program.

Subd. 2. **Form.** The commissioner shall notify filers of their ability to make the designation in subdivision 1 on their income tax return.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 18. **DIRECTION TO MNSURE BOARD AND COMMISSIONER.**

The MNsure board and the commissioner of the Department of Revenue must develop and implement systems, policies, and procedures that encourage, facilitate, and streamline data sharing, projected eligibility assessments, and notice to taxpayers to achieve the purpose of the easy enrollment health insurance outreach program under Minnesota Statutes, section 62V.13, for operation beginning with tax year 2024.

Sec. 19. **ANALYSIS OF BENEFITS AND COSTS OF A UNIVERSAL HEALTH CARE FINANCING SYSTEM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Total public and private health care spending" means:

(1) spending on all medical care, including but not limited to dental, vision and hearing, mental health, substance use disorder treatment, prescription drugs, medical equipment and supplies, long-term care, and home care, whether paid through premiums, co-payments and deductibles, other out-of-pocket payments, or funding from the government, employers, or other sources; and

(2) the costs of administering, delivering, and paying for medical care, including but not limited to all expenses incurred by insurers, providers, employers, individuals, and the government to select, negotiate, purchase, administer, and provide coverage for health care, dental care, long-term care, prescription drugs, the medical expense portions of workers compensation and automobile insurance, and the cost of administering and paying for all health care products and services that are not covered by insurance.

(c) "All necessary care" means the full range of services listed in the proposed Minnesota Health Plan legislation for a universal health care financing system specified in subdivision 5, including medical, dental, vision and hearing, mental health, substance use disorder treatment, reproductive and sexual health, prescription drugs, medical equipment and supplies, long-term care, home care, and the coordination of care.

Subd. 2. **Initial assumptions.** (a) When calculating administrative savings under the universal health care financing proposal, the analysts shall recognize that simple, direct payment of medical services avoids the need for provider networks, eliminates prior authorization requirements, and eliminates administrative complexity of other payment schemes, along with the need for creating risk adjustment mechanisms and measuring, tracking, and paying entities according to risk-adjusted or nonrisk-adjusted payment schemes.

(b) The analysts shall assume that, while gross provider payments may be reduced to reflect reduced administrative costs, net provider income would remain similar to the current system. The analysts shall not assume that payment rate negotiations will track current Medicaid, Medicare, or market payment rates or a combination of those rates, because provider compensation, after adjusting for reduced administrative costs, would not be universally raised or lowered but would be negotiated based on market needs, so provider compensation might be raised in an underserved area such as mental health but lowered in other areas.

Subd. 3. **Contract for analysis of proposal.** (a) The commissioner of health shall contract with one or more independent entities to conduct an analysis of the benefits and costs of a legislative proposal for a universal health care financing system and a similar analysis of the current health care financing system to assist the state in comparing the proposal to the current system. The contract must be designed to produce estimates for all elements in subdivision 6.

(b) The commissioner shall issue a request for information. Based on responses to the request for information, the commissioner shall issue a request for proposals that specifies requirements for the design, analysis, and deliverables, and shall select one or more contractors based on responses to the request for proposals. The commissioner shall consult with the chief authors of this section in implementing this paragraph.

(c) The commissioner is exempt from the requirements of Minnesota Statutes, chapters 16A and 16C, when entering into a new contract or amending an existing contract to complete the necessary analysis required under this section.

Subd. 4. **Access to information.** (a) The commissioner may request that a state agency provide the commissioner and contractor with data as defined in Minnesota Statutes, sections 62J.04 and 295.52, in a usable format as requested by the commissioner at no cost to the commissioner.

(b) The commissioner may request from a state agency unique or custom data sets. The agency may charge the commissioner for providing these data sets at the same rate the agency would charge any other public or private entity.

(c) Any data submitted to the commissioner shall retain their original classification under the Minnesota Data Practices Act in Minnesota Statutes, chapter 13.

(d) The commissioner, under the authority of Minnesota Statutes, chapter 62J, may collect data necessary for the performance of assigned duties and shall collect this data in a form and manner that ensures the collection of high-quality, transparent data.

(e) The commissioner of human services shall make available to the vendor selected under subdivision 3 any relevant findings from:

(1) any actuarial and economic analysis for a MinnesotaCare public option implementation plan and waiver; and

(2) any analysis of a direct payment system.

Subd. 5. **Proposal.** The commissioner of health, in consultation with the commissioners of human services and commerce, shall submit to the contractor for analysis the legislative proposal known as the Minnesota Health Plan, proposed in the 93rd Minnesota Legislature as Senate File No. 2740/House File No. 2798, that would establish a universal health care financing system designed to:

(1) ensure all Minnesotans have health care coverage;

(2) cover all necessary care; and

(3) allow patients to choose their doctors, hospitals, and other providers.

Subd. 6. **Proposal analysis.** (a) The analysis must measure the performance of both the proposed Minnesota Health Plan and the current public and private health care financing system over a ten-year period to contrast the impact of these approaches on:

(1) coverage: the number of people who are uninsured versus the number of people who are insured;

(2) benefit completeness: adequacy of coverage measured by the completeness of the coverage and the number of people lacking coverage for key necessary care elements such as dental services, long-term care, medical equipment or supplies, vision and hearing, and other health services. The analysis must take into account the variety of benefit designs in the commercial market and report the extent of coverage in each market segment;

(3) underinsurance: whether people with coverage can afford the care they need or whether cost prevents them from accessing care. This includes affordability in terms of premiums, deductibles, and out-of-pocket expenses;

(4) system capacity: the timeliness and appropriateness of the care received and whether people turn to inappropriate care such as emergency rooms because of a lack of proper care in accordance with clinical guidelines; and

(5) health care spending: total public and private health care spending in Minnesota under the current system versus under the Minnesota Health Plan legislative proposal, including all spending by individuals, businesses, and government. Where relevant, the analysis must be broken out by key necessary care areas, such as medical, dental, and mental health. The analysis of total health care spending must examine whether there are savings or additional costs under the universal health care financing system established by the legislative proposal compared to the existing system due to:

(i) changes in the cost of insurance, billing, underwriting, marketing, evaluation, and other administrative functions for all entities involved in the health care system, including savings from global budgeting for hospitals and institutional care, instead of billing for individual services provided;

(ii) changes in prices for medical services and products, including pharmaceuticals, due to price negotiations under the proposal;

(iii) the impact on utilization, health outcomes, and workplace absenteeism due to prevention, early intervention, and health-promoting activities;

(iv) shortages or excess capacity of medical facilities, equipment, and personnel, including caregivers and staff, under either the current system or the proposal, including the rate of inappropriate emergency room usage. The analysis must break down capacity by geographic differences such as rural versus metropolitan, and disparate access by population group;

(v) the impact on state, local, and federal government non-health-care expenditures. This may include factors such as reduced crime and out-of-home placement costs due to the availability of mental health or substance use disorder coverage and other factors identified by additional analyses;

(vi) job losses or gains within the health care system, related to any changes in health care delivery, health billing, and insurance administration;

(vii) job losses or gains elsewhere in the economy under the proposal due to any reduction in insurance and administrative burdens on businesses;

(viii) impact on disparities in health care access and outcomes; and

(ix) care coordination and case management, including care management conducted by health plan companies, to assess the costs of coordinating and navigating care for enrollees.

(b) The commissioner may provide interim reports and status updates, and shall issue a final report by January 15, 2026, to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy. The findings and recommendations of the report must address the feasibility and affordability of the proposal and the projected impact of the proposal on the variables listed in paragraph (a). The report must also include:

(1) clear documentation of the technical assumptions made to conduct the analysis;

(2) a comprehensive description of the methodological approach used;

(3) the sensitivity of results to variations in the assumptions; and

(4) the data sources and the robustness of the information used.

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

Sec. 20. ACTUARIAL AND ECONOMIC ANALYSES FOR PUBLIC OPTION IMPLEMENTATION PLAN AND WAIVER.

Subdivision 1. **Contracting requirement; consultation.** (a) The commissioner of human services must contract with one or more independent third-party actuarial firms, which may include the actuarial firm that develops and certifies current MinnesotaCare rates, to perform and certify actuarial and economic analyses of different public option models that meet the requirements of this section.

(b) The commissioner of human services, in implementing this section, shall consult with the commissioners of commerce and health and the Board of Directors of MNsure.

Subd. 2. **Content of analyses; state-specific impacts.** The actuarial and economic analyses of public option models must include conclusions, data, and assumptions related to:

(1) estimated 1332 waiver pass-through funding Minnesota will receive each year for the first five years after the implementation of the public option;

(2) changes to existing federal funding and federal financing options from all sources other than a 1332 waiver pass-through;

(3) impact on the state budget, including but not limited to any state subsidy of the public option;

(4) impacts on enrollment, stratification of enrollee risk across plans, premiums, cost-sharing, other enrollee costs, variety and volume of enrollee plan options, provider network adequacy, provider reimbursement rates, and other material considerations in medical assistance and MinnesotaCare, on an aggregated and disaggregated basis for populations, including but not limited to populations defined by race, ethnicity, and geography, as requested by the commissioner of human services;

(5) projected impacts on the individual health insurance market, including impacts on enrollment, stratification of enrollee risk across plans, premiums, cost-sharing, other insured costs, variety and volume of insured plan options, provider network adequacy, provider reimbursement rates, and other material considerations, on an aggregated and disaggregated basis for populations, including populations defined by race, ethnicity, and geography, as requested by the commissioner of human services; and

(6) projected impact of changes to the risk rating of the current MinnesotaCare population, the expected public option population, and the current individual health insurance market.

Subd. 3. **Content of analyses; health and affordability.** The actuarial and economic analyses must include:

(1) the estimated affordability of premiums and cost-sharing for consumers and the extent to which the model meets the affordability threshold in United States Code, title 26, section 36B(b)(3)(A)(i), as indexed according to item (ii) of that section. For purposes of this clause, "affordability" for consumers means:

(i) using a household budget approach that considers the total costs paid by consumers for health care coverage, including the enrollee share of premiums and enrollee out-of-pocket costs, including deductibles, co-payments, coinsurance, and other forms of cost-sharing;

(ii) minimizing premium affordability cliffs; and

(iii) considering affordability by age and geographic location; and

(2) the estimated impact on racial and ethnic disparities in rates of insurance and access to health care services.

Subd. 4. **Content of analyses; MinnesotaCare public option.** The actuarial and economic analyses must include conclusions, data, and assumptions sufficient for the commissioners of commerce, human services, and health; the Board of Directors of MNsure; and the legislature to evaluate different public option models, including a MinnesotaCare public option under which MinnesotaCare continues to be administered as a basic health program in accordance with Minnesota Statutes, section 256L.02, subdivision 5. The actuarial and economic analyses must meet the requirements of this section.

Subd. 5. **Content of analyses; 1332 waiver requirements.** The actuarial and economic analyses must include data and analyses sufficient for the commissioners of commerce, human services, and health; the Board of Directors of MNsure; and the legislature to design and evaluate different public option models, including but not limited to a MinnesotaCare public option, that would receive approval under a 1332 waiver from the United States Department of Health and Human Services and United States Department of Treasury, including but not limited to data necessary for the actuarial firm or another independent third-party firm to complete:

(1) actuarial analyses and actuarial certifications required to support an estimate by the state that a proposed waiver will comply with the comprehensive coverage requirement, the affordability requirement, and the scope of coverage requirement as described in Code of Federal Regulations, title 45, section 155.1308; and

(2) economic analyses required to support an estimate by the state that a proposed waiver will comply with the comprehensive coverage requirement, the affordability requirement, the scope of coverage requirement, and the federal deficit requirement as described in Code of Federal Regulations, title 45, section 155.1308.

Subd. 6. **Content of analyses; commissioner discretion.** The actuarial and economic analyses must include all other data, information, or analyses related to a public option or 1332 waiver requested by the commissioner of human services, including potential modifications to a MinnesotaCare public option or other public option models that may improve one or more outcomes listed in subdivision 2 or 3.

Subd. 7. **Contract exemption.** The commissioner of human services is exempt from the requirements of Minnesota Statutes, chapters 16A and 16C, when entering into a new contract or amending an existing contract to complete the actuarial and economic analyses required under this section.

Subd. 8. **Consultation with governmental entities.** The commissioners of human services and commerce may consult with any federal or state governmental entity as necessary to complete the actuarial and economic analyses under this section or provide a final recommendation and implementation plan to the legislature under section 21.

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

Sec. 21. **REPORT TO LEGISLATURE ON IMPLEMENTATION PLAN AND WAIVER FOR PUBLIC OPTION.**

By February 1, 2024, the commissioner of commerce, in consultation with the commissioners of human services and health and the Board of Directors of MNsure, must report the following to

the chairs and ranking minority members of the legislative committees with primary jurisdiction over health care finance and policy and health insurance:

(1) the results of the actuarial and economic analyses performed under section 20;

(2) the extent to which each public option model maximizes federal funding;

(3) additional information that the commissioner determines to be necessary to design a public option, receive approval for a 1332 waiver from the United States Department of Health and Human Services and United States Department of Treasury, and implement the plan upon approval of a 1332 waiver application;

(4) the commissioner of commerce's final recommendation for a public option. The recommendation must include a detailed description of:

(i) the health care benefit set to be provided to enrollees;

(ii) premiums and cost-sharing for enrollees across the income range, including any age or geographic rating, after state or federal subsidies;

(iii) potential modifications to the public option that might improve one or more of the outcomes listed in section 20, subdivision 2 or 3;

(iv) plan issuers, which may include a health plan company, governmental entity, or other entity;

(v) plan administrators;

(vi) health care provider reimbursement rates and the availability of providers and health care services;

(vii) adequacy of the expected provider network;

(viii) a determination of the public option's compliance with the requirements to receive a 1332 waiver, including detailed descriptions of compliance with the requirements described in Code of Federal Regulations, titles 45, section 155.1308, and 31, section 33.108; and

(ix) the information described in section 20, subdivision 2, as specifically determined by using assumptions and parameters based on implementation of the final recommendation as the public option health benefit plan; and

(5) the commissioner's final implementation plan. The implementation plan must include a detailed description of:

(i) additional actuarial and economic analyses necessary to receive a 1332 waiver;

(ii) the 1332 waiver process and requirements;

(iii) a detailed draft timeline for the state's implementation of the proposed waiver as described in Code of Federal Regulations, title 45, section 155.1308;

(iv) costs to the state to implement the plan, including a detailed ten-year budget plan that is deficit neutral to the federal government as described in Code of Federal Regulations, title 45, section 155.1308; and

(v) proposed legislation the commissioner anticipates will be necessary to implement the public option by January 1, 2027.

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

Sec. 22. **WAIVER SUBMITTAL.**

(a) The commissioner of commerce is authorized to perform the steps necessary to submit a 1332 waiver application, including but not limited to submitting the waiver application and all other steps necessary to complete the waiver application process, based on the final recommendation of the commissioner of commerce under section 21 if the legislature does not enact a law by June 1, 2024, modifying the:

(1) recommendation under section 21; or

(2) commissioner of commerce's authority under this section.

(b) Upon receipt of a federal waiver and the enactment of any necessary legislation, the commissioner of commerce shall implement a public option to be made available to consumers beginning January 1, 2027.

(c) In implementing this section, the commissioner of commerce shall consult with the commissioners of human services and health and the Board of Directors of MNsure.

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

Sec. 23. **REPEALER.**

Minnesota Statutes 2022, section 256B.0631, subdivisions 1, 2, and 3, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2025.

ARTICLE 17

HUMAN SERVICES 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 the board has received notification from the commissioner of human services indicating that the individual:~~

(1) the board 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

(2) the board has determined that the individual is disqualified; but has ~~received~~ granted 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 paragraph (a), including granting a set aside, according to the procedures and criteria in chapter 245C. The board shall notify the individual and the Department of Human Services of the board's decision.

Sec. 2. 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 licensure 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. 3. Minnesota Statutes 2022, section 245.4661, subdivision 9, is amended to read:

Subd. 9. **Services and programs.** (a) The following three distinct grant programs are funded under this section:

(1) mental health crisis services;

(2) housing with supports for adults with serious mental illness; and

(3) projects for assistance in transitioning from homelessness (PATH program).

(b) In addition, the following are eligible for grant funds:

- (1) community education and prevention;
- (2) client outreach;
- (3) early identification and intervention;
- (4) adult outpatient diagnostic assessment and psychological testing;
- (5) peer support services;
- (6) community support program services (CSP);
- (7) adult residential crisis stabilization;
- (8) supported employment;
- (9) assertive community treatment (ACT);
- (10) housing subsidies;
- (11) basic living, social skills, and community intervention;
- (12) emergency response services;
- (13) adult outpatient psychotherapy;
- (14) adult outpatient medication management;
- (15) adult mobile crisis services;
- (16) adult day treatment;
- (17) partial hospitalization;
- (18) adult residential treatment;
- (19) adult mental health targeted case management; and
- ~~(20) intensive community rehabilitative services (ICRS); and~~
- ~~(21)~~ (20) transportation.

Sec. 4. Minnesota Statutes 2022, section 245.469, subdivision 3, is amended to read:

Subd. 3. **Mental health crisis services.** The commissioner of human services shall increase access to mental health crisis services for children and adults. In order to increase access, the commissioner must:

- (1) develop a central phone number where calls can be routed to the appropriate crisis services;
- (2) provide telephone consultation 24 hours a day to mobile crisis teams who are serving people with traumatic brain injury or intellectual disabilities who are experiencing a mental health crisis;
- (3) expand crisis services across the state, including rural areas of the state and examining access per population;
- (4) establish and implement state standards and requirements for crisis services as outlined in section 256B.0624; and
- (5) provide grants to adult mental health initiatives, counties, tribes, or community mental health providers to establish new mental health crisis residential service capacity.

Priority will be given to regions that do not have a mental health crisis residential services program, do not have an inpatient psychiatric unit within the region, do not have an inpatient psychiatric unit within 90 miles, or have a demonstrated need based on the number of crisis residential or intensive residential treatment beds available to meet the needs of the residents in the region. At least 50 percent of the funds must be distributed to programs in rural Minnesota. Grant funds may be used for start-up costs, including but not limited to renovations, furnishings, and staff training. Grant applications shall provide details on how the intended service will address identified needs and shall demonstrate collaboration with crisis teams, other mental health providers, hospitals, and police.

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

Sec. 5. [245.4906] MENTAL HEALTH CERTIFIED PEER SPECIALIST GRANT PROGRAM.

Subdivision 1. Establishment. The commissioner of human services must establish a mental health certified peer specialist grant program to provide funding for the training of mental health certified peer specialists who provide services to support individuals with lived experience of mental illness under section 256B.0615.

Subd. 2. Eligible applicants. An eligible applicant is a licensed entity or provider who employs a mental health certified peer specialist qualified under section 245I.04, subdivision 10, and who provides services to individuals receiving assertive community treatment or intensive residential treatment services under section 256B.0622, adult rehabilitative mental health services under section 256B.0623, or crisis response services under section 256B.0624.

Subd. 3. Allowable grant activities. Grantees must use grant funding to provide training for mental health certified peer specialists as specified in section 256B.0615, subdivision 5.

Subd. 4. Outcomes. (a) Grantees must provide an annual report to the commissioner for the purposes of evaluating the effectiveness of the grant program. The report must include:

- (1) the number of mental health certified peer specialists who received training using the grant funds under this section; and

(2) the extent to which individuals receiving peer services experienced progress on achieving treatment goals and experienced a reduction in hospital admissions.

(b) The commissioner must submit the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health.

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

Sec. 6. **[245.4907] MENTAL HEALTH CERTIFIED FAMILY PEER SPECIALIST GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services must establish a mental health certified peer family specialist grant program to provide funding for training for mental health certified peer family specialists who provide services to support individuals with lived experience of mental illness under section 256B.0616.

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider who employs a mental health certified peer family specialist qualified under section 245I.04, subdivision 12, and who provides services to families who have a child:

(1) with an emotional disturbance or severe emotional disturbance under chapter 245;

(2) receiving inpatient hospitalization under section 256B.0625, subdivision 1;

(3) admitted to a residential treatment facility under section 245.4882;

(4) receiving children's intensive behavioral health services under section 256B.0946;

(5) receiving day treatment or children's therapeutic services and supports under section 256B.0943; or

(6) receiving crisis response services under section 256B.0624.

Subd. 3. **Allowable grant activities.** Grantees must use grant funding to provide training for mental health certified family peer specialists as specified in section 256B.0616, subdivision 5.

Subd. 4. **Outcomes.** (a) Grantees must provide an annual report to the commissioner for the purposes of evaluating the effectiveness of the grant program. The report must include:

(1) the number of mental health certified peer specialists who received training using the grant funds under this section; and

(2) the extent to which individuals receiving family peer services experienced progress on achieving treatment goals and experienced a reduction in hospital admissions.

(b) The commissioner must submit the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health.

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

Sec. 7. [245.991] PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS PROGRAM.

Subdivision 1. **Establishment.** The commissioner of human services must establish projects for assistance in transition from homelessness program to prevent or end homelessness for people with serious mental illness or co-occurring substance use disorder and ensure the commissioner achieves the goals of the housing mission statement in section 245.461, subdivision 4.

Subd. 2. **Eligible applicants.** An applicant for a grant under this section must be a nonprofit organization, county, or other entity who provides services to help individuals transition from homelessness.

Subd. 3. **Allowable grant activities.** Grantees must provide homeless outreach and case management services. Projects may provide clinical assessment, habilitation and rehabilitation services, community mental health services, substance use disorder treatment, housing transition and sustaining services, or direct assistance funding. Services must be provided to individuals with a serious mental illness, or with a co-occurring substance use disorder, and who are homeless or at imminent risk of homelessness. Individuals receiving homeless outreach services may be presumed eligible until a serious mental illness can be verified.

Subd. 4. **Outcomes.** (a) Grantees must submit an annual report to the commissioner for the purposes of evaluating the effectiveness of the grant program. The report must include:

- (1) the number of individuals to whom the grantee provided homeless outreach services;
- (2) the number of individuals the grantee enrolled in case management services;
- (3) the number of individuals that were able to access mental health and substance use disorder treatment services; and
- (4) the number of individuals that were able to transition from homelessness to housing.

(b) The commissioner must submit the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health and homelessness.

Subd. 5. **Federal aid or grants.** The commissioner of human services must comply with all conditions and requirements necessary to receive federal aid or grants with respect to homeless services or programs as specified in section 245.70.

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

Sec. 8. [245.992] HOUSING WITH SUPPORT FOR ADULTS WITH SERIOUS MENTAL ILLNESS PROGRAM.

Subdivision 1. **Establishment.** The commissioner of human services must establish a housing with support for adults with serious mental illness program to prevent or end homelessness for people with serious mental illness, to increase the availability of housing with support, and to ensure the commissioner may achieve the goals of the housing mission statement in section 245.461, subdivision 4.

Subd. 2. **Eligible applicants.** Program activities must be provided to people with a serious mental illness, or with a co-occurring substance use disorder, who meet homeless criteria determined by the commissioner.

Subd. 3. **Allowable grant activities.** Grantees must provide a range of activities and supportive services that ensure individuals obtain and retain permanent supportive housing. Program activities may include case management, site-based housing services, housing transition and sustaining services, outreach services, community support services, or direct assistance funding.

Subd. 4. **Outcomes.** (a) Grantees must submit an annual report to the commissioner for the purposes of evaluating the effectiveness of the grant program. The report must include:

- (1) whether the grantee's housing and activities utilized evidence-based practices;
- (2) the number of individuals that were able to transition from homelessness to housing;
- (3) the number of individuals that were able to retain housing; and
- (4) whether the individuals were satisfied with their housing.

(b) The commissioner must submit the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health and homelessness.

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

Sec. 9. 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 managerial official of the program, receives remuneration from 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).

(c) 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.

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

Subd. 10b. **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. 11. 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. 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~~ 245A.043.

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 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 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;

(5) 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.

(h) 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. 12. 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) the name of the license holder;

(2) the address of the program;

(3) the effective date and expiration date of the license;

(4) the type of license;

(5) the maximum number and ages of persons that may receive services from the program; and

(6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the ~~evaluation~~ or observation required by subdivision 4, paragraph (a), clause ~~(4)~~ (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (f) and (g), the commissioner shall not issue or reissue a license if the applicant, license holder, or controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter, within the past two years;

(3) had a license issued under this chapter revoked within the past five years;

(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement for which payment is delinquent; or

(5) failed to submit the information required of an applicant under subdivision 1, paragraph (f) ~~or~~, (g), or (h), after being requested by the commissioner.

When a license issued under this chapter is revoked under clause (1) or (3), the license holder and controlling individual may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant, license holder, or controlling individual shall also be revoked.

(e) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under 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. 13. 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 personnel 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.

Sec. 14. 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 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 regarding~~ 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 whether 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.

~~(d)~~ (e) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of proof in 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. 15. 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; ~~or~~

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

(6) 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. 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 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.

Sec. 16. 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) ~~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.~~

~~(3)~~ (2) 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. 17. 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:

Licensed Capacity	Child Care Center License Fee
1 to 24 persons	\$200
25 to 49 persons	\$300
50 to 74 persons	\$400
75 to 99 persons	\$500
100 to 124 persons	\$600
125 to 149 persons	\$700
150 to 174 persons	\$800
175 to 199 persons	\$900
200 to 224 persons	\$1,000
225 or more persons	\$1,100

(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:

License Holder Annual Revenue	License Fee
less than or equal to \$10,000	\$200
greater than \$10,000 but less than or equal to \$25,000	\$300
greater than \$25,000 but less than or equal to \$50,000	\$400
greater than \$50,000 but less than or equal to \$100,000	\$500
greater than \$100,000 but less than or equal to \$150,000	\$600
greater than \$150,000 but less than or equal to \$200,000	\$800

greater than \$200,000 but less than or equal to \$250,000	\$1,000
greater than \$250,000 but less than or equal to \$300,000	\$1,200
greater than \$300,000 but less than or equal to \$350,000	\$1,400
greater than \$350,000 but less than or equal to \$400,000	\$1,600
greater than \$400,000 but less than or equal to \$450,000	\$1,800
greater than \$450,000 but less than or equal to \$500,000	\$2,000
greater than \$500,000 but less than or equal to \$600,000	\$2,250
greater than \$600,000 but less than or equal to \$700,000	\$2,500
greater than \$700,000 but less than or equal to \$800,000	\$2,750
greater than \$800,000 but less than or equal to \$900,000	\$3,000
greater than \$900,000 but less than or equal to \$1,000,000	\$3,250
greater than \$1,000,000 but less than or equal to \$1,250,000	\$3,500
greater than \$1,250,000 but less than or equal to \$1,500,000	\$3,750
greater than \$1,500,000 but less than or equal to \$1,750,000	\$4,000
greater than \$1,750,000 but less than or equal to \$2,000,000	\$4,250
greater than \$2,000,000 but less than or equal to \$2,500,000	\$4,500
greater than \$2,500,000 but less than or equal to \$3,000,000	\$4,750
greater than \$3,000,000 but less than or equal to \$3,500,000	\$5,000
greater than \$3,500,000 but less than or equal to \$4,000,000	\$5,500
greater than \$4,000,000 but less than or equal to \$4,500,000	\$6,000
greater than \$4,500,000 but less than or equal to \$5,000,000	\$6,500

greater than \$5,000,000 but less than or equal to \$7,500,000	\$7,000
greater than \$7,500,000 but less than or equal to \$10,000,000	\$8,500
greater than \$10,000,000 but less than or equal to \$12,500,000	\$10,000
greater than \$12,500,000 but less than or equal to \$15,000,000	\$14,000
greater than \$15,000,000	\$18,000

(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:

Licensed Capacity	License Fee
1 to 24 persons	\$600
25 to 49 persons	\$800
50 to 74 persons	\$1,000
75 to 99 persons	\$1,200
100 or more persons	\$1,400

(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:

Licensed Capacity	License Fee
1 to 24 persons	\$760
25 to 49 persons	\$960
50 or more persons	\$1,160

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:

Licensed Capacity	License Fee
1 to 24 persons	\$1,000
25 to 49 persons	\$1,100
50 to 74 persons	\$1,200
75 to 99 persons	\$1,300
100 or more persons	\$1,400

(f) A residential facility licensed under section 245I.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:

Licensed Capacity	License Fee
1 to 24 persons	\$2,525
25 or more persons	\$2,725

(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:

Licensed Capacity	License Fee
1 to 24 persons	\$450
25 to 49 persons	\$650
50 to 74 persons	\$850
75 to 99 persons	\$1,050
100 or more persons	\$1,250

~~(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.~~

(†)(h) 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.

(†)(i) 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:

Licensed Capacity	License Fee
1 to 24 persons	\$500
25 to 49 persons	\$700
50 to 74 persons	\$900
75 to 99 persons	\$1,100

100 or more persons

\$1,300

~~(j)~~ (j) 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.

~~(k)~~ (k) 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.

Sec. 18. 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.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.

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.

~~(c) Before the implementation of NET Study 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 (5), to the commissioner at least monthly in a format prescribed by the commissioner.~~

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

~~(d)~~ (d) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

~~(e)~~ (e) A license issued under this section may be issued for up to two years.

~~(f)~~ (f) 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.

~~(g)~~ (g) 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 foster 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.

~~(h)~~ (h) 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. This section is effective the day following final enactment.

Sec. 19. **[245A.211] PRONE RESTRAINT PROHIBITION.**

Subdivision 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. 20. 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;
 - (5) an individual 13 years of age or older who lives in the household where the licensed program will be provided and who is not receiving licensed services from the program;
 - (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.

Sec. 21. Minnesota Statutes 2022, section 245C.02, subdivision 11c, is amended to read:

Subd. 11c. **Entity.** "Entity" means any program, organization, license holder, or agency ~~initiating~~ required to initiate or submit a background study.

Sec. 22. 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 by the entity when required. This subdivision does not apply to child care background study subjects under subdivision 6a.

Sec. 23. 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 required to be affiliated in NETStudy 2.0 with the entity, 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. 24. Minnesota Statutes 2022, section 245C.03, subdivision 1a, is amended to read:

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

Sec. 25. Minnesota Statutes 2022, section 245C.03, subdivision 4, is amended to read:

Subd. 4. **Personnel pool agencies; temporary personnel agencies; educational programs; professional services agencies.** (a) The commissioner also may conduct studies on individuals specified in subdivision 1, paragraph (a), clauses (3) and (4), when the studies are initiated by:

(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 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 care services when required.

Sec. 26. Minnesota Statutes 2022, section 245C.03, subdivision 5, is amended to read:

Subd. 5. **Other state agencies.** The commissioner shall conduct background studies on applicants and license holders under the jurisdiction of other state agencies who are required in other statutory sections to initiate background studies under this chapter, including the applicant's or license holder's employees, ~~contractors~~, and volunteers when required under other statutory sections.

Sec. 27. Minnesota Statutes 2022, section 245C.03, subdivision 5a, is amended to read:

Subd. 5a. **Facilities serving children or adults licensed or regulated by the Department of Health.** (a) Except as specified in paragraph (b), the commissioner shall conduct background studies of:

(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 214.01, 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. 28. 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.051.

(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. 29. 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 licensure 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. 30. 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. 31. Minnesota Statutes 2022, section 245C.07, is amended to read:

245C.07 STUDY SUBJECT AFFILIATED WITH MULTIPLE FACILITIES.

(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 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, personnel 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.

Sec. 32. 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 as defined in section 214.01, subdivision 2, if the commissioner determines that an individual who is licensed by the health-related licensing board and who is included on the board's roster list provided in accordance with subdivision 3a is responsible for substantiated maltreatment under section 626.557 or chapter 260E, in accordance with subdivision 2. Upon receiving notification, the health-related licensing board shall make a determination as to whether to impose disciplinary or corrective action under chapter 214.

~~(b) This section does not apply to a background study of an individual regulated by 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. 33. 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:

~~(1) 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 671(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.~~

Sec. 34. 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

~~(6) (7) the withholding or forcing of food and other basic needs.~~

Sec. 35. Minnesota Statutes 2022, section 256.478, is amended by adding a subdivision to read:

Subd. 3. **Authorized uses of grant funds.** Grant funds may be used for but are not limited to the following:

(1) increasing access to home and community-based services for an individual;

(2) improving caregiver-child relationships and aiding progress toward treatment goals, including support for the individual to return to live in their home; and

(3) reducing emergency department visits.

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

Sec. 36. Minnesota Statutes 2022, section 256.478, is amended by adding a subdivision to read:

Subd. 4. **Outcomes.** Program evaluation is based on but not limited to the following criteria:

- (1) expediting discharges for individuals who no longer need hospital level of care;
- (2) individuals obtaining and retaining housing, including successfully returning to live with support in their home;
- (3) individuals maintaining community living by diverting admission to Anoka Metro Regional Treatment Center and Forensic Mental Health Program;
- (4) reducing recidivism rates of individuals returning to state institutions; and
- (5) individuals' ability to live in the least restrictive community setting.

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

Sec. 37. 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 ~~30~~ 45 calendar days after ~~receiving~~ the date the notice of the decision was mailed. ~~The request for reconsideration process shall take place prior to the procedures of subdivision 1b and shall be conducted~~ must 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. 38. 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. 39. 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. 40. 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. 41. Minnesota Statutes 2022, section 256B.056, is amended by adding a subdivision to read:

Subd. 5d. **Medical assistance room and board rate.** "Medical assistance room and board rate" means an amount equal to 81 percent of the federal poverty guideline for a single individual living alone in the community less the medical assistance personal needs allowance under section 256B.35. The amount of the room and board rate, as defined in section 256I.03, subdivision 2, that exceeds the medical assistance room and board rate is considered a remedial care cost. A remedial care cost

may be used to meet a spenddown obligation under this section. The medical assistance room and board rate is to be adjusted on January 1 of each year.

Sec. 42. Minnesota Statutes 2022, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. Medical assistance payment for assertive community treatment and intensive residential treatment services. (a) Payment for intensive residential treatment services and assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) The commissioner shall determine one rate for each provider that will bill medical assistance for residential services under this section and one rate for each assertive community treatment provider. If a single entity provides both services, one rate is established for the entity's residential services and another rate for the entity's nonresidential services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); and

(v) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual cost is defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1,

part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

(3) the number of service units;

(4) the degree to which clients will receive services other than services under this section; and

(5) the costs of other services that will be separately reimbursed.

(d) The rate for intensive residential treatment services and assertive community treatment must exclude the medical assistance room and board rate, as defined in section ~~256I.03, subdivision 6~~ 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(e) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(f) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (c).

(i) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(j) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Sec. 43. Minnesota Statutes 2022, section 256B.0625, subdivision 3a, is amended to read:

Subd. 3a. ~~Sex reassignment surgery~~ Gender-affirming services. ~~Sex reassignment surgery is not covered.~~ Medical assistance covers gender-affirming services.

Sec. 44. Minnesota Statutes 2022, section 256B.064, is amended to read:

256B.064 SANCTIONS; MONETARY RECOVERY.

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~~ individual or entity 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 (8) any reason for which ~~a vendor~~ an individual or entity could be 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. 1b. **Sanctions available.** The commissioner may impose the following sanctions for the conduct described in subdivision 1a: suspension or withholding of payments to ~~a vendor~~ an individual or entity and suspending or terminating participation in the program, or imposition of a fine under subdivision 2, paragraph (f). When imposing sanctions under this section, the commissioner shall consider the nature, chronicity, or severity of the conduct and the effect of the conduct on the health and safety of persons served by the ~~vendor~~ individual or entity. The commissioner shall suspend ~~a vendor's~~ an individual's or entity's participation in the program for a minimum of five years if the ~~vendor~~ individual or entity is convicted of a crime, received a stay of adjudication, or entered a court-ordered diversion program for an offense related to a provision of a health service under medical assistance, including a federally approved waiver, or health care fraud. Regardless of imposition of sanctions, the commissioner may make a referral to the appropriate state licensing board.

Subd. 1c. **Grounds for and methods of monetary recovery.** (a) The commissioner may obtain monetary recovery from ~~a vendor who~~ an individual or entity that has been improperly paid by the department either as a result of conduct described in subdivision 1a or as a result of ~~a vendor or department~~ an 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 money to be recovered if the recovery is to be made by installment payments or debits, except when the monetary recovery is of an overpayment that resulted from a department error. The interest charged shall be the rate established by the commissioner of revenue under section 270C.40.

Subd. 1d. **Investigative costs.** The commissioner may seek recovery of investigative costs from any ~~vendor of medical care or services who~~ individual or entity that willfully submits a claim for reimbursement for services that the vendor individual or entity knows, or reasonably should have known, is a false representation and that results in the payment of public funds for which the vendor individual 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~~ 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~~ 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~~ an individual or entity without providing advance notice of such withholding or reduction if either of the following occurs:

(1) the ~~vendor~~ individual 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 indicia 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;

(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 or a managed care organization that contracts with the commissioner under section 256B.035 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.

~~(d)~~ (e) The commissioner shall suspend or terminate ~~a vendor's~~ an 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.

~~(e)~~ (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction is to be imposed, ~~a 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 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.

~~(f)~~ (g) 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~~ individual or entity, or up to \$5,000, whichever is less. If the commissioner determines that ~~a vendor~~ an individual 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 ~~a 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.

~~(g)~~ (h) The ~~vendor~~ individual or entity shall pay the fine assessed on or before the payment date specified. If the ~~vendor~~ 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. 3. **Vendor 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~~ entity 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~~ entity must immediately terminate payments to an individual or entity on the exclusion list.

(c) ~~A vendor's~~ 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) ~~A vendor~~ 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~~ an entity 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 sent~~ 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.

Subd. 5. **Immunity; good faith reporters.** (a) A person who makes a good faith report is immune from any civil or criminal liability that might otherwise arise from reporting or participating in the investigation. Nothing in this subdivision affects ~~a vendor's~~ an individual's or entity's responsibility for an overpayment established under this subdivision.

(b) A person employed by a lead investigative agency who is conducting or supervising an investigation or enforcing the law according to the applicable law or rule is immune from any civil or criminal liability that might otherwise arise from the person's actions, if the person is acting in good faith and exercising due care.

(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.

Sec. 45. Minnesota Statutes 2022, section 256B.0946, subdivision 6, is amended to read:

Subd. 6. **Excluded services.** (a) Services in clauses (1) to (7) are not covered under this section and are not eligible for medical assistance payment as components of children's intensive behavioral health services, but may be billed separately:

- (1) inpatient psychiatric hospital treatment;
- (2) mental health targeted case management;
- (3) partial hospitalization;
- (4) medication management;
- (5) children's mental health day treatment services;
- (6) crisis response services under section 256B.0624;
- (7) transportation; and
- (8) mental health certified family peer specialist services under section 256B.0616.

(b) Children receiving intensive behavioral health services are not eligible for medical assistance reimbursement for the following services while receiving children's intensive behavioral health services:

(1) psychotherapy and skills training components of children's therapeutic services and supports under section 256B.0943;

(2) mental health behavioral aide services as defined in section 256B.0943, subdivision 1, paragraph (1);

(3) home and community-based waiver services;

(4) mental health residential treatment; and

(5) medical assistance room and board costs rate, as defined in section ~~256L.03, subdivision 6~~ 256B.056, subdivision 5d.

Sec. 46. Minnesota Statutes 2022, section 256B.0947, subdivision 7a, is amended to read:

Subd. 7a. **Noncovered services.** (a) The rate for intensive rehabilitative mental health services does not include medical assistance payment for services in clauses (1) to (7). Services not covered under this paragraph may be billed separately:

- (1) inpatient psychiatric hospital treatment;
- (2) partial hospitalization;
- (3) children's mental health day treatment services;

(4) physician services outside of care provided by a psychiatrist serving as a member of the treatment team;

(5) medical assistance room and board costs rate, as defined in section ~~256I.03, subdivision 6~~ 256B.056, subdivision 5d;

(6) home and community-based waiver services; and

(7) other mental health services identified in the child's individualized education program.

(b) The following services are not covered under this section and are not eligible for medical assistance payment while youth are receiving intensive rehabilitative mental health services:

(1) mental health residential treatment; and

(2) mental health behavioral aide services, as defined in section 256B.0943, subdivision 1, paragraph (1).

Sec. 47. 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. 48. Minnesota Statutes 2022, section 256D.02, is amended by adding a subdivision to read:

Subd. 20. **Date of application.** "Date of application" has the meaning given in section 256P.01, subdivision 2c.

Sec. 49. Minnesota Statutes 2022, section 256D.07, is amended to read:

256D.07 TIME OF PAYMENT OF ASSISTANCE.

An applicant for general assistance shall be deemed eligible if the application and the verification of the statement on that application demonstrate that the applicant is within the eligibility criteria established by sections 256D.01 to 256D.21 and any applicable rules of the commissioner. Any person requesting general assistance shall be permitted by the county agency to make an application for assistance as soon as administratively possible and in no event later than the fourth day following

the date on which assistance is first requested, and no county agency shall require that a person requesting assistance appear at the offices of the county agency more than once prior to the date on which the person is permitted to make the application. ~~The application shall be in writing in the manner and upon the form prescribed by the commissioner and attested to by the oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point."~~ Applications must be submitted according to section 256P.04, subdivision 1a. On the date that general assistance is first requested, the county agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, assistance for necessary transportation, or other emergency assistance pursuant to section 256D.06, subdivision 2. A person in need of emergency assistance shall be granted emergency assistance immediately, and necessary emergency assistance shall continue for up to 30 days following the date of application. A determination of an applicant's eligibility for general assistance shall be made by the county agency as soon as the required verifications are received by the county agency and in no event later than 30 days following the date that the application is made. Any verifications required of the applicant shall be reasonable, and the commissioner shall by rule establish reasonable verifications. General assistance shall be granted to an eligible applicant without the necessity of first securing action by the board of the county agency. The first month's grant must be computed to cover the time period starting with the date ~~a signed application form is received by the county agency~~ of application or from the date that the applicant meets all eligibility factors, whichever occurs later.

If upon verification and due investigation it appears that the applicant provided false information and the false information materially affected the applicant's eligibility for general assistance or the amount of the applicant's general assistance grant, the county agency may refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Sec. 50. Minnesota Statutes 2022, section 256I.03, subdivision 15, is amended to read:

Subd. 15. **Supportive housing.** "Supportive housing" means housing that is not time-limited ~~and~~ provides or coordinates services necessary for a resident to maintain housing stability, and is not licensed as an assisted living facility under chapter 144G.

Sec. 51. Minnesota Statutes 2022, section 256I.03, is amended by adding a subdivision to read:

Subd. 16. **Date of application.** "Date of application" has the meaning given in section 256P.01, subdivision 2b.

Sec. 52. Minnesota Statutes 2022, section 256I.04, subdivision 2, is amended to read:

Subd. 2. **Date of eligibility.** An individual who has met the eligibility requirements of subdivision 1; shall have a housing support payment made on the individual's behalf from the first day of the month ~~in which a signed~~ of the date of application form is received by a county agency, or the first day of the month in which all eligibility factors have been met, whichever is later.

Sec. 53. Minnesota Statutes 2022, section 256I.06, subdivision 3, is amended to read:

Subd. 3. **Filing of application.** ~~The county agency must immediately provide an application form to any person requesting housing support. Application for housing support must be in writing on a form prescribed by the commissioner. Applications must be submitted according to section 256P.04, subdivision 1a.~~ The county agency must determine an applicant's eligibility for housing support as soon as the required verifications are received by the county agency and within 30 days after a signed application is received by the county agency for the aged or blind or within 60 days for people with a disability.

Sec. 54. Minnesota Statutes 2022, section 256I.09, is amended to read:

256I.09 COMMUNITY LIVING INFRASTRUCTURE.

The commissioner shall award grants to agencies and multi-Tribal collaboratives through an annual competitive process. Grants awarded under this section may be used for: (1) outreach to locate and engage people who are homeless or residing in segregated settings to screen for basic needs and assist with referral to community living resources; (2) building capacity to provide technical assistance and consultation on housing and related support service resources for persons with both disabilities and low income; or (3) streamlining the administration and monitoring activities related to housing support funds. Agencies may collaborate and submit a joint application for funding under this section.

Sec. 55. Minnesota Statutes 2022, section 256J.08, subdivision 21, is amended to read:

Subd. 21. **Date of application.** "Date of application" ~~means the date on which the county agency receives an applicant's application as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence~~ has the meaning given in section 256P.01, subdivision 2b.

Sec. 56. Minnesota Statutes 2022, section 256J.09, subdivision 3, is amended to read:

Subd. 3. **Submitting application form.** (a) A county agency must offer, in person or by mail, the application forms prescribed by the commissioner as soon as a person makes a written or oral inquiry. At that time, the county agency must:

(1) inform the person that assistance begins on the date ~~that the~~ of application is received by the county agency ~~either as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence;~~ or on the date that all eligibility criteria are met, whichever is later;

(2) inform a person that the person may submit the application by telephone or through Internet telepresence;

(3) inform a person ~~that when the person submits the application by telephone or through Internet telepresence, the county agency must receive a signed written application within 30 days of the date that the person submitted the application by telephone or through Internet telepresence~~ of the application submission requirements in section 256P.04, subdivision 1a;

(4) inform the person that any delay in submitting the application will reduce the amount of assistance paid for the month of application;

- (5) inform a person that the person may submit the application before an interview;
 - (6) explain the information that will be verified during the application process by the county agency as provided in section 256J.32;
 - (7) inform a person about the county agency's average application processing time and explain how the application will be processed under subdivision 5;
 - (8) explain how to contact the county agency if a person's application information changes and how to withdraw the application;
 - (9) inform a person that the next step in the application process is an interview and what a person must do if the application is approved including, but not limited to, attending orientation under section 256J.45 and complying with employment and training services requirements in sections 256J.515 to 256J.57;
 - (10) inform the person that an interview must be conducted. The interview may be conducted face-to-face in the county office or at a location mutually agreed upon, through Internet telepresence, or by telephone;
 - (11) explain the child care and transportation services that are available under paragraph (c) to enable caregivers to attend the interview, screening, and orientation; and
 - (12) identify any language barriers and arrange for translation assistance during appointments, including, but not limited to, screening under subdivision 3a, orientation under section 256J.45, and assessment under section 256J.521.
- (b) Upon receipt of a signed application, the county agency must stamp the date of receipt on the face of the application. The county agency must process the application within the time period required under subdivision 5. An applicant may withdraw the application at any time by giving written or oral notice to the county agency. The county agency must issue a written notice confirming the withdrawal. The notice must inform the applicant of the county agency's understanding that the applicant has withdrawn the application and no longer wants to pursue it. When, within ten days of the date of the agency's notice, an applicant informs a county agency, in writing, that the applicant does not wish to withdraw the application, the county agency must reinstate the application and finish processing the application.
- (c) Upon a participant's request, the county agency must arrange for transportation and child care or reimburse the participant for transportation and child care expenses necessary to enable participants to attend the screening under subdivision 3a and orientation under section 256J.45.

Sec. 57. Minnesota Statutes 2022, section 256J.95, subdivision 5, is amended to read:

Subd. 5. **Submitting application form.** The eligibility date for the diversionary work program begins on the date ~~that the combined~~ of application form (CAF) is received by the county agency ~~either as a signed written application; an application submitted by telephone; or an application submitted through Internet telepresence;~~ or on the date that diversionary work program eligibility criteria are met, whichever is later. The county agency must inform an applicant ~~that when the applicant submits the application by telephone or through Internet telepresence, the county agency~~

~~must receive a signed written application within 30 days of the date that the applicant submitted the application by telephone or through Internet telepresence of the application submission requirements in section 256P.04, subdivision 1a.~~ The county agency must inform the applicant that any delay in submitting the application will reduce the benefits paid for the month of application. The county agency must inform a person that an application may be submitted before the person has an interview appointment. Upon receipt of a signed application, the county agency must stamp the date of receipt on the face of the application. The applicant may withdraw the application at any time prior to approval by giving written or oral notice to the county agency. The county agency must follow the notice requirements in section 256J.09, subdivision 3, when issuing a notice confirming the withdrawal.

Sec. 58. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to read:

Subd. 2c. **Date of application.** "Date of application" means the date on which the agency receives an applicant's application as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence. The child care assistance program under chapter 119B is exempt from this definition.

Sec. 59. Minnesota Statutes 2022, section 256P.04, is amended by adding a subdivision to read:

Subd. 1a. **Application submission.** An agency must offer, in person or by mail, the application forms prescribed by the commissioner as soon as a person makes a written or oral inquiry about assistance. Applications must be received by the agency as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence. When a person submits an application by telephone or through Internet telepresence, the agency must receive a signed written application within 30 days of the date that the person submitted the application by telephone or through Internet telepresence.

Sec. 60. 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 Education;~~
- ~~(8) (7) Department of Commerce;~~

- ~~(9)~~ (8) Board of Chiropractic Examiners;
- ~~(10)~~ (9) Board of Dentistry;
- ~~(11)~~ (10) Board of Marriage and Family Therapy;
- ~~(12)~~ (11) Department of Human Services;
- ~~(13)~~ (12) Peace Officer Standards and Training (POST) Board; and
- ~~(14)~~ (13) Professional Educator Licensing and Standards Board.

(b) The commissioner shall enter into agreements with these agencies to provide the 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. 61. **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. 62. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, sections 256D.02 and 256I.03, in alphabetical order, excluding the first subdivision in each section, and correct any cross-reference changes that result.

Sec. 63. **REPEALER.**

(a) Minnesota Statutes 2022, sections 245A.22; 256.9685, subdivisions 1c and 1d; 256D.63, subdivision 1; and 256I.03, subdivision 6, are repealed.

(b) Minnesota Statutes 2022, sections 245C.02, subdivision 9; and 245C.301, are repealed.

(c) Minnesota Rules, parts 9505.0505, subpart 18; and 9505.0520, subpart 9b, are repealed.

EFFECTIVE DATE. Paragraphs (a) and (c) are effective the day following final enactment, and paragraph (b) is effective July 1, 2023.

ARTICLE 18

CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS

Section 1. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

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

(b) "Alcohol and drug counselor" has the meaning given in section 245G.11, subdivision 5.

(c) "Care coordination" means the activities required to coordinate care across settings and providers for a person served to ensure seamless transitions across the full spectrum of health services. Care coordination includes outreach and engagement; documenting a plan of care for medical, behavioral health, and social services and supports in the integrated treatment plan; assisting with obtaining appointments; confirming appointments are kept; developing a crisis plan; tracking medication; and implementing care coordination agreements with external providers. Care coordination may include psychiatric consultation with primary care practitioners and with mental health clinical care practitioners.

(d) "Community needs assessment" means an assessment to identify community needs and determine the community behavioral health clinic's capacity to address the needs of the population being served.

(e) "Comprehensive evaluation" means a person-centered, family-centered, and trauma-informed evaluation meeting the requirements of subdivision 4b completed for the purposes of diagnosis and treatment planning.

(f) "Designated collaborating organization" means an entity meeting the requirements of subdivision 3a with a formal agreement with a CCBHC to furnish CCBHC services.

(g) "Functional assessment" means an assessment of a client's current level of functioning relative to functioning that is appropriate for someone the client's age and that meets the requirements of subdivision 4a.

(h) "Initial evaluation" means an evaluation completed by a mental health professional that gathers and documents information necessary to formulate a preliminary diagnosis and begin client services.

(i) "Integrated treatment plan" means a documented plan of care that is person- and family-centered and formulated to respond to a client's needs and goals.

(j) "Mental health professional" has the meaning given in section 245I.04, subdivision 2.

(k) "Mobile crisis services" has the meaning given in section 256B.0624, subdivision 2.

(l) "Preliminary screening and risk assessment" means a mandatory screening and risk assessment that is completed at the first contact with the prospective CCBHC service recipient and determines the acuity of client need.

Sec. 2. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 2a. **Establishment.** The certified community behavioral health clinic model is an integrated payment and service delivery model that uses evidence-based behavioral health practices to achieve better outcomes for individuals experiencing behavioral health concerns while achieving sustainable rates for providers and economic efficiencies for payors.

Sec. 3. Minnesota Statutes 2022, section 245.735, subdivision 3, is amended to read:

Subd. 3. **Certified community behavioral health clinics.** (a) The commissioner shall establish a state certification ~~process~~ and recertification processes for certified community behavioral health clinics (CCBHCs) that satisfy all federal requirements necessary for CCBHCs certified under this section to be eligible for reimbursement under medical assistance, without service area limits based on geographic area or region. The commissioner shall consult with CCBHC stakeholders before establishing and implementing changes in the certification or recertification process and requirements. ~~Entities that choose to be CCBHCs must:~~ Any changes to the certification or recertification process or requirements must be consistent with the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration. The commissioner must allow a transition period for CCBHCs to meet the revised criteria prior to July 1, 2024. The commissioner is authorized to amend the state's Medicaid state plan or the terms of the demonstration to comply with federal requirements.

(b) As part of the state CCBHC certification and recertification processes, the commissioner shall provide to entities applying for certification or requesting recertification the standard requirements of the community needs assessment and the staffing plan that are consistent with the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration.

(c) The commissioner shall schedule a certification review that includes a site visit within 90 calendar days of receipt of an application for certification or recertification.

(d) Entities that choose to be CCBHCs must:

(1) complete a community needs assessment and complete a staffing plan that is responsive to the needs identified in the community needs assessment and update both the community needs assessment and the staffing plan no less frequently than every 36 months;

~~(+)~~ (2) comply with state licensing requirements and other requirements issued by the commissioner;

(3) employ or contract with a medical director. A medical director must be a physician licensed under chapter 147 and either certified by the American Board of Psychiatry and Neurology, certified by the American Osteopathic Board of Neurology and Psychiatry, or eligible for board certification in psychiatry. A registered nurse who is licensed under sections 148.171 to 148.285 and is certified as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization may serve as the medical director when a CCBHC is unable to employ or contract a qualified physician;

~~(2)~~ (4) employ or contract for clinic staff who have backgrounds in diverse disciplines, including licensed mental health professionals and licensed alcohol and drug counselors, and staff who are culturally and linguistically trained to meet the needs of the population the clinic serves;

~~(3)~~ (5) ensure that clinic services are available and accessible to individuals and families of all ages and genders with access on evenings and weekends and that crisis management services are available 24 hours per day;

~~(4)~~ (6) establish fees for clinic services for individuals who are not enrolled in medical assistance using a sliding fee scale that ensures that services to patients are not denied or limited due to an individual's inability to pay for services;

~~(5)~~ (7) comply with quality assurance reporting requirements and other reporting requirements, including any required reporting of encounter data, clinical outcomes data, and quality data included in the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration;

~~(6)~~ (8) provide crisis mental health and substance use services, withdrawal management services, emergency crisis intervention services, and stabilization services through existing mobile crisis services; screening, assessment, and diagnosis services, including risk assessments and level of care determinations; person- and family-centered treatment planning; outpatient mental health and substance use services; targeted case management; psychiatric rehabilitation services; peer support and counselor services and family support services; and intensive community-based mental health services, including mental health services for members of the armed forces and veterans. CCBHCs must directly provide the majority of these services to enrollees, but may coordinate some services with another entity through a collaboration or agreement, pursuant to ~~paragraph (b)~~ subdivision 3a;

~~(7)~~ (9) provide coordination of care across settings and providers to ensure seamless transitions for individuals being served across the full spectrum of health services, including acute, chronic, and behavioral needs. Care coordination may be accomplished through partnerships or formal contracts with;

~~(i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally qualified health centers, inpatient psychiatric facilities, substance use and detoxification facilities, or community-based mental health providers; and~~

~~(ii) other community services, supports, and providers, including schools, child welfare agencies, juvenile and criminal justice agencies, Indian health services clinics, tribally licensed health care and mental health facilities, urban Indian health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute care hospitals, and hospital outpatient clinics;~~

~~(8)~~ (10) be certified as a mental health clinic under section 245I.20;

~~(9)~~ (11) comply with standards established by the commissioner relating to CCBHC screenings, assessments, and evaluations that are consistent with this section;

~~(10)~~ (12) be licensed to provide substance use disorder treatment under chapter 245G;

~~(11)~~ (13) be certified to provide children's therapeutic services and supports under section 256B.0943;

~~(12)~~ (14) be certified to provide adult rehabilitative mental health services under section 256B.0623;

~~(13)~~ (15) be enrolled to provide mental health crisis response services under section 256B.0624;

~~(14)~~ (16) be enrolled to provide mental health targeted case management under section 256B.0625, subdivision 20;

~~(15) comply with standards relating to mental health case management in Minnesota Rules, parts 9520.0900 to 9520.0926;~~

~~(16)~~ (17) provide services that comply with the evidence-based practices described in paragraph (e) subdivision 3d; and

~~(17) comply with standards relating to~~ (18) provide peer services under as defined in sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8), as applicable when peer services are provided; and

(19) inform all clients upon initiation of care of the full array of services available under the CCBHC model.

~~(b) If a certified CCBHC is unable to provide one or more of the services listed in paragraph (a), clauses (6) to (17), the CCBHC may contract with another entity that has the required authority to provide that service and that meets the following criteria as a designated collaborating organization:~~

~~(1) the entity has a formal agreement with the CCBHC to furnish one or more of the services under paragraph (a), clause (6);~~

~~(2) the entity provides assurances that it will provide services according to CCBHC service standards and provider requirements;~~

(3) the entity agrees that the CCBHC is responsible for coordinating care and has clinical and financial responsibility for the services that the entity provides under the agreement; and

~~(4) the entity meets any additional requirements issued by the commissioner.~~

~~(e) Notwithstanding any other law that requires a county contract or other form of county approval for certain services listed in paragraph (a), clause (6), a clinic that otherwise meets CCBHC requirements may receive the prospective payment under section 256B.0625, subdivision 5m, for those services without a county contract or county approval. As part of the certification process in paragraph (a), the commissioner shall require a letter of support from the CCBHC's host county confirming that the CCBHC and the county or counties it serves have an ongoing relationship to facilitate access and continuity of care, especially for individuals who are uninsured or who may go on and off medical assistance.~~

~~(d) When the standards listed in paragraph (a) or other applicable standards conflict or address similar issues in duplicative or incompatible ways, the commissioner may grant variances to state requirements if the variances do not conflict with federal requirements for services reimbursed under medical assistance. If standards overlap, the commissioner may substitute all or a part of a licensure or certification that is substantially the same as another licensure or certification. The commissioner shall consult with stakeholders, as described in subdivision 4, before granting variances under this provision. For the CCBHC that is certified but not approved for prospective payment under section 256B.0625, subdivision 5m, the commissioner may grant a variance under this paragraph if the variance does not increase the state share of costs.~~

~~(e) The commissioner shall issue a list of required evidence-based practices to be delivered by CCBHCs, and may also provide a list of recommended evidence-based practices. The commissioner may update the list to reflect advances in outcomes research and medical services for persons living with mental illnesses or substance use disorders. The commissioner shall take into consideration the adequacy of evidence to support the efficacy of the practice, the quality of workforce available, and the current availability of the practice in the state. At least 30 days before issuing the initial list and any revisions, the commissioner shall provide stakeholders with an opportunity to comment.~~

~~(f) The commissioner shall recertify CCBHCs at least every three years. The commissioner shall establish a process for decertification and shall require corrective action, medical assistance repayment, or decertification of a CCBHC that no longer meets the requirements in this section or that fails to meet the standards provided by the commissioner in the application and certification process.~~

Sec. 4. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3a. **Designated collaborating organizations.** If a certified CCBHC is unable to provide one or more of the services listed in subdivision 3, paragraph (d), clauses (8) to (19), the CCBHC may contract with another entity that has the required authority to provide that service and that meets the requirements of the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration.

Sec. 5. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3b. **Exemptions to host county approval.** Notwithstanding any other law that requires a county contract or other form of county approval for a service listed in subdivision 3, paragraph (d), clause (8), a CCBHC that meets the requirements of this section may receive the prospective payment under section 256B.0625, subdivision 5m, for that service without a county contract or county approval.

Sec. 6. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3c. **Variations.** When the standards listed in this section or other applicable standards conflict or address similar issues in duplicative or incompatible ways, the commissioner may grant variations to state requirements if the variations do not conflict with federal requirements for services reimbursed under medical assistance. If standards overlap, the commissioner may substitute all or a part of a licensure or certification that is substantially the same as another licensure or certification. The commissioner shall consult with stakeholders before granting variations under this provision. For a CCBHC that is certified but not approved for prospective payment under section 256B.0625, subdivision 5m, the commissioner may grant a variance under this paragraph if the variance does not increase the state share of costs.

Sec. 7. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3d. **Evidence-based practices.** The commissioner shall issue a list of required evidence-based practices to be delivered by CCBHCs and may also provide a list of recommended evidence-based practices. The commissioner may update the list to reflect advances in outcomes research and medical services for persons living with mental illnesses or substance use disorders. The commissioner shall take into consideration the adequacy of evidence to support the efficacy of the practice across cultures and ages, the workforce available, and the current availability of the practice in the state. At least 30 days before issuing the initial list or issuing any revisions, the commissioner shall provide stakeholders with an opportunity to comment.

Sec. 8. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3e. **Recertification.** A CCBHC must apply for recertification every 36 months.

Sec. 9. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3f. **Notice and opportunity for correction.** (a) The commissioner shall provide a formal written notice to an applicant for CCBHC certification outlining the determination of the application and process for applicable and necessary corrective action required of the applicant signed by the commissioner or appropriate division director to applicant entities within 45 calendar days of the site visit.

(b) The commissioner may reject an application if the applicant entity does not take all corrective actions specified in the notice and notify the commissioner that the applicant entity has done so within 60 calendar days.

(c) The commissioner must send the applicant entity a final decision on the corrected application within 45 calendar days of the applicant entity's notice to the commissioner that the applicant has taken the required corrective actions.

Sec. 10. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3g. **Decertification process.** The commissioner must establish a process for decertification. The commissioner must require corrective action, medical assistance repayment, or decertification of a CCBHC that no longer meets the requirements in this section or that fails to meet the standards provided by the commissioner in the application, certification, or recertification process.

Sec. 11. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3h. **Minimum staffing standards.** A CCBHC must meet minimum staffing requirements required by the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration.

Sec. 12. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4a. **Functional assessment requirements.** (a) For adults, a functional assessment may be completed using a Daily Living Activities-20 tool.

(b) Notwithstanding any law to the contrary, a functional assessment performed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

- (1) section 256B.0623, subdivision 9;
- (2) section 245.4711, subdivision 3; and
- (3) Minnesota Rules, part 9520.0914, subpart 2.

Sec. 13. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4b. **Requirements for comprehensive evaluations.** (a) A comprehensive evaluation must be completed for all new clients within 60 calendar days following the preliminary screening and risk assessment.

(b) Only a mental health professional may complete a comprehensive evaluation. The mental health professional must consult with an alcohol and drug counselor when substance use disorder services are deemed clinically appropriate.

(c) The comprehensive evaluation must consist of the synthesis of existing information including but not limited to an external diagnostic assessment, crisis assessment, preliminary screening and risk assessment, initial evaluation, and primary care screenings.

(d) A comprehensive evaluation must be completed in the cultural context of the client and updated to reflect changes in the client's conditions and at the client's request or when the client's condition no longer meets the existing diagnosis.

(e) The psychiatric evaluation and management service fulfills requirements for the comprehensive evaluation when a client of a CCBHC is receiving exclusively psychiatric evaluation and management services. The CCBHC shall complete the comprehensive evaluation within 60 calendar days of a client's referral for additional CCBHC services.

(f) For clients engaging exclusively in substance use disorder services at the CCBHC, a substance use disorder comprehensive assessment as defined in section 245G.05, subdivision 2, that is completed within 60 calendar days of service initiation shall fulfill requirements of the comprehensive evaluation.

(g) Notwithstanding any law to the contrary, a comprehensive evaluation performed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

- (1) section 245.462, subdivision 20, paragraph (c);
- (2) section 245.4711, subdivision 2, paragraph (b);
- (3) section 245.4871, subdivision 6;
- (4) section 245.4881, subdivision 2, paragraph (c);
- (5) section 245G.04, subdivision 1;
- (6) section 245G.05, subdivision 1;
- (7) section 245I.10, subdivisions 4 to 6;
- (8) section 256B.0623, subdivisions 3, clause (4), 8, and 10;
- (9) section 256B.0943, subdivisions 3 and 6, paragraph (b), clause (1);
- (10) Minnesota Rules, part 9520.0909, subpart 1;
- (11) Minnesota Rules, part 9520.0910, subparts 1 and 2; and
- (12) Minnesota Rules, part 9520.0914, subpart 2.

Sec. 14. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4c. **Requirements for initial evaluations.** (a) A CCBHC must complete either an initial evaluation or a comprehensive evaluation as required by the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration.

(b) Notwithstanding any law to the contrary, an initial evaluation performed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

- (1) section 245.4711, subdivision 4;
- (2) section 245.4881, subdivisions 3 and 4;
- (3) section 245I.10, subdivision 5;
- (4) section 256B.0623, subdivisions 3, clause (4), 8, and 10;
- (5) section 256B.0943, subdivisions 3 and 6, paragraph (b), clauses (1) and (2);
- (6) Minnesota Rules, part 9520.0909, subpart 1;

- (7) Minnesota Rules, part 9520.0910, subpart 1;
- (8) Minnesota Rules, part 9520.0914, subpart 2;
- (9) Minnesota Rules, part 9520.0918, subparts 1 and 2; and
- (10) Minnesota Rules, part 9520.0919, subpart 2.

Sec. 15. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4d. **Requirements for integrated treatment plans.** (a) An integrated treatment plan must be completed within 60 calendar days following the preliminary screening and risk assessment and updated no less frequently than every six months or when the client's circumstances change.

(b) Only a mental health professional may complete an integrated treatment plan. The mental health professional must consult with an alcohol and drug counselor when substance use disorder services are deemed clinically appropriate. An alcohol and drug counselor may approve the integrated treatment plan. The integrated treatment plan must be developed through a shared decision-making process with the client, the client's support system if the client chooses, or, for children, with the family or caregivers.

(c) The integrated treatment plan must:

- (1) use the ASAM 6 dimensional framework; and
- (2) incorporate prevention, medical and behavioral health needs, and service delivery.

(d) The psychiatric evaluation and management service fulfills requirements for the integrated treatment plan when a client of a CCBHC is receiving exclusively psychiatric evaluation and management services. The CCBHC must complete an integrated treatment plan within 60 calendar days of a client's referral for additional CCBHC services.

(e) Notwithstanding any law to the contrary, an integrated treatment plan developed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

- (1) section 245G.06, subdivision 1;
- (2) section 245G.09, subdivision 3, clause (6);
- (3) section 245I.10, subdivisions 7 and 8;
- (4) section 256B.0623, subdivision 10; and
- (5) section 256B.0943, subdivision 6, paragraph (b), clause (2).

Sec. 16. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4e. **Additional licensing and certification requirements.** (a) This subdivision applies to programs and clinics that are a part of a CCBHC.

(b) The requirements for initial evaluations under subdivision 4c, comprehensive evaluations under subdivision 4b, and integrated treatment plans under subdivision 4d are incorporated into the licensing requirements for substance use disorder treatment programs under chapter 245G.

(c) The requirements for initial evaluations under subdivision 4c, comprehensive evaluations under subdivision 4b, and integrated treatment plans under subdivision 4d are incorporated into the certification requirements for mental health clinics under section 245I.20.

(d) The Department of Human Services licensing division will review, inspect, and investigate for compliance with the requirements in subdivisions 4b to 4d for programs or clinics subject to this subdivision.

Sec. 17. Minnesota Statutes 2022, section 245.735, subdivision 5, is amended to read:

Subd. 5. **Information systems support.** The commissioner and the state chief information officer shall provide information systems support to the projects as necessary to comply with state and federal requirements, including data reporting requirements.

Sec. 18. Minnesota Statutes 2022, section 245.735, subdivision 6, is amended to read:

Subd. 6. ~~Demonstration~~ **Section 223 of the Protecting Access to Medicare Act entities.** (a) The commissioner ~~may operate~~ must request federal approval to participate in the demonstration program established by section 223 of the Protecting Access to Medicare Act and, if approved, to continue to participate in the demonstration program as long as federal funding for the demonstration program remains available from the United States Department of Health and Human Services. To the extent practicable, the commissioner shall align the requirements of the demonstration program with the requirements under this section for CCBHCs receiving medical assistance reimbursement under the authority of the state's Medicaid state plan. A CCBHC may not apply to participate as a billing provider in both the CCBHC federal demonstration and the benefit for CCBHCs under the medical assistance program.

(b) The commissioner must follow federal payment guidance, including payment of the CCBHC daily bundled rate for services rendered by CCBHCs to individuals who are dually eligible for Medicare and medical assistance when Medicare is the primary payer for the service. Services provided by a CCBHC operating under the authority of the state's Medicaid state plan will not receive the prospective payment system rate for services rendered by CCBHCs to individuals who are dually eligible for Medicare and medical assistance when Medicare is the primary payer for the service.

(c) Payment for services rendered by CCBHCs to individuals who have commercial insurance as the primary payer and medical assistance as secondary payer is subject to the requirements under section 256B.37. Services provided by a CCBHC operating under the authority of the 223 demonstration or the state's Medicaid state plan will not receive the prospective payment system rate for services rendered by CCBHCs to individuals who have commercial insurance as the primary payer and medical assistance as the secondary payer.

EFFECTIVE DATE. Paragraph (a) is effective upon federal approval to return to the demonstration under section 223 of the Protecting Access to Medicare Act. The commissioner of

human services shall inform the revisor of statutes when federal approval is obtained. Paragraphs (b) and (c) are effective the day following final enactment.

Sec. 19. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 7. **Addition of CCBHCs to section 223 state demonstration programs.** (a) If the commissioner's request under subdivision 6 to reenter the demonstration program established by section 223 of the Protecting Access to Medicare Act is approved, upon reentry the commissioner must follow all federal guidance on the addition of CCBHCs to section 223 state demonstration programs.

(b) Prior to participating in the demonstration, a CCBHC must meet the demonstration certification criteria and prospective payment system guidance in effect at that time and be certified as a CCBHC by the state. The Substance Abuse and Mental Health Services Administration attestation process for CCBHC expansion grants is not sufficient to constitute state certification. CCBHCs newly added to the demonstration must participate in all aspects of the state demonstration program, including but not limited to quality measurement and reporting, evaluation activities, and state CCBHC demonstration program requirements, such as use of state-specified evidence-based practices. A newly added CCBHC must report on quality measures before its first full demonstration year if it joined the demonstration program in calendar year 2023 out of alignment with the state's demonstration year cycle. A CCBHC may provide services in multiple locations and in community-based settings subject to federal rules of the 223 demonstration authority or Medicaid state plan authority.

(c) If a CCBHC meets the definition of a satellite facility, as defined by the Substance Abuse and Mental Health Services Administration, and was established after April 1, 2014, the CCBHC cannot receive payment as a part of the demonstration program.

EFFECTIVE DATE. This section is effective contingent on federal approval to return to the demonstration under section 223 of the Protecting Access to Medicare Act. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 8. **Grievance procedures required.** CCBHCs and designated collaborating organizations must allow all service recipients access to grievance procedures, which must satisfy the minimum requirements of medical assistance and other grievance requirements such as those that may be mandated by relevant accrediting entities.

Sec. 21. Minnesota Statutes 2022, section 256B.0625, subdivision 5m, is amended to read:

Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical assistance covers services provided by a not-for-profit certified community behavioral health clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

(b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an eligible service is delivered using the CCBHC daily bundled rate system for medical assistance payments as described in paragraph (c). The commissioner shall include a quality incentive payment in the

CCBHC daily bundled rate system as described in paragraph (e). There is no county share for medical assistance services when reimbursed through the CCBHC daily bundled rate system.

(c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC payments under medical assistance meets the following requirements:

(1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable CCBHC costs divided by the total annual number of CCBHC visits. For calculating the payment rate, total annual visits include visits covered by medical assistance and visits not covered by medical assistance. Allowable costs include but are not limited to the salaries and benefits of medical assistance providers; the cost of CCBHC services provided under section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as insurance or supplies needed to provide CCBHC services;

(2) payment shall be limited to one payment per day per medical assistance enrollee when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or licensed agency employed by or under contract with a CCBHC;

(3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735, subdivision 3, shall be established by the commissioner using a provider-specific rate based on the newly certified CCBHC's audited historical cost report data adjusted for the expected cost of delivering CCBHC services. Estimates are subject to review by the commissioner and must include the expected cost of providing the full scope of CCBHC services and the expected number of visits for the rate period;

(4) the commissioner shall rebase CCBHC rates once every ~~three~~ two years following the last rebasing and no less than 12 months following an initial rate or a rate change due to a change in the scope of services;

(5) the commissioner shall provide for a 60-day appeals process after notice of the results of the rebasing;

(6) ~~the CCBHC daily bundled rate under this section does not apply to services rendered by CCBHCs to individuals who are dually eligible for Medicare and medical assistance when Medicare is the primary payer for the service.~~ an entity that receives a CCBHC daily bundled rate system that overlaps with the CCBHC another federal Medicaid rate is not eligible for the CCBHC rate methodology;

(7) payments for CCBHC services to individuals enrolled in managed care shall be coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall complete the phase-out of CCBHC wrap payments within 60 days of the implementation of the CCBHC daily bundled rate system in the Medicaid Management Information System (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments due made payable to CCBHCs no later than 18 months thereafter;

(8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each provider-specific rate by the Medicare Economic Index for primary care services. This update shall

occur each year in between rebasing periods determined by the commissioner in accordance with clause (4). CCBHCs must provide data on costs and visits to the state annually using the CCBHC cost report established by the commissioner; and

(9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of services when such changes are expected to result in an adjustment to the CCBHC payment rate by 2.5 percent or more. The CCBHC must provide the commissioner with information regarding the changes in the scope of services, including the estimated cost of providing the new or modified services and any projected increase or decrease in the number of visits resulting from the change. Estimated costs are subject to review by the commissioner. Rate adjustments for changes in scope shall occur no more than once per year in between rebasing periods per CCBHC and are effective on the date of the annual CCBHC rate update.

(d) Managed care plans and county-based purchasing plans shall reimburse CCBHC providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of this requirement on the rate of access to the services delivered by CCBHC providers. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

(e) The commissioner shall implement a quality incentive payment program for CCBHCs that meets the following requirements:

(1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric thresholds for performance metrics established by the commissioner, in addition to payments for which the CCBHC is eligible under the CCBHC daily bundled rate system described in paragraph (c);

(2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement year to be eligible for incentive payments;

(3) each CCBHC shall receive written notice of the criteria that must be met in order to receive quality incentive payments at least 90 days prior to the measurement year; and

(4) a CCBHC must provide the commissioner with data needed to determine incentive payment eligibility within six months following the measurement year. The commissioner shall notify CCBHC providers of their performance on the required measures and the incentive payment amount within 12 months following the measurement year.

(f) All claims to managed care plans for CCBHC services as provided under this section shall be submitted directly to, and paid by, the commissioner on the dates specified no later than January 1 of the following calendar year, if:

(1) one or more managed care plans does not comply with the federal requirement for payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42, section 447.45(b),

and the managed care plan does not resolve the payment issue within 30 days of noncompliance; and

(2) the total amount of clean claims not paid in accordance with federal requirements by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims eligible for payment by managed care plans.

If the conditions in this paragraph are met between January 1 and June 30 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on January 1 of the following year. If the conditions in this paragraph are met between July 1 and December 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on July 1 of the following year.

(g) Peer services provided by a CCBHC certified under section 245.735 are a covered service under medical assistance when a licensed mental health professional or alcohol and drug counselor determines that peer services are medically necessary. Eligibility under this subdivision for peer services provided by a CCBHC supersede eligibility standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8).

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 22. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; TRANSITION TO LICENSURE.**

(a) The commissioner of human services must transition the following mental health services from certification under Minnesota Statutes, chapters 245 and 256B, to licensure under Minnesota Statutes, chapter 245A, on or before January 1, 2026:

- (1) certified community behavioral health clinics;
- (2) adult rehabilitative mental health services;
- (3) mobile mental health crisis response services;
- (4) children's therapeutic services and supports; and
- (5) community mental health centers.

(b) The transition to licensure under this section must be according to the Mental Health Uniform Service Standards in Minnesota Statutes, chapter 245I.

(c) No later than January 1, 2025, the commissioner must submit the proposed legislation necessary to implement the transition in paragraphs (a) and (b) to the chairs and ranking minority members of the legislative committees with jurisdiction over behavioral health services.

(d) The commissioner must consult with stakeholders to develop the legislation described in paragraph (c).

ARTICLE 19**FORECAST ADJUSTMENTS****Section 1. HUMAN SERVICES FORECAST ADJUSTMENTS.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2021, First Special Session chapter 7, article 15, and Laws 2021, First Special Session chapter 7, article 16, from the general fund, or any other fund named, to the commissioner of human services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figure "2023" used in this article means that the appropriations listed are available for the fiscal year ending June 30, 2023.

APPROPRIATIONS
Available for the Year
Ending June 30
2023

Sec. 2. COMMISSIONER OF HUMAN SERVICES

Subdivision 1. Total Appropriation **\$ (1,459,845,000)**

Appropriations by Fund**2023**

<u>General</u>	<u>(1,235,088,000)</u>
<u>Health Care Access</u>	<u>(203,530,000)</u>
<u>Federal TANF</u>	<u>(21,227,000)</u>

Subd. 2. Forecasted Programs

(a) Minnesota Family Investment Program (MFIP)/Diversionary Work Program (DWP)

Appropriations by Fund**2023**

<u>General</u>	<u>(99,000)</u>
<u>Federal TANF</u>	<u>(21,227,000)</u>

(b) MFIP Child Care Assistance **(36,957,000)**

(c) General Assistance **(1,632,000)**

(d) Minnesota Supplemental Aid **783,000**

(e) Housing Support **180,000**

(f) Northstar Care for Children **(18,038,000)**

(g) MinnesotaCare **(203,530,000)**

This appropriation is from the health care access fund.

(h) Medical Assistance (1,172,921,000)

(i) Behavioral Health Fund (6,404,000)

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 20

APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

APPROPRIATIONS

Available for the Year

Ending June 30

2024

2025

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** \$ **4,245,412,000** \$ **4,247,175,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,045,462,000</u>	<u>2,634,212,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>4,901,000</u>	<u>5,409,000</u>
<u>Health Care Access</u>	<u>917,933,000</u>	<u>1,328,004,000</u>
<u>Federal TANF</u>	<u>276,953,000</u>	<u>279,387,000</u>
<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. TANF Maintenance of Effort

(a) Nonfederal expenditures. The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's maintenance of effort requirements of the TANF block grant specified under Code of Federal Regulations, title 45, section 263.1. In order to meet these basic TANF maintenance of effort requirements, the commissioner may report as TANF maintenance of effort expenditures only nonfederal money expended for allowable activities listed in the following clauses:

(1) MFIP cash, diversionary work program, and food assistance benefits under Minnesota Statutes, chapter 256J;

(2) the child care assistance programs under Minnesota Statutes, sections 119B.03 and 119B.05, and county child care administrative costs under Minnesota Statutes, section 119B.15;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 256J and 256K;

(4) state, county, and Tribal MFIP employment services under Minnesota Statutes, chapters 256J and 256K;

(5) expenditures made on behalf of legal noncitizen MFIP recipients who qualify for the MinnesotaCare program under Minnesota Statutes, chapter 256L;

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671;

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674; and

(8) qualifying Head Start expenditures under Minnesota Statutes, section 119A.50.

(b) Nonfederal expenditures; reporting. For the activities listed in paragraph (a), clauses (2) to (8), the commissioner may report only expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31.

(c) Limitations; exceptions. The commissioner must not claim an amount of TANF maintenance of effort in excess of the 75 percent standard in Code of Federal Regulations, title 45, section 263.1(a)(2), except:

(1) to the extent necessary to meet the 80 percent standard under Code of Federal Regulations, title 45, section 263.1(a)(1), if it is determined by the commissioner that the state will not meet the TANF work participation target rate for the current year;

(2) to provide any additional amounts under Code of Federal Regulations, title 45, section 264.5, that relate to replacement of TANF funds due to the operation of TANF penalties; and

(3) to provide any additional amounts that may contribute to avoiding or reducing TANF work participation penalties through the operation of the excess maintenance of effort provisions of Code of Federal Regulations, title 45, section 261.43(a)(2).

(d) Supplemental expenditures. For the purposes of paragraph (c), the commissioner may supplement the maintenance of effort claim with working family credit expenditures or other qualified expenditures to the extent such expenditures are otherwise

available after considering the expenditures allowed in this subdivision.

(e) Reduction of appropriations; exception.

The requirement in Minnesota Statutes, section 256.011, subdivision 3, that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law does not apply if the grants or aids are federal TANF funds.

(f) IT appropriations generally.

This appropriation includes funds for information technology projects, services, and support. Notwithstanding Minnesota Statutes, section 16E.0466, funding for information technology project costs must be incorporated into the service level agreement and paid to Minnesota IT Services by the Department of Human Services under the rates and mechanism specified in that agreement.

(g) Receipts for systems project.

Appropriations and federal receipts for information technology systems projects for MAXIS, PRISM, MMIS, ISDS, METS, and SSIS must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for information technology projects approved by the commissioner of Minnesota IT Services funded by the legislature, and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of human services considers necessary. Any unexpended balance in the appropriation for these projects does not cancel and is available for ongoing development and operations.

(h) Federal SNAP education and training grants.

Federal funds available during fiscal years 2024 and 2025 for Supplemental Nutrition Assistance Program Education and

Training and SNAP Quality Control Performance Bonus grants are appropriated to the commissioner of human services for the purposes allowable under the terms of the federal award. This paragraph is effective the day following final enactment.

Subd. 3. Central Office; Operations

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>336,074,000</u>	<u>240,504,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>4,776,000</u>	<u>4,284,000</u>
<u>Health Care Access</u>	<u>18,857,000</u>	<u>20,754,000</u>
<u>Federal TANF</u>	<u>1,090,000</u>	<u>1,194,000</u>

(a) Administrative recovery; set-aside. The commissioner may invoice local entities through the SWIFT accounting system as an alternative means to recover the actual cost of administering the following provisions:

(1) the statewide data management system authorized in Minnesota Statutes, section 125A.744, subdivision 3;

(2) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 245.495, paragraph (b);

(3) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 256B.0625, subdivision 20, paragraph (k);

(4) targeted case management under Minnesota Statutes, section 256B.0924, subdivision 6, paragraph (g);

(5) residential services for children with severe emotional disturbance under Minnesota Statutes, section 256B.0945, subdivision 4, paragraph (d); and

(6) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 256F.10, subdivision 6, paragraph (b).

(b) Service delivery transformation.
\$41,048,000 in fiscal year 2024 is from the general fund for service delivery transformation projects.

(c) Integrated services for children and families.
\$16,941,000 in fiscal year 2024 and \$4,324,000 in fiscal year 2025 are from the general fund for integrated services for children and families projects. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$613,000 of the appropriation in fiscal year 2024 is available until June 30, 2029, and \$630,000 of the appropriation in fiscal year 2025 is available until June 30, 2029. This is a onetime appropriation.

(d) Medicaid management information system modernization.
\$10,606,000 in fiscal year 2024 is from the general fund for Medicaid management information system modernization projects. This is a onetime appropriation.

(e) Provider licensing and reporting hub.
\$8,542,000 in fiscal year 2024 and \$15,767,000 in fiscal year 2025 are from the general fund for provider licensing and reporting hub projects. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$2,479,000 of the appropriation in fiscal year 2024 is available until June 30, 2027, and \$8,358,000 of the appropriation in fiscal year 2025 is available until June 30, 2027. This is a onetime appropriation.

(f) Improving the Minnesota eligibility technology system functionality.
\$28,460,000 in fiscal year 2024 is from the general fund for projects to improve the Minnesota eligibility technology system functionality.

(g) Carryforward authority.
Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$322,000 of the

appropriation in fiscal year 2024 is available until June 30, 2027, and \$77,000 of the appropriation in fiscal year 2025 is available until June 30, 2027.

(h) **Base level adjustment.** The general fund base is \$228,150,000 in fiscal year 2026 and \$229,956,000 in fiscal year 2027. The state government special revenue base is \$4,880,000 in fiscal year 2026 and \$4,880,000 in fiscal year 2027.

Subd. 4. **Central Office; Children and Families**

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>57,107,000</u>	<u>43,515,000</u>
<u>Federal TANF</u>	<u>2,582,000</u>	<u>2,582,000</u>

(a) **Quadrennial review of child support guidelines.** \$64,000 in fiscal year 2024 and \$32,000 in fiscal year 2025 are from the general fund for a quadrennial review of child support guidelines.

(b) **Transfer.** The commissioner must transfer \$64,000 in fiscal year 2024 and \$32,000 in fiscal year 2025 from the general fund to the special revenue fund to be used for the quadrennial review of child support guidelines.

(c) **Child care and early education professional wage scale and comparable competencies analysis.** \$778,000 in fiscal year 2024 and \$730,000 in fiscal year 2025 are from the general fund for child care and early education professional wage scale and comparable competencies analysis. This is a onetime appropriation. The commissioner may execute, as necessary to complete this analysis, interagency agreements with the commissioners of education, employment and economic development, and management and budget.

(d) **Cost estimation model for early care and learning programs.** \$100,000 in fiscal year 2024 is from the general fund for

developing a cost estimation model for providing early care and learning.

(e) Integrated services for children and families. \$8,302,000 in fiscal year 2024 and \$6,776,000 in fiscal year 2025 are from the general fund for integrated services for children and families projects. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$2,041,000 of the appropriation in fiscal year 2024 is available until June 30, 2027, and \$4,261,000 is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$4,586,000 of the appropriation in fiscal year 2025 is available until June 30, 2029. This is a onetime appropriation.

(f) Carryforward authority. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$4,992,000 of the appropriation in fiscal year 2024 is available until June 30, 2027, and \$2,413,000 is available until June 30, 2028.

(g) IT systems improvements for children and families. \$20,000,000 in fiscal year 2024 is from the general fund for information technology improvements for programs for children and families. This appropriation must be deposited in the state systems account under Minnesota Statutes, section 256.014, subdivision 2, and must only be expended according to the requirements of article 12, section 31. The commissioner of human services may transfer funds from this appropriation to the commissioner of education, Minnesota IT Services, or the commissioner of children, youth, and families to develop and implement the plan under article 12, section 31. The commissioner of human services must transfer any unexpended amounts and any federal funds attributable to expenditures under this paragraph to the commissioner of children, youth, and families according to the requirements of Minnesota Statutes,

section 15.039, subdivision 6. This is a onetime appropriation.

(h) **Base level adjustment.** The general fund base is \$35,889,000 in fiscal year 2026 and \$35,466,000 in fiscal year 2027.

Subd. 5. **Central Office; Health Care**

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>35,807,000</u>	<u>31,349,000</u>
<u>Health Care Access</u>	<u>30,668,000</u>	<u>50,168,000</u>

(a) **Medical assistance and MinnesotaCare accessibility improvements.** \$4,000,000 in fiscal year 2024 is from the general fund for interactive voice response upgrades and translation services for medical assistance and MinnesotaCare enrollees with limited English proficiency. This appropriation is available until June 30, 2025.

(b) **Transforming service delivery.** \$155,000 in fiscal year 2024 and \$180,000 in fiscal year 2025 are from the general fund for transforming service delivery projects.

(c) **Improving the Minnesota eligibility technology system functionality.** \$1,604,000 in fiscal year 2024 and \$711,000 in fiscal year 2025 are from the general fund for improving the Minnesota eligibility technology system functionality. The base for this appropriation is \$1,421,000 in fiscal year 2026 and \$0 in fiscal year 2027.

(d) **Actuarial and economic analyses.** \$2,500,000 is from the health care access fund for actuarial and economic analyses and to prepare and submit a state innovation waiver under section 1332 of the federal Affordable Care Act for a Minnesota public option health care plan. This is a onetime appropriation and is available until June 30, 2025.

(e) **Contingent appropriation for Minnesota public option health care plan.** \$22,000,000 in fiscal year 2025 is from the

health care access fund to implement a Minnesota public option health care plan. This is a onetime appropriation and is available upon approval of a state innovation waiver under section 1332 of the federal Affordable Care Act. This appropriation is available until June 30, 2027.

(f) Carryforward authority. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$2,367,000 of the appropriation in fiscal year 2024 is available until June 30, 2027.

(g) Base level adjustment. The general fund base is \$32,315,000 in fiscal year 2026 and \$27,536,000 in fiscal year 2027. The health care access fund base is \$28,168,000 in fiscal year 2026 and \$28,168,000 in fiscal year 2027.

Subd. 6. Central Office; Aging and Disabilities Services

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>38,759,000</u>	<u>34,721,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>125,000</u>	<u>125,000</u>

Base level adjustment. The general fund base is \$34,688,000 in fiscal year 2026 and \$34,688,000 in fiscal year 2027.

Subd. 7. Central Office; Behavioral Health, Deaf and Hard of Hearing, and Housing Services

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>27,870,000</u>	<u>27,592,000</u>
<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>

(a) Homeless management system. \$250,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are from the general fund for a homeless management information system. The base for this appropriation is \$1,140,000 in fiscal year 2026 and \$1,140,000 in fiscal year 2027.

(b) Online behavioral health program locator. \$959,000 in fiscal year 2024 and \$959,000 in fiscal year 2025 are from the general fund for an online behavioral health program locator.

(c) Integrated services for children and families. \$286,000 in fiscal year 2024 and \$286,000 in fiscal year 2025 are from the general fund for integrated services for children and families projects. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$1,797,000 of the appropriation in fiscal year 2024 is available until June 30, 2027.

(d) Carryforward authority. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$842,000 of the appropriation in fiscal year 2024 is available until June 30, 2027, and \$852,000 of the appropriation in fiscal year 2025 is available until June 30, 2028.

(f) Base level adjustment. The general fund base is \$25,243,000 in fiscal year 2026 and \$24,682,000 in fiscal year 2027.

Subd. 8. Forecasted Programs; MFIP/DWP

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>82,652,000</u>	<u>90,798,000</u>
<u>Federal TANF</u>	<u>105,337,000</u>	<u>107,667,000</u>

<u>Subd. 9. Forecasted Programs; MFIP Child Care Assistance</u>	<u>38,745,000</u>	<u>144,051,000</u>
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<u>Subd. 10. Forecasted Programs; General Assistance</u>	<u>52,026,000</u>	<u>69,820,000</u>
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Emergency general assistance. The amount appropriated for emergency general assistance is limited to no more than \$6,729,812 in fiscal year 2024 and \$6,729,812 in fiscal year 2025. Funds to counties shall be allocated by the commissioner using the allocation method under Minnesota Statutes, section 256D.06.

<u>Subd. 11. Forecasted Programs; Minnesota Supplemental Assistance</u>	<u>58,548,000</u>	<u>60,358,000</u>
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<u>Subd. 12. Forecasted Programs; Housing Support</u>	<u>212,216,000</u>	<u>225,236,000</u>
<u>Subd. 13. Forecasted Programs; Northstar Care for Children</u>	<u>113,912,000</u>	<u>124,546,000</u>
<u>Subd. 14. Forecasted Programs; MinnesotaCare</u>	<u>88,889,000</u>	<u>59,513,000</u>

This appropriation is from the health care access fund.

Subd. 15. Forecasted Programs; Medical Assistance

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>1,191,783,000</u>	<u>794,613,000</u>
<u>Health Care Access</u>	<u>776,054,000</u>	<u>1,194,104,000</u>

The health care access fund base is \$1,003,980,000 in fiscal year 2026 and \$866,308,000 in fiscal year 2027.

<u>Subd. 16. Forecasted Programs; Alternative Care</u>	<u>59,000</u>	<u>232,000</u>
<u>Subd. 17. Forecasted Programs; Behavioral Health Fund</u>	<u>351,000</u>	<u>350,000</u>

Subd. 18. Grant Programs; Support Services Grants

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
<u>Federal TANF</u>	<u>96,311,000</u>	<u>96,311,000</u>

<u>Subd. 19. Grant Programs; Basic Sliding Fee Child Assistance Care Grants</u>	<u>57,953,000</u>	<u>107,346,000</u>
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The general fund base is \$137,768,000 in fiscal year 2026 and \$135,212,000 in fiscal year 2027.

<u>Subd. 20. Grant Programs; Child Care Development Grants</u>	<u>157,070,000</u>	<u>216,844,000</u>
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(a) Great start compensation support payments. \$109,665,000 in fiscal year 2024 and \$206,436,000 in fiscal year 2025 are for the great start compensation support payments under Minnesota Statutes, section 119B.27. The base for this appropriation is \$129,887,000 in fiscal year 2026 and \$129,887,000 in fiscal year 2027. The appropriations in fiscal year 2024 and fiscal year 2025 are available until June 30, 2027.

(b) **Transition grant program.** \$42,542,000 in fiscal year 2024 is for transition grants for child care providers that intend to participate in the great start compensation program. This is a onetime appropriation and is available until June 30, 2027.

(c) **REETAIN grant program.** \$1,951,000 in fiscal year 2024 and \$1,951,000 in fiscal year 2025 are for the REETAIN grant program under Minnesota Statutes, section 119B.195. The general fund base for this appropriation is \$750,000 in fiscal year 2026 and \$750,000 in fiscal year 2027.

(d) **Child care workforce development grants administration.** \$1,300,000 in fiscal year 2025 is for a grant to the statewide child care resource and referral network to administer child care workforce development grants under Minnesota Statutes, section 119B.19, subdivision 7, clause (10).

(e) **TEACH scholarship program.** \$695,000 in fiscal year 2025 is for a scholarship program for early childhood and school-age educators under Minnesota Statutes, section 119B.251.

(f) **Early childhood registered apprenticeship grant program.** \$1,175,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for the early childhood registered apprenticeship grant program under Minnesota Statutes, section 119B.252. This appropriation is available until June 30, 2027. The base for this appropriation is \$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027.

(g) **Family, friend, and neighbor grant program.** \$2,725,000 in fiscal year 2025 is for the family, friend, and neighbor grant program under Minnesota Statutes, section 119B.196. The base for this appropriation is \$2,225,000 in fiscal year 2026 and \$2,225,000 in fiscal year 2027.

(h) Base level adjustment. The general fund base is \$137,594,000 in fiscal year 2026 and \$137,594,000 in fiscal year 2027.

Subd. 21. Grant Programs; Child Support Enforcement Grants

50,000

50,000

Subd. 22. Grant Programs; Children's Services Grants

Appropriations by Fund

<u>General</u>	<u>86,212,000</u>	<u>85,063,000</u>
<u>Federal TANF</u>	<u>140,000</u>	<u>140,000</u>

(a) Title IV-E Adoption Assistance. The commissioner shall allocate funds from the state's savings from the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance as required in Minnesota Statutes, section 256N.261, and as allowable under federal law. Additional savings to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance is for postadoption, foster care, adoption, and kinship services, including a parent-to-parent support network and as allowable under federal law.

(b) Mille Lacs Band of Ojibwe American Indian child welfare initiative. \$3,337,000 in fiscal year 2024 and \$5,294,000 in fiscal year 2025 are from the general fund for the Mille Lacs Band of Ojibwe to join the American Indian child welfare initiative. The base for this appropriation is \$7,893,000 in fiscal year 2026 and \$7,893,000 in fiscal year 2027.

(c) Leech Lake Band of Ojibwe American Indian child welfare initiative. \$1,848,000 in fiscal year 2024 and \$1,848,000 in fiscal year 2025 are from the general fund for the Leech Lake Band of Ojibwe to participate in the American Indian child welfare initiative.

(d) Red Lake Band of Chippewa American Indian child welfare initiative. \$3,000,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 are from the general fund for the Red Lake Band of Chippewa to participate in the American Indian child welfare initiative.

(e) White Earth Nation American Indian child welfare initiative. \$3,776,000 in fiscal year 2024 and \$3,776,000 in fiscal year 2025 are from the general fund for the White Earth Nation to participate in the American Indian child welfare initiative.

(f) Indian Child welfare grants. \$4,405,000 in fiscal year 2024 and \$4,405,000 in fiscal year 2025 are from the general fund for Indian child welfare grants under Minnesota Statutes, section 260.785. The base for this appropriation is \$4,640,000 in fiscal year 2026 and \$4,640,000 in fiscal year 2027.

(g) Child welfare staff allocation for Tribes. \$799,000 in fiscal year 2024 and \$799,000 in fiscal year 2025 are from the general fund for grants to Tribes for child welfare staffing under Minnesota Statutes, section 260.786.

(h) Grants for kinship navigator services. \$764,000 in fiscal year 2024 and \$764,000 in fiscal year 2025 are from the general fund for grants for kinship navigator services and grants to Tribal Nations for kinship navigator services under Minnesota Statutes, section 256.4794. The base for this appropriation is \$506,000 in fiscal year 2026 and \$507,000 in fiscal year 2027.

(i) Family first prevention and early intervention assessment response grants. \$4,000,000 in fiscal year 2024 and \$6,112,000 in fiscal year 2025 are from the general fund for family assessment response grants under Minnesota Statutes, section 260.014. The base for this appropriation is

\$6,000,000 in fiscal year 2026 and \$6,000,000 in fiscal year 2027.

(j) Grants for evidence-based prevention and early intervention services. \$4,329,000 in fiscal year 2024 and \$4,100,000 in fiscal year 2025 are from the general fund for grants to support evidence-based prevention and early intervention services under Minnesota Statutes, section 256.4793.

(k) Grant to administer pool of qualified individuals for assessments. \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are from the general fund for grants to establish and manage a pool of state-funded qualified individuals to conduct assessments for out-of-home placement of a child in a qualified residential treatment program.

(l) Quality parenting initiative grant program. \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are from the general fund for a grant to Quality Parenting Initiative Minnesota under Minnesota Statutes, section 245.0962.

(m) STAY in the community grants. \$1,579,000 in fiscal year 2024 and \$2,247,000 in fiscal year 2025 are from the general fund for the STAY in the community program under Minnesota Statutes, section 260C.452. This is a onetime appropriation and is available until June 30, 2027.

(n) Grants for community resource centers. \$5,657,000 in fiscal year 2024 is from the general fund for grants to establish a network of community resource centers. This is a onetime appropriation and is available until June 30, 2027.

(o) Family assets for independence in Minnesota. \$1,405,000 in fiscal year 2024 and \$1,391,000 in fiscal year 2025 are from the general fund for the family assets for independence in Minnesota program, under Minnesota Statutes, section 256E.35. This is

a onetime appropriation and is available until June 30, 2027.

(p) **Base level adjustment.** The general fund base is \$85,280,000 in fiscal year 2026 and \$85,281,000 in fiscal year 2027.

Subd. 23. **Grant Programs; Children and Community Service Grants**

63,559,000

63,560,000

Base level adjustment. The general fund base is \$60,856,000 in fiscal year 2026 and \$60,856,000 in fiscal year 2027.

Subd. 24. **Grant Programs; Children and Economic Support Grants**

212,877,000

78,333,000

(a) **Fraud prevention initiative start-up grants.** \$400,000 in fiscal year 2024 is for start-up grants to the Red Lake Nation, White Earth Nation, and Mille Lacs Band of Ojibwe to develop a fraud prevention program. This is a onetime appropriation and is available until June 30, 2025.

(b) **American Indian food sovereignty funding program.** \$3,000,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 are for Minnesota Statutes, section 256E.342. This appropriation is available until June 30, 2025. The base for this appropriation is \$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027.

(c) **Hennepin County grants to provide services to people experiencing homelessness.** \$11,432,000 in fiscal year 2024 is for grants to maintain capacity for shelters and services provided to persons experiencing homelessness in Hennepin County. Of this amount:

(1) \$4,500,000 is for a grant to Avivo Village;

(2) \$2,000,000 is for a grant to the American Indian Community Development Corporation Homeward Bound shelter;

(3) \$1,650,000 is for a grant to the Salvation Army Harbor Lights shelter;

(4) \$500,000 is for a grant to Agate Housing and Services;

(5) \$1,400,000 is for a grant to Catholic Charities of St. Paul and Minneapolis;

(6) \$450,000 is for a grant to Simpson Housing; and

(7) \$932,000 is for a grant to Hennepin County.

Nothing shall preclude an eligible organization receiving funding under this paragraph from applying for and receiving funding under Minnesota Statutes, section 256E.33, 256E.36, 256K.45, or 256K.47, nor does receiving funding under this paragraph count against any eligible organization in the competitive processes related to those grant programs under Minnesota Statutes, section 256E.33, 256E.36, 256K.45, or 256K.47.

(d) **Diaper distribution grant program.** \$545,000 in fiscal year 2024 and \$553,000 in fiscal year 2025 are for a grant to the Diaper Bank of Minnesota under Minnesota Statutes, section 256E.38.

(e) **Prepared meals food relief.** \$1,654,000 in fiscal year 2024 and \$1,638,000 in fiscal year 2025 are for prepared meals food relief grants. This is a onetime appropriation.

(f) **Emergency shelter facilities.** \$98,456,000 in fiscal year 2024 is for grants to eligible applicants for emergency shelter facilities. This is a onetime appropriation and is available until June 30, 2028.

(g) **Homeless youth cash stipend pilot project.** \$5,302,000 in fiscal year 2024 is for a grant to Youthprise for the homeless youth cash stipend pilot project. The grant must be used to provide cash stipends to homeless youth, provide cash incentives for stipend

recipients to participate in periodic surveys, provide youth-designed optional services, and complete a legislative report. This is a onetime appropriation and is available until June 30, 2028.

(h) Heading Home Ramsey County continuum of care grants. \$11,432,000 in fiscal year 2024 is for grants to maintain capacity for shelters and services provided to people experiencing homelessness in Ramsey County. Of this amount:

(1) \$2,286,000 is for a grant to Catholic Charities of St. Paul and Minneapolis;

(2) \$1,498,000 is for a grant to More Doors;

(3) \$1,734,000 is for a grant to Interfaith Action Project Home;

(4) \$2,248,000 is for a grant to Ramsey County;

(5) \$689,000 is for a grant to Radas Health;

(6) \$493,000 is for a grant to The Listening House;

(7) \$512,000 is for a grant to Face to Face; and

(8) \$1,972,000 is for a grant to the city of St. Paul.

Nothing shall preclude an eligible organization receiving funding under this paragraph from applying for and receiving funding under Minnesota Statutes, section 256E.33, 256E.36, 256K.45, or 256K.47, nor does receiving funding under this paragraph count against any eligible organization in the competitive processes related to those grant programs under Minnesota Statutes, section 256E.33, 256E.36, 256K.45, or 256K.47.

(i) Capital for emergency food distribution facilities. \$7,000,000 in fiscal year 2024 is for improving and expanding the

infrastructure of food shelf facilities. Grant money must be made available to nonprofit organizations, federally recognized Tribes, and local units of government. This is a onetime appropriation and is available until June 30, 2027.

(j) Emergency services program grants. \$15,250,000 in fiscal year 2024 and \$14,750,000 in fiscal year 2025 are for emergency services grants under Minnesota Statutes, section 256E.36. Any unexpended amount in the first year does not cancel and is available in the second year. The base for this appropriation is \$25,000,000 in fiscal year 2026 and \$30,000,000 in fiscal year 2027.

(k) Homeless Youth Act grants. \$15,136,000 in fiscal year 2024 and \$15,136,000 in fiscal year 2025 are for grants under Minnesota Statutes, section 256K.45, subdivision 1. Any unexpended amount in the first year does not cancel and is available in the second year.

(l) Transitional housing programs. \$3,000,000 in fiscal year 2024 and \$3,000,000 in fiscal year 2025 are for transitional housing programs under Minnesota Statutes, section 256E.33. Any unexpended amount in the first year does not cancel and is available in the second year.

(m) Safe harbor shelter and housing grants. \$2,125,000 in fiscal year 2024 and \$2,125,000 in fiscal year 2025 are for grants under Minnesota Statutes, section 256K.47. Any unexpended amount in the first year does not cancel and is available in the second year. The base for this appropriation is \$1,250,000 in fiscal year 2026 and \$1,250,000 in fiscal year 2027.

(n) Supplemental nutrition assistance program (SNAP) outreach. \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for the SNAP outreach program

under Minnesota Statutes, section 256D.65. The base for this appropriation is \$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027.

(o) **Base level adjustment.** The general fund base is \$83,179,000 in fiscal year 2026 and \$88,179,000 in fiscal year 2027.

Subd. 25. Refugee Services Grants

7,000,000

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New American legal, social services, and long-term care workforce grant program. \$7,000,000 in fiscal year 2024 is for New American legal, social services, and long-term care workforce grants established under 2023 Senate File 2934, article 1, section 60, if legislatively enacted. This appropriation is in addition to any other appropriation made for this purpose. This is a onetime appropriation and is available until June 30, 2027.

Subd. 26. Grant Programs; Health Care Grants

Appropriations by Fund

<u>General</u>	<u>8,561,000</u>	<u>8,561,000</u>
<u>Health Care Access</u>	<u>3,465,000</u>	<u>3,465,000</u>

(a) Grant to Indian Health Board of Minneapolis. \$3,750,000 in fiscal year 2024 and \$3,750,000 in fiscal year 2025 are from the general fund for a grant to the Indian Health Board of Minneapolis to support continued access to health care coverage through medical assistance and MinnesotaCare, improve access to quality care, and increase vaccination rates among urban American Indians. This is a onetime appropriation.

(b) Base level adjustment. The general fund base is \$4,811,000 in fiscal year 2026 and \$4,811,000 in fiscal year 2027.

Subd. 27. Grant Programs; Aging and Adult Services Grants

728,000

728,000

(a) Catholic Charities homeless elders program. \$728,000 in fiscal year 2024 and

\$728,000 in fiscal year 2025 are for a grant to Catholic Charities of St. Paul and Minneapolis for its homeless elders program. This is a onetime appropriation.

(b) **Base level adjustment.** The general fund base is \$0 in fiscal year 2026 and \$0 in fiscal year 2027.

<u>Subd. 28. Grant Programs; Housing Grants</u>	<u>20,014,000</u>	<u>12,014,000</u>
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(a) **AmeriCorps Heading Home Corps.** \$1,650,000 in fiscal year 2024 and \$1,650,000 in fiscal year 2025 are for the AmeriCorps Heading Home Corps program. This is a onetime appropriation and is available until June 30, 2027.

(b) **Base level adjustment.** The general fund base is \$10,364,000 in fiscal year 2026 and \$10,364,000 in fiscal year 2027.

<u>Subd. 29. Grant Programs; Adult Mental Health Grants</u>	<u>132,327,000</u>	<u>121,270,000</u>
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(a) **Mobile crisis grants to Tribal Nations.** \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for mobile crisis grants under Minnesota Statutes section 245.4661, subdivision 9, paragraph (b), clause (15), to Tribal Nations.

(b) **Mental health provider supervision grant program.** \$1,500,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for the mental health provider supervision grant program under Minnesota Statutes, section 245.4663.

(c) **Minnesota State University, Mankato community behavioral health center.** \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 are for a grant to the Center for Rural Behavioral Health at Minnesota State University, Mankato to establish a community behavioral health center and training clinic. The community behavioral health center must provide comprehensive, culturally specific,

trauma-informed, practice- and evidence-based, person- and family-centered mental health and substance use disorder treatment services in Blue Earth County and the surrounding region to individuals of all ages, regardless of an individual's ability to pay or place of residence. The community behavioral health center and training clinic must also provide training and workforce development opportunities to students enrolled in the university's training programs in the fields of social work, counseling and student personnel, alcohol and drug studies, psychology, and nursing. Upon request, the commissioner must make information regarding the use of this grant funding available to the chairs and ranking minority members of the legislative committees with jurisdiction over behavioral health. This is a onetime appropriation and is available until June 30, 2027.

(d) **White Earth Nation; adult mental health initiative.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for adult mental health initiative grants to the White Earth Nation. This is a onetime appropriation.

(e) **Mobile crisis grants.** \$8,472,000 in fiscal year 2024 and \$8,380,000 in fiscal year 2025 are for the mobile crisis grants under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (b), clause (15). This is a onetime appropriation and is available until June 30, 2027.

(f) **Base level adjustment.** The general fund base is \$121,980,000 in fiscal year 2026 and \$121,980,000 in fiscal year 2027.

Subd. 30. Grant Programs; Child Mental Health Grants

44,487,000

37,934,000

(a) **Psychiatric residential treatment facility start-up grants.** \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for psychiatric residential treatment

facility start-up grants under Minnesota Statutes, section 256B.0941, subdivision 5. This is a onetime appropriation and is available until June 30, 2027.

(b) African American Child Wellness Institute. \$2,000,000 in fiscal year 2024 is for a grant to the African American Child Wellness Institute to provide culturally specific mental health and substance use disorder services under Minnesota Statutes, section 245.0961. This is a onetime appropriation and is available until June 30, 2027.

(c) Base level adjustment. The general fund base is \$34,648,000 in fiscal year 2026 and \$34,648,000 in fiscal year 2027.

Subd. 31. Direct Care and Treatment - Mental Health and Substance Abuse

-0- 6,109,000

(a) Keeping Nurses at the Bedside Act; contingent appropriation. The appropriation in this subdivision is contingent upon legislative enactment of 2023 Senate File 1384 by the 93rd Legislature.

(b) Base level adjustment. The general fund base is increased by \$7,566,000 in fiscal year 2026 and increased by \$7,566,000 in fiscal year 2027.

Subd. 32. Technical Activities

71,493,000 71,493,000

This appropriation is from the federal TANF fund.

Sec. 3. COMMISSIONER OF HEALTH

Subdivision 1. Total Appropriation \$ **432,805,000** \$ **416,822,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>287,367,000</u>	<u>265,615,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>84,674,000</u>	<u>86,204,000</u>
<u>Health Care Access</u>	<u>49,051,000</u>	<u>53,290,000</u>
<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Health Improvement

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>229,600,000</u>	<u>210,030,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>12,392,000</u>	<u>12,682,000</u>
<u>Health Care Access</u>	<u>49,051,000</u>	<u>53,290,000</u>
<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

(a) Studies of telehealth expansion and payment parity. \$1,200,000 in fiscal year 2024 is from the general fund for studies of telehealth expansion and payment parity. This is a onetime appropriation and is available until June 30, 2025.

(b) Advancing equity through capacity building and resource allocation grant program. \$916,000 in fiscal year 2024 and \$916,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.9821. This is a onetime appropriation.

(c) Grant to Minnesota Community Health Worker Alliance. \$971,000 in fiscal year 2024 and \$971,000 in fiscal year 2025 are from the general fund for Minnesota Statutes, section 144.1462.

(d) Community solutions for healthy child development grants. \$2,730,000 in fiscal year 2024 and \$2,730,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145.9257. The base for this appropriation is \$2,415,000 in fiscal year 2026 and \$2,415,000 in fiscal year 2027.

(e) Comprehensive Overdose and Morbidity Prevention Act. \$9,794,000 in fiscal year 2024 and \$10,458,000 in fiscal year 2025 are from the general fund for comprehensive overdose and morbidity

prevention strategies under Minnesota Statutes, section 144.0528. The base for this appropriation is \$10,476,000 in fiscal year 2026 and \$10,476,000 in fiscal year 2027.

(f) Emergency preparedness and response. \$10,486,000 in fiscal year 2024 and \$14,314,000 in fiscal year 2025 are from the general fund for public health emergency preparedness and response, the sustainability of the strategic stockpile, and COVID-19 pandemic response transition. The base for this appropriation is \$11,438,000 in fiscal year 2026 and \$11,362,000 in fiscal year 2027.

(g) Healthy Beginnings, Healthy Families.

(1) \$8,440,000 in fiscal year 2024 and \$7,305,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, sections 145.9571 to 145.9576. The base for this appropriation is \$1,500,000 in fiscal year 2026 and \$1,500,000 in fiscal year 2027. (2) Of the amount in clause (1), \$400,000 in fiscal year 2024 is to support the transition from implementation of activities under Minnesota Statutes, section 145.4235, to implementation of activities under Minnesota Statutes, sections 145.9571 to 145.9576. The commissioner shall award four sole-source grants of \$100,000 each to Face to Face, Cradle of Hope, Division of Indian Work, and Minnesota Prison Doula Project. The amount in this clause is a onetime appropriation.

(h) Help Me Connect. \$463,000 in fiscal year 2024 and \$921,000 in fiscal year 2025 are from the general fund for the Help Me Connect program under Minnesota Statutes, section 145.988.

(i) Home visiting. \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are from the general fund for home visiting under Minnesota Statutes, section 145.87, to provide home visiting to priority populations

under Minnesota Statutes, section 145.87, subdivision 1, paragraph (e).

(j) **No Surprises Act enforcement.** \$1,210,000 in fiscal year 2024 and \$1,090,000 in fiscal year 2025 are from the general fund for implementation of the federal No Surprises Act under Minnesota Statutes, section 62Q.021, and an assessment of the feasibility of a statewide provider directory. The general fund base for this appropriation is \$855,000 in fiscal year 2026 and \$855,000 in fiscal year 2027.

(k) **Office of African American Health.** \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are from the general fund for grants under the authority of the Office of African American Health under Minnesota Statutes, section 144.0756.

(l) **Office of American Indian Health.** \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are from the general fund for grants under the authority of the Office of American Indian Health under Minnesota Statutes, section 144.0757.

(m) **Public health system transformation grants.** (1) \$9,844,000 in fiscal year 2024 and \$9,844,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145A.131, subdivision 1, paragraph (f).

(2) \$535,000 in fiscal year 2024 and \$535,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145A.14, subdivision 2b.

(3) \$321,000 in fiscal year 2024 and \$321,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.0759.

(n) **Health care workforce.** (1) \$1,010,000 in fiscal year 2024 and \$2,550,000 in fiscal year 2025 are from the health care access

fund for rural training tracks and rural clinicals grants under Minnesota Statutes, sections 144.1505 and 144.1507. The base for this appropriation is \$4,060,000 in fiscal year 2026 and \$3,600,000 in fiscal year 2027.

(2) \$420,000 in fiscal year 2024 and \$420,000 in fiscal year 2025 are from the health care access fund for immigrant international medical graduate training grants under Minnesota Statutes, section 144.1911.

(3) \$5,654,000 in fiscal year 2024 and \$5,550,000 in fiscal year 2025 are from the health care access fund for site-based clinical training grants under Minnesota Statutes, section 144.1508. The base for this appropriation is \$4,657,000 in fiscal year 2026 and \$3,451,000 in fiscal year 2027.

(4) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are from the health care access fund for mental health for health care professional grants. This is a onetime appropriation and is available until June 30, 2027.

(5) \$502,000 in fiscal year 2024 and \$502,000 in fiscal year 2025 are from the health care access fund for workforce research and data analysis of shortages, maldistribution of health care providers in Minnesota, and the factors that influence decisions of health care providers to practice in rural areas of Minnesota.

(o) **School health.** \$800,000 in fiscal year 2024 and \$1,300,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145.903. The base for this appropriation is \$2,300,000 in fiscal year 2026 and \$2,300,000 in fiscal year 2027.

(p) **Long COVID.** \$3,146,000 in fiscal year 2024 and \$3,146,000 in fiscal year 2025 are from the general fund for grants and to

implement Minnesota Statutes, section 145.361.

(q) **Workplace safety grants.** \$4,400,000 in fiscal year 2024 is from the general fund for grants to health care entities to improve employee safety or security. This is a onetime appropriation and is available until June 30, 2027. The commissioner may use up to ten percent of this appropriation for administration.

(r) **Clinical dental education innovation grants.** \$1,122,000 in fiscal year 2024 and \$1,122,000 in fiscal year 2025 are from the general fund for clinical dental education innovation grants under Minnesota Statutes, section 144.1913.

(s) **Emmett Louis Till Victims Recovery Program.** \$500,000 in fiscal year 2024 is from the general fund for a grant to the Emmett Louis Till Victims Recovery Program. The commissioner must not use any of this appropriation for administration. This is a onetime appropriation and is available until June 30, 2025.

(t) **Center for health care affordability.** \$2,752,000 in fiscal year 2024 and \$3,989,000 in fiscal year 2025 are from the general fund to establish a center for health care affordability and to implement Minnesota Statutes, section 62J.312. The general fund base for this appropriation is \$3,988,000 in fiscal year 2026 and \$3,988,000 in fiscal year 2027.

(u) **Federally qualified health centers apprenticeship program.** \$690,000 in fiscal year 2024 and \$690,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145.9272.

(v) **Alzheimer's public information program.** \$80,000 in fiscal year 2024 and \$80,000 in fiscal year 2025 are from the general fund for grants to community-based

organizations to co-create culturally specific messages to targeted communities and to promote public awareness materials online through diverse media channels.

(w) Keeping Nurses at the Bedside Act; contingent appropriation. The appropriations in this paragraph are contingent upon legislative enactment of 2023 Senate File 1384 by the 93rd Legislature. The appropriations in this paragraph are available until June 30, 2027.

(1) \$5,317,000 in fiscal year 2024 and \$5,317,000 in fiscal year 2025 are from the general fund for loan forgiveness under Minnesota Statutes, section 144.1501, for eligible nurses who have agreed to work as hospital nurses in accordance with Minnesota Statutes, section 144.1501, subdivision 2, paragraph (a), clause (7).

(2) \$66,000 in fiscal year 2024 and \$66,000 in fiscal year 2025 are from the general fund for loan forgiveness under Minnesota Statutes, section 144.1501, for eligible nurses who have agreed to teach in accordance with Minnesota Statutes, section 144.1501, subdivision 2, paragraph (a), clause (3).

(3) \$545,000 in fiscal year 2024 and \$879,000 in fiscal year 2025 are from the general fund to administer Minnesota Statutes, section 144.7057; to perform the evaluation duties described in Minnesota Statutes, section 144.7058; to continue prevention of violence in health care program activities; to analyze potential links between adverse events and understaffing; to convene stakeholder groups and create a best practices toolkit; and for a report on the current status of the state's nursing workforce employed by hospitals. The base for this appropriation is \$624,000 in fiscal year 2026 and \$454,000 in fiscal year 2027.

(x) Supporting healthy development of babies. \$260,000 in fiscal year 2024 and

\$260,000 in fiscal year 2025 are from the general fund for a grant to the Amherst H. Wilder Foundation for the African American Babies Coalition initiative. The base for this appropriation is \$520,000 in fiscal year 2026 and \$0 in fiscal year 2027. Any appropriation in fiscal year 2026 is available until June 30, 2027. This paragraph expires on June 30, 2027.

(y) Health professional education loan forgiveness. \$2,780,000 in fiscal year 2024 is from the general fund for eligible mental health professional loan forgiveness under Minnesota Statutes, section 144.1501. This is a onetime appropriation. The commissioner may use up to ten percent of this appropriation for administration.

(z) Primary care residency expansion grant program. \$400,000 in fiscal year 2024 and \$400,000 in fiscal year 2025 are from the general fund for a psychiatry resident under Minnesota Statutes, section 144.1506.

(aa) Pediatric primary care mental health training grant program. \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.1509. The commissioner may use up to ten percent of this appropriation for administration.

(bb) Mental health cultural community continuing education grant program. \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.1511. The commissioner may use up to ten percent of this appropriation for administration.

(cc) Labor trafficking services grant program. \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.3885.

(dd) Palliative Care Advisory Council. \$40,000 in fiscal year 2024 and \$40,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 144.059.

(ee) Analysis of a universal health care financing system. \$1,815,000 in fiscal year 2024 and \$580,000 in fiscal year 2025 are from the general fund to the commissioner to contract for an analysis of the benefits and costs of a legislative proposal for a universal health care financing system and a similar analysis of the current health care financing system. The base for this appropriation is \$580,000 in fiscal year 2026 and \$0 in fiscal year 2027. This appropriation is available until June 30, 2027.

(ff) Charitable assets public interest review. (1) The appropriations under this paragraph are contingent upon legislative enactment of 2023 House File 402 by the 93rd Legislature.

(2) \$1,584,000 in fiscal year 2024 and \$769,000 in fiscal year 2025 are from the general fund to review certain health care entity transactions; to conduct analyses of the impacts of health care transactions on health care cost, quality, and competition; and to issue public reports on health care transactions in Minnesota and their impacts. The base for this appropriation is \$710,000 in fiscal year 2026 and \$710,000 in fiscal year 2027.

(gg) Study of the development of a statewide registry for provider orders for life-sustaining treatment. \$365,000 in fiscal year 2024 and \$365,000 in fiscal year 2025 are from the general fund for a study of the development of a statewide registry for provider orders for life-sustaining treatment. This is a onetime appropriation.

(hh) Task Force on Pregnancy Health and Substance Use Disorders. \$199,000 in fiscal

year 2024 and \$100,000 in fiscal year 2025 are from the general fund for the Task Force on Pregnancy Health and Substance Use Disorders. This is a onetime appropriation and is available until June 30, 2025.

(ii) 988 Suicide and crisis lifeline. \$4,000,000 in fiscal year 2024 is from the general fund for 988 national suicide prevention lifeline grants under Minnesota Statutes, section 145.561. This is a onetime appropriation.

(jj) Equitable Health Care Task Force. \$779,000 in fiscal year 2024 and \$749,000 in fiscal year 2025 are from the general fund for the Equitable Health Care Task Force. This is a onetime appropriation.

(kk) Psychedelic Medicine Task Force. \$338,000 in fiscal year 2024 and \$171,000 in fiscal year 2025 are from the general fund for the Psychedelic Medicine Task Force. This is a onetime appropriation.

(ll) Medical education and research costs. \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are from the general fund for the medical education and research costs program under Minnesota Statutes, section 62J.692.

(mm) Special Guerilla Unit Veterans grant program. \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are from the general fund for a grant to the Special Guerrilla Units Veterans and Families of the United States of America to offer programming and culturally specific and specialized assistance to support the health and well-being of Special Guerilla Unit Veterans. The base for this appropriation is \$500,000 in fiscal year 2026 and \$0 in fiscal year 2027. Any amount appropriated in fiscal year 2026 is available until June 30, 2027. This paragraph expires June 30, 2027.

(nn) **Safe harbor regional navigator.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for a regional navigator in northwestern Minnesota. The commissioner may use up to ten percent of this appropriation for administration.

(oo) **Network adequacy.** \$798,000 in fiscal year 2024 and \$491,000 in fiscal year 2025 are from the general fund for reviews of provider networks under Minnesota Statutes, section 62K.10, to determine network adequacy.

(pp)(1) **TANF Appropriations.** TANF funds must be used as follows:

(i) \$3,579,000 in fiscal year 2024 and \$3,579,000 in fiscal year 2025 are from the TANF fund for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1;

(ii) \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are from the TANF fund for decreasing racial and ethnic disparities in infant mortality rates under Minnesota Statutes, section 145.928, subdivision 7;

(iii) \$4,978,000 in fiscal year 2024 and \$4,978,000 in fiscal year 2025 are from the TANF fund for the family home visiting grant program under Minnesota Statutes, section 145A.17. \$4,000,000 of the funding in fiscal year 2024 and \$4,000,000 in fiscal year 2025 must be distributed to community health boards under Minnesota Statutes, section 145A.131, subdivision 1. \$978,000 of the funding in fiscal year 2024 and \$978,000 in fiscal year 2025 must be distributed to Tribal governments under Minnesota Statutes, section 145A.14, subdivision 2a;

(iv) \$1,156,000 in fiscal year 2024 and \$1,156,000 in fiscal year 2025 are from the TANF fund for sexual and reproductive health services grants under Minnesota Statutes, section 145.925; and

(v) the commissioner may use up to 6.23 percent of the funds appropriated from the TANF fund each fiscal year to conduct the ongoing evaluations required under Minnesota Statutes, section 145A.17, subdivision 7, and training and technical assistance as required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

(2) **TANF Carryforward.** Any unexpended balance of the TANF appropriation in the first year does not cancel but is available in the second year.

(qq) **Base level adjustments.** The general fund base is \$197,644,000 in fiscal year 2026 and \$195,714,000 in fiscal year 2027. The health care access fund base is \$53,354,000 in fiscal year 2026 and \$50,962,000 in fiscal year 2027.

Subd. 3. Health Protection

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>38,125,000</u>	<u>36,030,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>72,282,000</u>	<u>73,522,000</u>

(a) **Climate resiliency.** \$506,000 in fiscal year 2024 and \$506,000 in fiscal year 2025 are from the general fund for activities under Minnesota Statutes, section 144.9981.

(b) **Lead remediation in schools and child care settings.** \$146,000 in fiscal year 2024 and \$239,000 in fiscal year 2025 are from the general fund for grants under Minnesota Statutes, section 145.9275.

(c) **MinnesotaOne Health Antimicrobial Stewardship Collaborative.** \$312,000 in fiscal year 2024 and \$312,000 in fiscal year

2025 are from the general fund for the Minnesota One Health Antibiotic Stewardship Collaborative under Minnesota Statutes, section 144.0526.

(d) **Skin-lightening products public awareness and education grant.** \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are from the general fund for a grant to the Beautywell Project for public awareness and education activities to address issues of colorism, skin-lightening products, and chemical exposures from these products. This is a onetime appropriation.

(e) **Comprehensive Overdose and Morbidity Prevention Act; public health laboratory and infectious disease prevention.** \$2,432,000 in fiscal year 2024 and \$1,732,000 in fiscal year 2025 are from the general fund for comprehensive overdose and morbidity prevention strategies under Minnesota Statutes, section 144.0528.

(f) **HIV prevention health equity.** \$2,267,000 in fiscal year 2024 and \$2,267,000 in fiscal year 2025 are from the general fund for equity in HIV prevention. This is a onetime appropriation.

(g) **Green burials and natural organic reduction study and report.** \$132,000 in fiscal year 2024 is from the general fund for a study and report on green burials and a study on natural organic reduction.

(h) **Uninsured and underinsured adult vaccine program.** \$1,470,000 in fiscal year 2024 and \$1,470,000 in fiscal year 2025 are from the general fund for the program for vaccines for uninsured and underinsured adults. This is a onetime appropriation.

(i) **Transfer to public health response contingency account.** The commissioner shall transfer \$2,500,000 in fiscal year 2024 from the general fund to the public health response contingency account established in

Minnesota Statutes, section 144.4199. This is a onetime transfer.

(j) **Base level adjustments.** The general fund base is \$32,332,000 in fiscal year 2026 and \$32,162,000 in fiscal year 2027. The state government special revenue fund base is \$73,391,000 in fiscal year 2026 and \$73,391,000 in fiscal year 2027.

<u>Subd. 4. Health Operations</u>	<u>19,642,000</u>	<u>19,555,000</u>
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(a) **Cultural communications program.** \$1,150,000 in fiscal year 2024 and \$1,150,000 in fiscal year 2025 are for the cultural communications program established in Minnesota Statutes, section 144.0752.

(b) **Carryforward authority.** Notwithstanding Minnesota Statutes, section 16E.21, subdivision 4, the amount transferred to the information and telecommunications account under Minnesota Statutes, section 16E.21, subdivision 2, for the business process automation and external website modernization projects approved by the Legislative Advisory Commission on June 24, 2019, is available until June 30, 2024.

Sec. 4. HEALTH-RELATED BOARDS

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>31,304,000</u>	<u>\$</u>	<u>32,040,000</u>
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<u>Appropriations by Fund</u>				
<u>General</u>	<u>468,000</u>		<u>468,000</u>	
<u>State Government</u>				
<u>Special Revenue</u>	<u>30,760,000</u>		<u>31,534,000</u>	
<u>Health Care Access</u>	<u>76,000</u>		<u>38,000</u>	

This appropriation is from the state government special revenue fund unless specified otherwise. The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Board of Behavioral Health and Therapy</u>	<u>1,022,000</u>	<u>1,044,000</u>
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<u>Subd. 3. Board of Chiropractic Examiners</u>	<u>773,000</u>	<u>790,000</u>
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Subd. 4. Board of Dentistry4,100,0004,163,000

(a) Administrative services unit; operating costs. Of this appropriation, \$1,936,000 in fiscal year 2024 and \$1,960,000 in fiscal year 2025 are for operating costs of the administrative services unit. The administrative services unit may receive and expend reimbursements for services it performs for other agencies.

(b) Administrative services unit; volunteer health care provider program. Of this appropriation, \$150,000 in fiscal year 2024 and \$150,000 in fiscal year 2025 are to pay for medical professional liability coverage required under Minnesota Statutes, section 214.40.

(c) Administrative services unit; retirement costs. Of this appropriation, \$237,000 in fiscal year 2024 and \$237,000 in fiscal year 2025 are for the administrative services unit to pay for the retirement costs of health-related board employees. This funding may be transferred to the health board incurring retirement costs. Any board that has an unexpended balance for an amount transferred under this paragraph shall transfer the unexpended amount to the administrative services unit. If the amount appropriated in the first year of the biennium is not sufficient, the amount from the second year of the biennium is available.

(d) Administrative services unit; contested cases and other legal proceedings. Of this appropriation, \$200,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are for costs of contested case hearings and other unanticipated costs of legal proceedings involving health-related boards under this section. Upon certification by a health-related board to the administrative services unit that unanticipated costs for legal proceedings will be incurred and that available appropriations are insufficient to pay for the unanticipated costs for that board, the administrative

services unit is authorized to transfer money from this appropriation to the board for payment of costs for contested case hearings and other unanticipated costs of legal proceedings with the approval of the commissioner of management and budget. The commissioner of management and budget must require any board that has an unexpended balance or an amount transferred under this paragraph to transfer the unexpended amount to the administrative services unit to be deposited in the state government special revenue fund.

<u>Subd. 5. Board of Dietetics and Nutrition Practice</u>	<u>213,000</u>	<u>217,000</u>
<u>Subd. 6. Board of Executives for Long-term Services and Supports</u>	<u>705,000</u>	<u>736,000</u>
<u>Subd. 7. Board of Marriage and Family Therapy</u>	<u>443,000</u>	<u>456,000</u>
<u>Subd. 8. Board of Medical Practice</u>	<u>5,779,000</u>	<u>5,971,000</u>
<u>Subd. 9. Board of Nursing</u>	<u>6,039,000</u>	<u>6,275,000</u>
<u>Subd. 10. Board of Occupational Therapy Practice</u>	<u>480,000</u>	<u>480,000</u>
<u>Subd. 11. Board of Optometry</u>	<u>270,000</u>	<u>280,000</u>
<u>Subd. 12. Board of Pharmacy</u>		

Appropriations by Fund

<u>General</u>	<u>468,000</u>	<u>468,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>5,226,000</u>	<u>5,206,000</u>
<u>Health Care Access</u>	<u>76,000</u>	<u>38,000</u>

(a) Medication repository program. \$450,000 in fiscal year 2024 and \$450,000 in fiscal year 2025 are from the general fund for a contract under Minnesota Statutes, section 151.555.

(b) Base level adjustment. The state government special revenue fund base is \$5,056,000 in fiscal year 2026 and \$5,056,000 in fiscal year 2027. The health care access fund base is \$0 in fiscal year 2026 and \$0 in fiscal year 2027.

<u>Subd. 13. Board of Physical Therapy</u>	<u>678,000</u>	<u>694,000</u>
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77TH DAY]

MONDAY, MAY 22, 2023

11321

Subd. 14. <u>Board of Podiatric Medicine</u>	<u>253,000</u>	<u>257,000</u>
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Subd. 15. <u>Board of Psychology</u>	<u>2,618,000</u>	<u>2,734,000</u>
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Health professionals service program. This appropriation includes \$1,234,000 in fiscal year 2024 and \$1,324,000 in fiscal year 2025 for the health professional services program.

Subd. 16. <u>Board of Social Work</u>	<u>1,779,000</u>	<u>1,839,000</u>
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Subd. 17. <u>Board of Veterinary Medicine</u>	<u>382,000</u>	<u>392,000</u>
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Sec. 5. <u>EMERGENCY MEDICAL SERVICES REGULATORY BOARD</u>	<u>\$ 6,800,000</u>	<u>\$ 6,176,000</u>
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(a) Cooper/Sams volunteer ambulance program. \$950,000 in fiscal year 2024 and \$950,000 in fiscal year 2025 are for the Cooper/Sams volunteer ambulance program under Minnesota Statutes, section 144E.40.

(1) Of this amount, \$861,000 in fiscal year 2024 and \$861,000 in fiscal year 2025 are for the ambulance service personnel longevity award and incentive program under Minnesota Statutes, section 144E.40.

(2) Of this amount, \$89,000 in fiscal year 2024 and \$89,000 in fiscal year 2025 are for operations of the ambulance service personnel longevity award and incentive program under Minnesota Statutes, section 144E.40.

(b) Operations. \$2,421,000 in fiscal year 2024 and \$2,480,000 in fiscal year 2025 are for board operations.

(c) Emergency medical services fund. \$1,385,000 in fiscal year 2024 and \$1,385,000 in fiscal year 2025 are for distribution to regional emergency medical services systems for the purposes specified in Minnesota Statutes, section 144E.50. Notwithstanding Minnesota Statutes, section 144E.50, subdivision 5, in each year the board must distribute this appropriation equally among the eight emergency medical

services systems designated by the board. The base for this appropriation is \$2,185,000 in fiscal year 2026 and \$585,000 in fiscal year 2027.

(d) **Ambulance training grants.** \$361,000 in fiscal year 2024 and \$361,000 in fiscal year 2025 are for training grants under Minnesota Statutes, section 144E.35.

(e) **Medical resource communication center grants.** \$1,683,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for medical resource communication center grants under Minnesota Statutes, section 144E.53.

(f) **Base level adjustment.** The general fund base is \$6,976,000 in fiscal year 2026 and \$5,376,000 in fiscal year 2027.

Sec. 6. <u>OMBUDSPERSON FOR FAMILIES</u>	<u>\$</u>	<u>759,000</u>	<u>\$</u>	<u>776,000</u>
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Sec. 7. <u>OMBUDSPERSON FOR AMERICAN INDIAN FAMILIES</u>	<u>\$</u>	<u>336,000</u>	<u>\$</u>	<u>340,000</u>
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Sec. 8. <u>OFFICE OF THE FOSTER YOUTH OMBUDSPERSON</u>	<u>\$</u>	<u>842,000</u>	<u>\$</u>	<u>759,000</u>
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Sec. 9. **BOARD OF DIRECTORS OF MNSURE**

	<u>Appropriations by Fund</u>	
General	<u>11,095,000</u>	<u>14,317,000</u>
Health Care Access	<u>800,000</u>	<u>-0-</u>

(a) **Technology modernization.** \$11,025,000 in fiscal year 2024 and \$14,247,000 in fiscal year 2025 are from the general fund to establish a single end-to-end information technology system with seamless, real-time interoperability between qualified health plan eligibility and enrollment services. This is a onetime appropriation.

(b) **Easy enrollment.** \$70,000 in fiscal year 2024 and \$70,000 in fiscal year 2025 are

from the general fund to implement easy enrollment.

(c) **Transfer.** The Board of Directors of MNsure must transfer \$11,095,000 in fiscal year 2024 and \$14,317,000 in fiscal year 2025 from the general fund to the enterprise account under Minnesota Statutes, section 62V.07. The base for this transfer is \$70,000 in fiscal year 2026 and \$70,000 in fiscal year 2027.

(d) **Minnesota insulin safety net public awareness campaign.** \$800,000 in fiscal year 2024 is from the health care access fund for a public awareness campaign for the insulin safety net program under Minnesota Statutes, section 151.74. This is a onetime appropriation and is available until June 30, 2027.

(e) **Base level adjustment.** The general fund base is \$70,000 in fiscal year 2026 and \$70,000 in fiscal year 2027.

Sec. 10. <u>RARE DISEASE ADVISORY COUNCIL</u>	<u>\$</u>	<u>314,000</u>	<u>\$</u>	<u>326,000</u>
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Sec. 11. <u>COMMISSIONER OF REVENUE</u>	<u>\$</u>	<u>40,000</u>	<u>\$</u>	<u>4,000</u>
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Easy enrollment. \$40,000 in fiscal year 2024 and \$4,000 in fiscal year 2025 are for the administrative costs associated with the easy enrollment program.

Sec. 12. <u>COMMISSIONER OF MANAGEMENT AND BUDGET</u>	<u>\$</u>	<u>12,932,000</u>	<u>\$</u>	<u>3,412,000</u>
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(a) **Outcomes and evaluation consultation.** \$450,000 in fiscal year 2024 and \$450,000 in fiscal year 2025 are for outcomes and evaluation consultation requirements.

(b) **Department of Children, Youth, and Families.** \$11,931,000 in fiscal year 2024 and \$2,066,000 in fiscal year 2025 are to establish the Department of Children, Youth, and Families. This is a onetime appropriation.

(c) Keeping Nurses at the Bedside Act impact evaluation; contingent appropriation. \$232,000 in fiscal year 2025 is for the Keeping Nurses at the Bedside Act impact evaluation. This appropriation is contingent upon legislative enactment of 2023 Senate File 1384 by the 93rd Legislature. This is a onetime appropriation and is available until June 30, 2029.

(d) Health care subcabinet. \$551,000 in fiscal year 2024 and \$664,000 in fiscal year 2025 are to hire an executive director for the health care subcabinet and to provide staffing and administrative support for the health care subcabinet.

(e) Base level adjustment. The general fund base is \$1,114,000 in fiscal year 2026 and \$1,114,000 in fiscal year 2027.

<u>Sec. 13. COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES</u>	<u>\$</u>	<u>823,000</u>	<u>\$</u>	<u>3,521,000</u>
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<u>Sec. 14. COMMISSIONER OF COMMERCE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>17,000</u>
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(a) Defrayal of costs for mandated coverage of biomarker testing. \$17,000 in fiscal year 2025 is for administrative costs to implement mandated coverage of biomarker testing to diagnose, treat, manage, and monitor illness or disease. The base for this appropriation is \$2,611,000 in fiscal year 2026 and \$2,611,000 in fiscal year 2027. The base includes \$2,594,000 in fiscal year 2026 and \$2,594,000 in fiscal year 2027 for defrayal of costs for mandated coverage of biomarker testing to diagnose, treat, manage, and monitor illness or disease.

(b) Base level adjustment. The general fund base is \$2,611,000 in fiscal year 2026 and \$2,611,000 in fiscal year 2027.

<u>Sec. 15. COMMISSIONER OF LABOR AND INDUSTRY.</u>	<u>\$</u>	<u>68,000</u>	<u>\$</u>	<u>72,000</u>
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This appropriation is contingent upon legislative enactment of 2023 Senate File 1384 by the 93rd Legislature. This appropriation is available until June 30, 2025.

Base level adjustment. The general fund base is \$1,793,000 in fiscal year 2026 and \$1,790,000 in fiscal year 2027.

Sec. 16. **REDUCTIONS IN APPROPRIATIONS, CANCELLATIONS, AND REAPPROPRIATIONS.**

Subdivision 1. **Transition to community initiative.** (a) The general fund appropriations in Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 31, are reduced by \$3,043,000 in fiscal year 2022 and by \$3,500,000 in fiscal years 2023 and those amounts are canceled to the general fund.

(b) This act includes \$9,971,000 in fiscal year 2024 from the general fund to the commissioner of human services for the transition to community initiative under Minnesota Statutes, section 256.478. This appropriation is available until June 30, 2027.

Subd. 2. **Intensive residential treatment services.** (a) The fiscal year 2023 general fund appropriation in Laws 2022, chapter 99, article 3, section 7, is reduced by \$2,914,000 and that amount is canceled to the general fund.

(b) The general fund base for the appropriation in Laws 2022, chapter 99, article 3, section 7, is reduced by \$180,000 in fiscal 2024.

(c) This act includes \$2,796,000 in fiscal year 2024 from the general fund to the commissioner of human services for start-up funds to intensive residential treatment service providers to provide treatment in locked facilities for patients who have been transferred from a jail or who have been deemed incompetent to stand trial and a judge has determined that the patient needs to be in a secure facility.

Subd. 3. **Evidence-based children's mental health grants.** (a) The fiscal year 2023 general fund appropriation in Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 32, is reduced by \$625,000 and that amount is canceled to the general fund.

(b) This act includes \$625,000 in fiscal year 2024 from the general fund to the commissioner of human services for evidence-based children's mental health grants under Minnesota Statutes, section 245.4889.

Subd. 4. **Psychiatric residential treatment facility and child and adolescent mobile transition unit.** The general fund appropriations in Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 32, are reduced by \$928,000 in fiscal year 2022 and by \$2,500,000 in fiscal year 2023 and those amounts are canceled to the general fund.

EFFECTIVE DATE. The fiscal year 2023 appropriation reductions and cancellations in this section are effective the day following final enactment, or retroactively from June 30, 2023, whichever is earlier.

Sec. 17. Laws 2021, First Special Session chapter 7, article 17, section 6, as amended by Laws 2022, chapter 98, article 15, section 10, is amended to read:

Sec. 6. TRANSITION TO COMMUNITY INITIATIVE.

(a) This act includes ~~\$5,500,000~~ \$2,457,000 in fiscal year 2022 and ~~\$5,500,000~~ \$2,000,000 in fiscal year 2023 for additional funding for grants awarded under the transition to community initiative described in Minnesota Statutes, section 256.478. Any unexpended amount in fiscal year 2022 is available through June 30, 2023. The general fund base in this act for this purpose is \$4,125,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This section expires June 30, 2024.

EFFECTIVE DATE. This section is effective the day following final enactment or retroactively from June 30, 2023, whichever is earlier.

Sec. 18. Laws 2021, First Special Session chapter 7, article 17, section 12, as amended by Laws 2022, chapter 98, article 15, section 13, and Laws 2022, chapter 99, article 1, section 43, is amended to read:

Sec. 12. ADULT AND CHILDREN'S MOBILE TRANSITION UNITS.

(a) This act includes ~~\$2,500,000~~ \$1,572,000 in fiscal year 2022 and ~~\$2,500,000~~ \$0 in fiscal year 2023 for the commissioner of human services to create adult and children's mental health transition and support teams to facilitate transition back to the community or to the least restrictive level of care from inpatient psychiatric settings, emergency departments, residential treatment facilities, and child and adolescent behavioral health hospitals. Any unexpended amount in fiscal year 2022 is available through June 30, 2023. The general fund base included in this act for this purpose is \$1,875,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(b) Beginning April 1, 2024, counties may fund and continue conducting activities funded under this section.

(c) This section expires March 31, 2024.

EFFECTIVE DATE. This section is effective the day following final enactment or retroactively from June 30, 2023, whichever is earlier.

Sec. 19. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 32, as amended by Laws 2022, chapter 98, article 15, section 7, subdivision 32, is amended to read:

Subd. 32. Grant Programs; Child Mental Health

Grants	30,167,000	30,182,000
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(a) **Children's Residential Facilities.** \$1,964,000 in fiscal year 2022 and \$1,979,000 in fiscal year 2023 are to reimburse counties and Tribal governments for a portion of the costs of treatment in children's residential facilities. The commissioner shall distribute the appropriation to counties and Tribal governments proportionally based on a methodology developed by the commissioner. ~~The fiscal year 2022 appropriation is available until June 30, 2023.~~ base for this appropriation is \$0 in fiscal year 2025.

(b) **Base Level Adjustment.** The general fund base is \$29,580,000 in fiscal year 2024 and ~~\$27,705,000~~ \$25,726,000 in fiscal year 2025.

Sec. 20. Laws 2021, First Special Session chapter 7, article 16, section 3, subdivision 2, as amended by Laws 2022, chapter 98, article 1, section 68, is amended to read:

Subd. 2. Health Improvement

Appropriations by Fund		
		124,000,000
General	123,714,000	<u>122,800,000</u>
State Government		
Special Revenue	11,967,000	11,290,000
Health Care Access	37,512,000	36,832,000
Federal TANF	11,713,000	11,713,000

(a) **TANF Appropriations.** (1) \$3,579,000 in fiscal year 2022 and \$3,579,000 in fiscal year 2023 are from the TANF fund for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1;

(2) \$2,000,000 in fiscal year 2022 and \$2,000,000 in fiscal year 2023 are from the TANF fund for decreasing racial and ethnic disparities in infant mortality rates under

Minnesota Statutes, section 145.928, subdivision 7;

(3) \$4,978,000 in fiscal year 2022 and \$4,978,000 in fiscal year 2023 are from the TANF fund for the family home visiting grant program according to Minnesota Statutes, section 145A.17. \$4,000,000 of the funding in each fiscal year must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1. \$978,000 of the funding in each fiscal year must be distributed to tribal governments according to Minnesota Statutes, section 145A.14, subdivision 2a;

(4) \$1,156,000 in fiscal year 2022 and \$1,156,000 in fiscal year 2023 are from the TANF fund for family planning grants under Minnesota Statutes, section 145.925; and

(5) the commissioner may use up to 6.23 percent of the funds appropriated from the TANF fund each fiscal year to conduct the ongoing evaluations required under Minnesota Statutes, section 145A.17, subdivision 7, and training and technical assistance as required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

(b) **TANF Carryforward.** Any unexpended balance of the TANF appropriation in the first year of the biennium does not cancel but is available for the second year.

(c) **Tribal Public Health Grants.** \$500,000 in fiscal year 2022 and \$500,000 in fiscal year 2023 are from the general fund for Tribal public health grants under Minnesota Statutes, section 145A.14, for public health infrastructure projects as defined by the Tribal government.

(d) **Public Health Infrastructure Funds.** \$6,000,000 in fiscal year 2022 and \$6,000,000 in fiscal year 2023 are from the

general fund for public health infrastructure funds to distribute to community health boards and Tribal governments to support their ability to meet national public health standards.

(e) Public Health System Assessment and Oversight. \$1,500,000 in fiscal year 2022 and \$1,500,000 in fiscal year 2023 are from the general fund for the commissioner to assess the capacity of the public health system to meet national public health standards and oversee public health system improvement efforts.

(f) Health Professional Education Loan Forgiveness. Notwithstanding the priorities and distribution requirements under Minnesota Statutes, section 144.1501, \$3,000,000 in fiscal year 2022 and \$3,000,000 in fiscal year 2023 are from the general fund for loan forgiveness under article 3, section 43, for individuals who are eligible alcohol and drug counselors, eligible medical residents, or eligible mental health professionals, as defined in article 3, section 43. The general fund base for this appropriation is \$2,625,000 in fiscal year 2024 and \$0 in fiscal year 2025. The health care access fund base for this appropriation is \$875,000 in fiscal year 2024, \$3,500,000 in fiscal year 2025, and \$0 in fiscal year 2026. The general fund amounts in this paragraph are available until March 31, 2024. This paragraph expires on April 1, 2024.

(g) Mental Health Cultural Community Continuing Education Grant Program. \$500,000 in fiscal year 2022 and \$500,000 in fiscal year 2023 are from the general fund for the mental health cultural community continuing education grant program. This is a onetime appropriation

(h) Birth Records; Homeless Youth. \$72,000 in fiscal year 2022 and \$32,000 in fiscal year 2023 are from the state government special revenue fund for

administration and issuance of certified birth records and statements of no vital record found to homeless youth under Minnesota Statutes, section 144.2255.

(i) Supporting Healthy Development of Babies During Pregnancy and Postpartum.

\$260,000 in fiscal year 2022 and \$260,000 in fiscal year 2023 are from the general fund for a grant to the Amherst H. Wilder Foundation for the African American Babies Coalition initiative for community-driven training and education on best practices to support healthy development of babies during pregnancy and postpartum. Grant funds must be used to build capacity in, train, educate, or improve practices among individuals, from youth to elders, serving families with members who are Black, indigenous, or people of color, during pregnancy and postpartum. This is a onetime appropriation and is available until June 30, 2023.

(j) Dignity in Pregnancy and Childbirth.

\$494,000 in fiscal year 2022 and \$200,000 in fiscal year 2023 are from the general fund for purposes of Minnesota Statutes, section 144.1461. Of this appropriation: (1) \$294,000 in fiscal year 2022 is for a grant to the University of Minnesota School of Public Health's Center for Antiracism Research for Health Equity, to develop a model curriculum on anti-racism and implicit bias for use by hospitals with obstetric care and birth centers to provide continuing education to staff caring for pregnant or postpartum women. The model curriculum must be evidence-based and must meet the criteria in Minnesota Statutes, section 144.1461, subdivision 2, paragraph (a); and (2) \$200,000 in fiscal year 2022 and \$200,000 in fiscal year 2023 are for purposes of Minnesota Statutes, section 144.1461, subdivision 3.

(k) Congenital Cytomegalovirus (CMV).

(1) \$196,000 in fiscal year 2022 and \$196,000 in fiscal year 2023 are from the

general fund for outreach and education on congenital cytomegalovirus (CMV) under Minnesota Statutes, section 144.064.

(2) Contingent on the Advisory Committee on Heritable and Congenital Disorders recommending and the commissioner of health approving inclusion of CMV in the newborn screening panel in accordance with Minnesota Statutes, section 144.065, subdivision 3, paragraph (d), \$656,000 in fiscal year 2023 is from the state government special revenue fund for follow-up services.

(l) **Nonnarcotic Pain Management and Wellness.** \$649,000 in fiscal year 2022 is from the general fund for nonnarcotic pain management and wellness in accordance with Laws 2019, chapter 63, article 3, section 1, paragraph (n).

(m) **Base Level Adjustments.** The general fund base is \$121,201,000 in fiscal year 2024 and \$116,344,000 in fiscal year 2025, of which \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 are for fetal alcohol spectrum disorders prevention grants under Minnesota Statutes, section 145.267. The health care access fund base is \$38,385,000 in fiscal year 2024 and \$40,644,000 in fiscal year 2025.

Sec. 21. Laws 2021, First Special Session chapter 7, article 16, section 28, as amended by Laws 2022, chapter 40, section 1, is amended to read:

Sec. 28. **CONTINGENT APPROPRIATIONS.**

Any appropriation in this act for a purpose included in Minnesota's initial state spending plan as described in guidance issued by the Centers for Medicare and Medicaid Services for implementation of section 9817 of the federal American Rescue Plan Act of 2021 is contingent upon the initial approval of that purpose by the Centers for Medicare and Medicaid Services, except for:

(1) the rate increases specified in article 11, sections 12 and 19;

(2) costs associated with moving to a community setting specified in article 17, section 5, subdivision 1; and

(3) direct assistance to individuals to access or maintain housing in community settings specified in article 17, section 5, subdivision 2.

This section expires June 30, 2024.

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

Sec. 22. Laws 2021, First Special Session chapter 7, article 17, section 5, the effective date, is amended to read:

EFFECTIVE DATE. ~~Subdivision~~ Subdivisions 1 ~~is~~ and 2 are effective January 1, 2021, ~~or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

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

Sec. 23. **TRANSFERS.**

Subdivision 1. **Grants.** The commissioner of human services, with the approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2025, within fiscal years among MFIP; general assistance; medical assistance; MinnesotaCare; MFIP child care assistance under Minnesota Statutes, section 119B.05; Minnesota supplemental aid program; housing support program; the entitlement portion of Northstar Care for Children under Minnesota Statutes, chapter 256N; and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Human Services as the commissioners consider necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this section.

Sec. 24. **TRANSFERS; ADMINISTRATION.**

Positions, salary money, and nonsalary administrative money may be transferred within the Department of Health as the commissioner considers necessary with the advance approval of the commissioner of management and budget. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health finance quarterly about transfers made under this section.

Sec. 25. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

The commissioner of health shall not use indirect cost allocations to pay for the operational costs of any program for which they are responsible.

Sec. 26. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2025, unless a different expiration date is explicit.

Sec. 27. APPROPRIATION CANCELLATION; OFFICE OF THE FOSTER YOUTH OMBUDSPERSON.

\$100,000 of the fiscal year 2023 general fund appropriation under Laws 2022, chapter 63, section 6, is canceled to the general fund on June 30, 2023."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions governing health care, health insurance, health policy, the Department of Health, medical education and research costs, health care workforce, health-related licensing boards, background studies, human services licensing, behavioral health, economic assistance, housing and homelessness, children and families, child care workforce, child support, child safety, child permanency, health care affordability and delivery, human services policy, and certified community behavioral health clinics; establishing the Department of Children, Youth, and Families; making technical and conforming changes; requiring reports; making forecast adjustments; appropriating money; amending Minnesota Statutes 2022, sections 4.045; 10.65, subdivision 2; 12A.08, subdivision 3; 13.10, subdivision 5; 13.46, subdivision 4; 13.465, subdivision 8; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16A.151, subdivision 2; 43A.08, subdivision 1a; 62A.045; 62A.30, by adding subdivisions; 62A.673, subdivision 2; 62J.03, by adding a subdivision; 62J.17, subdivision 5a; 62J.692, subdivisions 1, 3, 4, 5, 8; 62J.824; 62J.84, subdivisions 2, 3, 4, 6, 7, 8, 9, by adding subdivisions; 62K.10, subdivision 4; 62K.15; 62Q.01, by adding a subdivision; 62Q.021, by adding a subdivision; 62Q.55, subdivision 5; 62Q.556; 62Q.56, subdivision 2; 62Q.675; 62Q.73, subdivisions 1, 7; 62U.01, by adding a subdivision; 62U.04, subdivisions 4, 5, 5a, 11, by adding subdivisions; 62V.05, subdivision 4a; 103I.005, subdivisions 17a, 20a, by adding a subdivision; 103I.208, subdivision 2, by adding a subdivision; 119B.011, subdivisions 2, 3, 5, 13, 15, 19a; 119B.02, subdivision 4; 119B.025, subdivision 4; 119B.03, subdivisions 3, 4a; 119B.05, subdivision 1; 119B.09, subdivision 7; 119B.095, subdivisions 2, 3; 119B.10, subdivisions 1, 3; 119B.105, subdivision 2; 119B.125, subdivisions 1, 1a, 1b, 2, 3, 4, 6, 7; 119B.13, subdivisions 1, 4, 6; 119B.16, subdivisions 1a, 1c, 3; 119B.161, subdivisions 2, 3; 119B.19, subdivision 7; 121A.335; 122A.18, subdivision 8; 144.122; 144.1481, subdivision 1; 144.1501, subdivision 2; 144.1505; 144.1506, subdivision 4; 144.2151; 144.218, subdivisions 1, 2; 144.222; 144.225, subdivision 2; 144.2252; 144.226, subdivisions 3, 4; 144.382, by adding subdivisions; 144.55, subdivision 3; 144.615, subdivision 7; 144.651, by adding a subdivision; 144.6535, subdivisions 1, 2, 4; 144.69; 144.9501, subdivisions 9, 17, 26a, 26b, by adding subdivisions; 144.9505, subdivisions 1, 1g, 1h; 144.9508, subdivision 2; 144A.06, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivision 3b; 144A.474, subdivisions 3, 9, 12; 144A.4791, subdivision 10; 144E.001, subdivision 1, by adding a subdivision; 144E.101, subdivisions 6, 7, 12; 144E.103, subdivision 1; 144E.35; 144G.16, subdivision 7; 144G.18; 144G.57, subdivision 8; 145.411, subdivisions 1, 5; 145.4131, subdivisions 1, 2; 145.4134; 145.423, subdivision 1; 145.4716, subdivision 3; 145.87, subdivision 4; 145.924; 145.925; 145A.131, subdivisions 1, 2, 5; 145A.14, by adding a subdivision; 147.02, subdivision 1; 147.03, subdivision 1; 147.037, subdivision 1; 147.141; 147A.16; 147B.02, subdivisions 4, 7; 148.261, subdivision 1; 148.512, subdivisions 10a, 10b, by adding subdivisions; 148.513, by adding a subdivision; 148.515, subdivision 6; 148.5175; 148.5195, subdivision 3; 148.5196, subdivision 1; 148.5197; 148.5198; 148B.392, subdivision 2; 150A.08, subdivisions 1, 5; 150A.091, by adding a subdivision; 150A.13, subdivision 10; 151.065, subdivisions 1, 2, 3, 4, 6; 151.37, subdivision 12; 151.555; 151.74, subdivisions 3, 4; 152.126, subdivisions 4, 5, 6; 152.28, subdivision 1; 152.29, subdivision 3a; 153A.13, subdivisions 3, 4, 5, 6, 7, 9, 10, 11, by adding subdivisions; 153A.14, subdivisions 1, 2, 2h, 2i, 2j, 4, 4a, 4b, 4c, 4e, 6, 9,

11, by adding a subdivision; 153A.15, subdivisions 1, 2, 4; 153A.17; 153A.175; 153A.18; 153A.20; 168B.07, subdivision 3; 245.095; 245.462, subdivision 17; 245.4661, subdivision 9; 245.4663, subdivisions 1, 4; 245.469, subdivision 3; 245.4889, subdivision 1; 245.4901, subdivision 4, by adding a subdivision; 245.735, subdivisions 3, 5, 6, by adding subdivisions; 245A.02, subdivisions 2c, 5a, 6b, 10b, by adding a subdivision; 245A.03, subdivision 2; 245A.04, subdivisions 1, 4, 7, 7a; 245A.041, by adding a subdivision; 245A.05; 245A.055, subdivision 2; 245A.06, subdivisions 1, 2, 4; 245A.07, subdivisions 1, 2a, 3; 245A.10, subdivisions 3, 4; 245A.11, by adding a subdivision; 245A.14, subdivision 4; 245A.1435; 245A.146, subdivision 3; 245A.16, subdivisions 1, 9, by adding subdivisions; 245A.18, subdivision 2; 245A.50, subdivisions 3, 4, 5, 6, 9; 245A.52, subdivisions 1, 3, 5, by adding a subdivision; 245A.66, by adding a subdivision; 245C.02, subdivisions 6a, 11c, 13e, by adding subdivisions; 245C.03, subdivisions 1, 1a, 4, 5, 5a; 245C.031, subdivisions 1, 4; 245C.04, subdivision 1; 245C.05, subdivisions 1, 2c, 4, by adding a subdivision; 245C.07; 245C.08, subdivision 1; 245C.10, subdivisions 1d, 2, 2a, 3, 4, 5, 6, 8, 9, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21; 245C.15, subdivision 2, by adding a subdivision; 245C.17, subdivisions 2, 3, 6; 245C.21, subdivisions 1a, 2; 245C.22, subdivision 7; 245C.23, subdivisions 1, 2; 245C.30, subdivision 2; 245C.31, subdivision 1; 245C.32, subdivision 2; 245C.33, subdivision 4; 245D.261, subdivision 3, as added if enacted; 245E.06, subdivision 3; 245G.01, by adding a subdivision; 245G.03, subdivision 1; 245G.11, subdivision 10; 245G.13, subdivision 2; 245H.01, subdivisions 3, 5, by adding a subdivision; 245H.02; 245H.03, subdivisions 2, 4, by adding a subdivision; 245H.05; 245H.06, subdivisions 1, 2; 245H.07, subdivisions 1, 2; 245H.08, subdivisions 4, 5; 245H.13, subdivisions 3, 7, 9; 245I.011, subdivision 3; 245I.04, subdivisions 14, 16; 245I.05, subdivision 3; 245I.08, subdivisions 2, 3, 4; 245I.10, subdivisions 2, 3, 5, 6, 7, 8; 245I.11, subdivisions 3, 4; 245I.20, subdivisions 5, 6, 10, 13, 14, 16; 246.54, subdivision 1a, as amended if enacted; 254B.02, subdivision 5; 254B.05, subdivisions 1, 1a; 256.01, by adding a subdivision; 256.014, subdivisions 1, 2; 256.046, subdivisions 1, 3; 256.0471, subdivision 1; 256.478, subdivisions 1, 2, by adding subdivisions; 256.962, subdivision 5; 256.9655, by adding a subdivision; 256.9685, subdivisions 1a, 1b; 256.9686, by adding a subdivision; 256.969, subdivisions 2b, 9, 25, by adding a subdivision; 256.98, subdivision 8; 256.983, subdivision 5; 256.987, subdivision 4; 256B.04, subdivisions 14, 15, by adding a subdivision; 256B.051, subdivision 5; 256B.055, subdivision 17; 256B.056, subdivision 7, by adding a subdivision; 256B.0622, subdivisions 7b, 7c, 8; 256B.0623, subdivision 4; 256B.0624, subdivisions 5, 8; 256B.0625, subdivisions 3a, 5m, 9, 13, 13c, 13e, 13f, 13g, 16, 28b, 30, 31, 34, by adding subdivisions; 256B.0631, subdivisions 1, 3, by adding a subdivision; 256B.064; 256B.0652, subdivision 5; 256B.0757, subdivision 4c; 256B.0941, subdivisions 2a, 3, by adding subdivisions; 256B.0946, subdivisions 4, 6; 256B.0947, subdivisions 7, 7a; 256B.27, subdivision 3; 256B.434, subdivision 4f; 256B.69, subdivision 5a, by adding subdivisions; 256B.692, subdivision 2; 256B.75; 256B.758; 256B.76, subdivision 1, as amended; 256B.761; 256B.763; 256B.764; 256D.01, subdivision 1a; 256D.02, by adding a subdivision; 256D.024, subdivision 1; 256D.03, by adding a subdivision; 256D.06, subdivision 5; 256D.07; 256D.44, subdivision 5; 256D.63, subdivision 2; 256E.34, subdivision 4; 256E.35, subdivisions 1, 2, 3, 4a, 6, 7; 256I.03, subdivisions 7, 13, 15, by adding a subdivision; 256I.04, subdivisions 1, 2, 3; 256I.05, subdivisions 1a, 2; 256I.06, subdivisions 3, 6, 8, by adding a subdivision; 256I.09; 256J.01, subdivision 1; 256J.02, subdivision 2; 256J.08, subdivisions 21, 65, 71, 79; 256J.09, subdivisions 3, 10; 256J.11, subdivision 1; 256J.21, subdivisions 3, 4; 256J.26, subdivision 1; 256J.33, subdivisions 1, 2; 256J.35; 256J.37, subdivisions 3, 3a; 256J.40; 256J.42, subdivision 5; 256J.425, subdivisions 1, 4, 5, 7; 256J.46, subdivisions 1, 2, 2a; 256J.49, subdivision 9; 256J.50, subdivision 1; 256J.521, subdivision 1; 256J.621, subdivision 1; 256J.626, subdivisions 2, 3; 256J.751, subdivision 2; 256J.95, subdivision 5; 256K.45, subdivisions 3, 7, by adding a subdivision; 256L.03, subdivisions 1, 5; 256L.04, subdivision 10; 256N.24, subdivision

12; 256P.01, by adding subdivisions; 256P.02, subdivisions 1a, 2, by adding subdivisions; 256P.04, subdivisions 4, 8, by adding a subdivision; 256P.06, subdivision 3, by adding subdivisions; 256P.07, subdivisions 1, 2, 3, 4, 6, 7, by adding subdivisions; 259.83, subdivisions 1, 1a, 1b, by adding a subdivision; 260.761, subdivision 2, as amended; 260C.007, subdivisions 14, 26d; 260C.221, subdivision 1; 260C.317, subdivisions 3, 4; 260C.80, subdivision 1; 260E.01; 260E.02, subdivision 1; 260E.03, subdivision 22, by adding subdivisions; 260E.09; 260E.14, subdivisions 2, 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; 261.063; 270B.14, subdivision 1, by adding a subdivision; 297F.10, subdivision 1; 403.161, subdivisions 1, 3, 5, 6, 7; 403.162, subdivisions 1, 2, 5; 514.972, subdivision 5; 518A.31; 518A.32, subdivisions 3, 4; 518A.34; 518A.39, subdivision 2; 518A.41; 518A.42, subdivisions 1, 3; 518A.43, subdivision 1b; 518A.65; 518A.77; 524.5-118; 609B.425, subdivision 2; 609B.435, subdivision 2; Laws 2017, First Special Session chapter 6, article 5, section 11, as amended; Laws 2021, First Special Session chapter 7, article 1, section 36, as amended; article 2, section 84; article 6, section 26; article 14, section 23; article 16, sections 2, subdivision 32, as amended; 3, subdivision 2, as amended; 28, as amended; article 17, sections 5, subdivision 1; 6, as amended; 12, as amended; Laws 2022, chapter 99, article 1, section 46; article 3, section 9; Laws 2023, chapter 52, article 5, section 27; article 7, sections 12; 16; 2023 H.F. No. 2292, section 20, subdivision 13, if enacted; 2023 S.F. No. 2934, article 9, section 2, subdivision 16, if enacted; proposing coding for new law in Minnesota Statutes, chapters 4; 62J; 62Q; 62V; 103I; 115; 119B; 144; 144E; 145; 145A; 148; 245; 245A; 245C; 256; 256B; 256D; 256E; 256K; 256P; 260; 290; proposing coding for new law as Minnesota Statutes, chapter 143; repealing Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, 7a; 62J.84, subdivision 5; 62Q.145; 62U.10, subdivisions 6, 7, 8; 119B.011, subdivision 10a; 119B.03, subdivision 4; 137.38, subdivision 1; 144.059, subdivision 10; 144.212, subdivision 11; 144.9505, subdivision 3; 145.411, subdivisions 2, 4; 145.412; 145.413, subdivisions 2, 3; 145.4132; 145.4133; 145.4135; 145.4136; 145.415; 145.416; 145.423, subdivisions 2, 3, 4, 5, 6, 7, 8, 9; 145.4235; 145.4241; 145.4242; 145.4243; 145.4244; 145.4245; 145.4246; 145.4247; 145.4248; 145.4249; 153A.14, subdivision 5; 245A.22; 245C.02, subdivisions 9, 14b; 245C.031, subdivisions 5, 6, 7; 245C.032; 245C.11, subdivision 3; 245C.30, subdivision 1a; 245C.301; 256.8799; 256.9685, subdivisions 1c, 1d; 256.9864; 256B.011; 256B.0631, subdivisions 1, 2, 3; 256B.40; 256B.69, subdivision 5c; 256B.763; 256D.63, subdivision 1; 256I.03, subdivision 6; 256J.08, subdivisions 10, 24b, 53, 61, 62, 81, 83; 256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10; 256J.425, subdivision 6; 256J.95, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19; 256P.07, subdivision 5; 259.83, subdivision 3; 259.89; 260C.637; 261.28; 393.07, subdivision 11; 518A.59; Minnesota Rules, parts 4615.3600; 4640.1500; 4640.1600; 4640.1700; 4640.1800; 4640.1900; 4640.2000; 4640.2100; 4640.2200; 4640.2300; 4640.2400; 4640.2500; 4640.2600; 4640.2700; 4640.2800; 4640.2900; 4640.3000; 4640.3100; 4640.3200; 4640.3300; 4640.3400; 4640.3500; 4640.3600; 4640.3700; 4640.3800; 4640.3900; 4640.4000; 4640.4100; 4640.4200; 4640.4300; 4640.6100; 4640.6200; 4640.6300; 4640.6400; 4645.0300; 4645.0400; 4645.0500; 4645.0600; 4645.0700; 4645.0800; 4645.0900; 4645.1000; 4645.1100; 4645.1200; 4645.1300; 4645.1400; 4645.1500; 4645.1600; 4645.1700; 4645.1800; 4645.1900; 4645.2000; 4645.2100; 4645.2200; 4645.2300; 4645.2400; 4645.2500; 4645.2600; 4645.2700; 4645.2800; 4645.2900; 4645.3000; 4645.3100; 4645.3200; 4645.3300; 4645.3400; 4645.3500; 4645.3600; 4645.3700; 4645.3800; 4645.3805; 4645.3900; 4645.4000; 4645.4100; 4645.4200; 4645.4300; 4645.4400; 4645.4500; 4645.4600; 4645.4700; 4645.4800; 4645.4900; 4645.5100; 4645.5200; 4700.1900; 4700.2000; 4700.2100; 4700.2210; 4700.2300, subparts 1, 3, 4, 4a, 5; 4700.2410; 4700.2420;

4700.2500; 5610.0100; 5610.0200; 5610.0300; 9505.0235; 9505.0505, subpart 18; 9505.0520, subpart 9b."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Melissa Wiklund, Kelly Morrison, Liz Boldon, Robert Kupec

House Conferees: Tina Liebling, Robert Bierman, Dave Pinto, Heather Keeler

Senator Wiklund moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2995 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Utke moved that the recommendations and Conference Committee Report on S.F. No. 2995 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

RECESS

Senator Kunesh moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

The Senate resumed consideration of S.F. No. 2995 and the Utke motion.

The question was taken on the adoption of the Utke motion.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Utke
Anderson	Duckworth	Jasinski	Lucero	Weber
Bahr	Eichorn	Johnson	Mathews	Wesenberg
Coleman	Farnsworth	Koran	Miller	Westrom
Dahms	Green	Kreun	Nelson	
Dornink	Gruenhagen	Lang	Rarick	
Draheim	Housley	Lieske	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Bahr.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Mann, McEwen, Port, and Xiong.

The motion did not prevail.

The question recurred on the adoption of the Wiklund motion.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Mann, McEwen, Port, and Xiong.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Utke
Anderson	Duckworth	Jasinski	Lucero	Weber
Bahr	Eichorn	Johnson	Mathews	Wesenberg
Coleman	Farnsworth	Koran	Miller	Westrom
Dahms	Green	Kreun	Nelson	
Dornink	Gruenhagen	Lang	Rarick	
Draheim	Housley	Lieske	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Bahr.

The motion prevailed. So the recommendations and Conference Committee report were adopted.

S.F. No. 2995 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Mann, McEwen, Port, and Xiong.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Utke
Anderson	Duckworth	Jasinski	Lucero	Weber
Bahr	Eichorn	Johnson	Mathews	Wesenberg
Coleman	Farnsworth	Koran	Miller	Westrom
Dahms	Green	Kreun	Nelson	
Dornink	Gruenhagen	Lang	Rarick	
Draheim	Housley	Lieske	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Senator Dziejcz moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Senator Mitchell imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 3307: A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Laws 2023, chapter 5, sections 1; 2.

Senate File No. 3307 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 22, 2023

CONCURRENCE AND REPASSAGE

Senator Latz moved that the Senate concur in the amendments by the House to S.F. No. 3307 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 3307 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 49 and nays 13, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Klein	McEwen	Putnam
Boldon	Farnsworth	Kreun	Miller	Rarick
Carlson	Frentz	Kunesh	Mitchell	Rasmusson
Coleman	Gustafson	Kupec	Mohamed	Rest
Cwodzinski	Hauschild	Lang	Morrison	Seeberger
Dahms	Hawj	Latz	Murphy	Weber
Dibble	Hoffman	Limmer	Oumou Verbeten	Westlin
Dornink	Housley	Mann	Pappas	Wiklund
Draheim	Jasinski	Marty	Pha	Xiong
Duckworth	Johnson	Maye Quade	Port	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Mann, McEwen, Morrison, and Port.

Those who voted in the negative were:

Anderson	Eichorn	Howe	Lucero	Wesenberg
Bahr	Green	Koran	Mathews	
Drazkowski	Gruenhagen	Lieske	Utke	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

Pursuant to Rule 26, Senator Dziedzic Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 670, 669, and 447.

SPECIAL ORDER

H.F. No. 670: A bill for an act relating to capital investment; authorizing spending to acquire and better land and buildings and for other improvements of a capital nature with certain conditions; canceling prior appropriations; appropriating money.

Senator Pappas moved to amend H.F. No. 670 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**APPROPRIATIONS****Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.**

(a) The sums shown in the column under "Appropriations" are appropriated from the general fund in fiscal year 2024 to the state agencies or officials indicated, to be spent for public purposes. These are onetime appropriations. Money appropriated in this act is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(b) For any project funded in whole or in part by this act, workers on the project must be paid at least the prevailing wage rate as defined in Minnesota Statutes, section 177.42, subdivision 6, and the project is subject to the requirements and enforcement provisions in Minnesota Statutes, sections 177.27, 177.30, 177.32, and 177.41 to 177.45. For the purposes of this act, "project" means demolition, erection, construction, remodeling, or repairing of a public building, facility, or other public work financed in whole or part by state funds. Project also includes demolition, erection, construction, remodeling, or repairing of a building, facility, or public work when the acquisition of property, predesign, design, or demolition is financed in whole or in part by state funds.

(c) Money appropriated in this act: (1) is available for a grant after the commissioner of management and budget determines that an amount sufficient to complete the project as described in this act has been committed to the project, as required by Minnesota Statutes, section 16A.502; and (2) may be used to pay state agency staff costs that are attributed directly to the capital program or project for capitalizable staff costs.

(d) The sustainable building guidelines under Minnesota Statutes, section 16B.325, are mandatory for all new buildings and major renovations owned or to be owned by the state, state agencies, Minnesota State Colleges and Universities, and the University of Minnesota that are funded with an appropriation in this act.

(e) Recipients of grants from money appropriated in this act must demonstrate to the commissioner of the agency making the grant that the recipient has the ability and a plan to fund the program intended for the facility. This paragraph does not apply to state agencies.

APPROPRIATIONS**Sec. 2. NATURAL RESOURCES**

Subdivision 1. Total Appropriation**\$ 14,116,000**

(a) To the commissioner of natural resources for the purposes specified in this section.

(b) The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. Community Tree Planting Grants**1,663,000**

For grants to cities, counties, townships, and park and recreation boards in cities of the first class, to remove and plant shade trees on public land to provide environmental benefits; to replace trees lost to forest pests, disease, or storm; or to establish a more diverse community forest better able to withstand disease and forest pests. For purposes of this appropriation, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value. Any tree planted with money under this subdivision must be a climate-adapted species to Minnesota.

Subd. 3. Canisteo Legacy Mine Pit Complex**8,875,000**

(a) For the acquisition of land or interests in land and for construction of publicly owned infrastructure to mitigate the imminent threat to public safety, property, and regional water quality from the rising water at the Canisteo legacy mine pit complex.

(b) Upon substantial completion of the project authorized in this subdivision and after written notice to the commissioner of management and budget, the commissioner of natural resources may use any money remaining in this appropriation to design, engineer, and construct publicly owned water

mitigation infrastructure at the Hill annex open pit mining complex.

(c) Notwithstanding Minnesota Statutes, sections 92.50 and 282.04, or other law to the contrary, the commissioner and the county may enter into leases for this project for a term that is consistent with meeting project needs. A lease entered into under this subdivision must include a provision that provides for the amendment or termination of the lease when (1) the commissioner of natural resources determines that the project is no longer needed to serve the intended purpose or identifies a more effective alternative to the constructed project; or (2) mining operations are fully permitted to resume in all or part of the property acquired or improved with this appropriation.

Subd. 4. Grant Administration

209,000

For administration of direct grants funded with an appropriation in bills that appropriate money for capital investment projects.

Subd. 5. Glendalough State Park

200,000

To complete the paved multipurpose trail from the bridge at the northwest corner of Annie Battle Lake to the park entrance at Glendalough State Park established under Minnesota Statutes, section 85.012, subdivision 23a.

Subd. 6. All-Terrain Vehicle Trail Systems

1,294,000

(a) For capital improvements to the Voyageur Country, Prospector Loop, and Quad Cities all-terrain vehicle trail systems in the counties of St. Louis, Lake, and Koochiching. This appropriation is exempt from the requirements under Minnesota Statutes, section 16A.86, subdivision 4.

(b) \$844,000 of this appropriation is for acquisition of real property, predesign, design, and construction of alignment and extension of the Voyageur Country all-terrain vehicle trail.

(c) \$450,000 of this appropriation is for predesign, design, and construction of capital improvements to and extension of the Prospector all-terrain vehicle trail to create a trail connection point at the Pfeiffer Lake recreation area.

(d) \$50,000 of this appropriation is for predesign, design, and construction of capital improvements to the Quad Cities all-terrain vehicle trail to repair erosion damage, improve storm water management, and widen the trail.

(e) Any unexpended amount for a project described in paragraph (b), (c), or (d) that has been substantially completed may be applied to any other project described in this subdivision.

Subd. 7. Rochester; Willow Creek Trail

1,875,000

For a grant to the city of Rochester to predesign, design, engineer, construct, furnish, and equip a paved trail to extend the Rochester Trail network approximately 2.5 miles from 28th Street SE to Gamehaven Regional Park and the future extension of the Bluestem Trail to Stewartville. This project includes a trail crossing under U.S. Highway 52, property/easement acquisition, trail rehabilitation, creek crossing, trail construction, installation of trail wayfinding and rest areas, and a trailhead located at Gamehaven Regional Park.

Subd. 8. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 3. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation**\$ 47,728,000**

To the Pollution Control Agency for the purposes specified in this section.

Subd. 2. Pope-Douglas Solid Waste Management; Materials Recovery Facility**12,833,000**

For a grant to the Pope-Douglas Solid Waste Management Joint Powers Board under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, to predesign, design, and construct the renovation of the existing Material Recovery Facility to add additional space for the installation of advanced processing equipment with the ability to process raw incoming municipal solid waste with the capability to switch over to processing single sort recycling. This appropriation is notwithstanding the maximum amount of grant assistance for a project under Minnesota Statutes, section 115A.54, and is in addition to the appropriation made in Laws 2020, Fifth Special Session chapter 3, article 1, section 8, subdivision 4.

Subd. 3. Andover; Drinking Water Contamination Mitigation**6,100,000**

(a) For a grant to the city of Andover for the design and construction of new municipal water mains, new water service lines on private property that connect to the municipal water mains, and for capping private wells in the city's Red Oaks neighborhood where testing has found contamination in private drinking water wells.

(b) Notwithstanding Minnesota Statutes, section 115B.17, subdivisions 6 and 16, any money recovered by the Pollution Control Agency in a civil action for expenses paid under this appropriation shall be transferred to the commissioner of management and budget for deposit in the general fund.

Subd. 4. Hennepin County; Anaerobic Digester**26,000,000**

For a grant to Hennepin County to predesign, design, construct, furnish, and equip a new anaerobic digestion facility in the city of Brooklyn Park.

This appropriation is not available until Hennepin County submits a plan for the cessation of operations at the Hennepin Energy Recovery Center to the chairs and ranking minority members of the legislative committees with primary jurisdiction over capital investment and environment and natural resources.

Subd. 5. Todd County; Solid Waste Facility

2,795,000

For a grant to Todd County under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, to design, construct, and equip a new solid waste transfer station and household hazardous waste facility. This appropriation is in addition to the appropriation in Laws 2020, Fifth Special Session chapter 3, article 1, section 8, subdivision 8, for the same purpose.

Sec. 4. BOARD OF WATER AND SOIL RESOURCES

\$ 1,500,000

To the Board of Water and Soil Resources for one or more grants to local governments for the state's share of a grant for capital improvements to prevent or alleviate flood damage in Area II of the Minnesota River Basin. This appropriation is not available until the board determines that \$1 has been committed from nonstate sources for every \$3 of state grant funding.

Sec. 5. AGRICULTURE

\$ 73,000

To the commissioner of administration to design, construct, and equip the renovation and repair of the plant protection division's potato inspection facility located in East Grand Forks. This appropriation may also be

used to design and complete hazardous materials abatement.

Sec. 6. **ADMINISTRATION**

Subdivision 1. **Total Appropriation**

\$ 5,143,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Capitol Complex - Physical Security Upgrades Phase II**

297,000

For the continuation of the design, construction, and equipping required to upgrade the physical security elements and systems for the Capitol Mall and the buildings listed in this subdivision, their attached tunnel systems, their surrounding grounds, and parking facilities as identified in the 2017 Minnesota State Capitol Complex Physical Security Predesign completed by Miller Dunwiddie and an updated assessment completed in 2022. Upgrades include but are not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, surveillance systems, security kiosks, locking devices, and traffic and crowd control devices. This appropriation includes money for work associated with the following buildings: Anderson, Freeman, Minnesota Senate, Retirement Systems, and Transportation buildings.

Subd. 3. **Ford Building**

4,542,000

(a) To design the abatement of hazardous materials and demolition of, and to demolish and abate hazardous materials at, the Ford Building and associated infrastructure located on the Capitol complex as the first phase of overall site redevelopment. This appropriation may also be used to design, construct, and equip improvements to maintain access to the Capitol complex tunnel system as well as to provide security, irrigation, and landscaping for the site.

(b) Notwithstanding Minnesota Statutes, chapter 15B, or the Comprehensive Plan for the Minnesota State Capitol Area, no additional study shall be required prior to a building permit being issued for the work authorized in this appropriation or to proceed with such work.

Subd. 4. Sustainable Building Guidelines; Recommendations and Report

304,000

To develop recommendations for updating goals, measuring project performance in meeting the goals, applicability, compliance, waivers, outreach, and administration of the sustainable building guidelines under Minnesota Statutes, section 16B.325, in collaboration with the commissioner of commerce and the Center for Sustainable Building Research at the University of Minnesota. The commissioner of administration may contract with the commissioner of commerce and the Center for Sustainable Building Research at the University of Minnesota for assistance in developing the recommendations, including obtaining input from public owners, nonprofit owners, design professionals, and other stakeholders. The commissioner of administration must provide a report of findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over capital investment, energy finance and policy, and environment finance and policy on or before October 15, 2023.

Sec. 7. AMATEUR SPORTS COMMISSION

§ 4,000,000

(a) To the Minnesota Amateur Sports Commission for grants to cities, towns, counties, park boards, and school districts for the planning and building of public skate parks under Minnesota Statutes, section 240A.20, subdivision 3, with the assistance of the nonprofit consultant hired under paragraph (b).

(b) Of this appropriation, up to \$100,000 may be used to hire a Minnesota nonprofit consultant with expertise in public skate park development to assist the commission in developing and applying the criteria for awarding grants under Minnesota Statutes, section 240A.20, subdivision 3.

Sec. 8. **MILITARY AFFAIRS**

\$ 5,700,000

To the adjutant general for the Minnesota Military Museum at Camp Ripley. This appropriation is in addition to the appropriation made in Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 6, for the same purpose.

Sec. 9. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**

\$ 48,661,000

To the commissioner of public safety or other named entity for the purposes specified in this section.

Subd. 2. **Southern Minnesota BCA Regional Office and Laboratory**

4,500,000

To the commissioner of administration to design a new Bureau of Criminal Apprehension regional office and laboratory facility in the Mankato area.

Subd. 3. **Grant Administration**

266,000

For the administration of direct grants funded with an appropriation in this section.

Subd. 4. **Brooklyn Park; Fire Station**

1,150,000

For a grant to the city of Brooklyn Park to predesign and design a new fire station with space for a multiagency emergency operations center, regional training opportunities, and other associated site improvements.

Subd. 5. Chisholm; Public Safety Facility**3,000,000**

For a grant to the city of Chisholm to acquire property and for predesign, design, site preparation, construction, furnishing, and equipping a new public safety facility for fire protection and law enforcement. This appropriation is in addition to the appropriation under Laws 2020, Fifth Special Session chapter 3, article 1, section 15, subdivision 4, for the same purpose.

Subd. 6. Dilworth; Fire Station**4,378,000**

For a grant to the city of Dilworth to demolish the joint fire station and community center and construct a new fire station in its place to provide emergency services to residents in the cities of Dilworth and Georgetown and to residents in the townships of Morken, Moorhead, Kragnes, and Oakport.

Subd. 7. Edina; Community Health and Safety Center**1,300,000**

For a grant to the city of Edina to predesign and design a community health and safety center to be located in the southeast quadrant of the city.

Subd. 8. Edina; South Metro Public Safety Center**1,000,000**

For a grant to the city of Edina for the South Metro Public Safety Training Facility project. This appropriation is in addition to the appropriation in Laws 2020, Fifth Special Session chapter 3, article 1, section 15, subdivision 6, for the same purpose.

Subd. 9. Golden Valley; Fire Station**3,172,000**

For a grant to the city of Golden Valley to acquire and improve property, predesign, and design a new fire station with space to provide regional training opportunities and other associated site improvements.

Subd. 10. Hibbing; Public Safety Center10,000,000

For a grant to the city of Hibbing for property acquisition, predesign, design, site preparation, including demolition of existing structures, construction, furnishing, and equipping of a regional public safety center for police, fire, emergency medical services, emergency operations, and other community needs.

Subd. 11. Maplewood; East Metro Public Safety Training Facility75,000

For a grant to the city of Maplewood for a space needs and facility assessment and conceptual design of an expansion of the East Metro Public Safety Training Facility.

Subd. 12. Marshall; MERIT Training Center2,250,000

For a grant to the city of Marshall to design, construct, furnish, and equip improvements at the Minnesota Emergency Response and Industrial Training Center outlined in Phase 3 of the Master Development Plan, including: a 50-yard and 300-yard firearms range; firearms support buildings; and a live-burn buildout structure.

Subd. 13. Minneapolis; Emergency Operations Training Facility1,700,000

For a grant to the city of Minneapolis for predesign, design, engineering, and construction of the expansion of the Emergency Operations Center and Fire Training Facility.

Subd. 14. Lake Johanna; Fire Facility6,370,000

For a grant to the Lake Johanna Fire Department Headquarters Board, a joint powers entity established under agreement by the cities of Arden Hills, North Oaks, and Shoreview, for a public safety facility to house the Lake Johanna Fire Department. This appropriation is to construct, furnish, and equip a facility on land owned by the Lake Johanna Fire Department Headquarters

Board to provide emergency fire and medical services.

Subd. 15. Virginia; Public Safety Facility

2,000,000

For a grant to the city of Virginia for a regional public safety center and training facility. This appropriation is in addition to the appropriation in Laws 2020, Fifth Special Session chapter 3, article 1, section 15, subdivision 9, for the same purpose.

Subd. 16. Winona; Public Safety Center

7,500,000

For a grant to the city of Winona to acquire real property for a site and to design a regional public safety center to collocate police, fire, and other public safety entities.

Sec. 10. TRANSPORTATION

Subdivision 1. Total Appropriation

\$ 76,388,000

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. Anoka County; Trunk Highway 65

9,000,000

For one or more grants to the city of Blaine, Anoka County, or both for the predesign, right-of-way acquisition, design, engineering, and construction of intersection improvements along Trunk Highway 65 at 99th Avenue Northeast, 105th Avenue Northeast, Anoka County State-Aid Highway 12 (109th Avenue Northeast), and 117th Avenue Northeast and the associated frontage roads, backage roads, connecting local streets, and utility infrastructure improvements, if necessary or required for the construction.

Subd. 3. Barnesville; 13th Street

185,000

For a grant to the city of Barnesville to design and reconstruct 13th Street in the city of Barnesville as a paved road from Trunk Highway 34 to 9th Avenue Southeast.

Subd. 4. Biwabik; City Infrastructure**1,400,000**

For a grant to the city of Biwabik to design and construct Phase 6 of the city's infrastructure improvement project. This appropriation includes money for the full reconstruction of Fifth Avenue North; First Street North, from First Avenue North to Sixth Avenue North; and Sixth Avenue South, including all associated utilities and other capital improvements.

Subd. 5. Burnsville; Nicollet Avenue**3,900,000**

For predesign, right-of-way acquisition, design, engineering, and construction of grade separation and other capacity and safety improvements to the interchange at marked Trunk Highway 13 and Nicollet Avenue in Burnsville.

Subd. 6. Coon Rapids; Pedestrian Bridge**3,500,000**

For a grant to the city of Coon Rapids to design and construct a trail and pedestrian bridge, along with associated lighting and streetscaping improvements, for the Coon Creek Regional Trail over Anoka County State-Aid Highway 1 (Coon Rapids Boulevard) northwest of the intersection of Avocet Street and Coon Rapids Boulevard in Coon Rapids.

Subd. 7. Douglas County; U.S. Highway 29**2,000,000**

For a grant to Douglas County to install a new box culvert under marked U.S. Highway 29 between Lake Le Homme Dieu and Lake Geneva and to regrade and reconstruct a portion of marked U.S. Highway 29 to accommodate the new culvert.

Subd. 8. East Gull Lake; Street and Trail Reconstruction**353,000**

For a grant to the city of East Gull Lake for trail reconstruction and future park development on East Gull Lake Drive.

Subd. 9. Hennepin County; Railroad Crossing**450,000**

For one or more grants to Hennepin County, the city of Medina, the city of Independence, or a combination thereof, to design, engineer, and construct railroad crossing safety improvements at Town Line Road in the city of Medina and the city of Independence.

Subd. 10. Hutchinson; Civil Air Patrol**3,700,000**

For a grant to the city of Hutchinson to predesign, design, equip, and furnish a hangar and statewide training center for the Civil Air Patrol.

Subd. 11. Karlstad; Airport Runway**3,900,000**

For a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway. This appropriation is in addition to the appropriation for the same purposes in Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2.

Subd. 12. Lakeville; Freight Rail Car Storage**7,000,000**

For a grant to the city of Lakeville to predesign, design, engineer, equip, and furnish a freight rail car storage facility to improve area public safety and economic development.

Subd. 13. Madelia; Streets and Infrastructure**12,800,000**

For a grant to the city of Madelia for infrastructure improvements to Center Avenue South from Old Highway 60 Southeast to Main Street, Main Street from Center Avenue South to Center Avenue North, Center Avenue North from Main Street to the northern city limit, and related work on adjacent streets. This project includes the preliminary design, design, construction, and installation of water, sewer, and storm sewer improvements, including removal and replacement of infrastructure and the associated reconstruction and renovation of Center Avenue.

Subd. 14. Minnesota Valley Regional Rail Authority**2,000,000**

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate a portion of the railroad track between the cities of Winthrop and Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between the cities of Winthrop and Hanley Falls. A portion of the grant under this subdivision may also be used as matching funds to meet federal grant requirements. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Subd. 15. Plymouth; Chankahda Trail**800,000**

For a grant to the city of Plymouth for property acquisition and design of construction of roadway, utility, drainage, pedestrian facilities, and associated appurtenances, on Chankahda Trail, formerly known as Hennepin County Road 47, from Hennepin County State-Aid Highway 101 to Hennepin County State-Aid Highway 61.

Subd. 16. Rochester; Park-and-Ride Facility**800,000**

For a grant to the city of Rochester to design the construction of a park-and-ride parking facility on Broadway Avenue North.

Subd. 17. Sibley County; CSAH 6**3,200,000**

For a grant to Sibley County for predesign, design, engineering, right-of-way acquisition, and construction of safety improvements, a new intersection, and reconstruction of County State-Aid Highway 6 from the city of Henderson to the intersection of County State-Aid Highway 5, to raise it above the 50-year flood elevation along the Minnesota River.

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Subd. 18. Stearns County; Town Line Road

7,500,000

For a grant to Stearns County for engineering and construction for improvements to Town Line Road from Stearns County Road 5 to Stearns County Road 4.

Subd. 19. St. Cloud; Regional Airport

3,900,000

For a grant to the St. Cloud Regional Airport Authority to acquire property for and to complete environmental analysis, site preparation, construction, and equipping of improvements and betterments of a capital nature at the St. Cloud Regional Airport. This appropriation includes money to acquire and install an approach lighting system; to relocate and acquire upgrades to an instrument landing system serving Runway 31; and for major projects and site renovations to preserve or replace infrastructure to support ongoing operations at the St. Cloud Regional Airport.

Subd. 20. St. Louis Park; Cedar Lake Road and Louisiana Avenue

5,000,000

For a grant to the city of St. Louis Park to acquire property or interests in property for and predesign, design, and construct improvements to Cedar Lake Road from Jordan Avenue to Kentucky Avenue and Louisiana Avenue from Wayzata Boulevard to the railroad bridge south of Cedar Lake Road.

Subd. 21. Washington County; Interchange at Trunk Highway 36 and Lake Elmo Avenue

5,000,000

For a grant to Washington County for property acquisition and to predesign, design, construct, furnish, and equip a new interchange at marked Trunk Highway 36 and County State-Aid Highway 17, known as Lake Elmo Avenue, in Washington County.

Sec. 11. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation**\$ 47,917,000**

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. Apple Valley Transit Station**7,000,000**

To complete design and to construct and renovate the Apple Valley Red Line 147th Street Station. This project includes the addition of a skyway to connect the northbound and southbound stations on either side of Cedar Avenue, constructing and renovating additional waiting areas, and renovating and upgrading other station facilities such as the staircases, elevators, and lighting.

Subd. 3. Grant Administration**247,000**

For administration of direct grants funded with an appropriation in bills that appropriate money for capital investment projects.

Subd. 4. Anoka County; Rice Creek North Regional Trail**200,000**

For a grant to Anoka County to construct multiuse trails in Circle Pines and Lino Lakes that are within, or generally parallel to and within, the Rice Creek North Regional Trail corridor. The trails include bridges, separated trails, elevated walkways, and paved pathways.

Subd. 5. Champlin; Mississippi Crossings**1,000,000**

For a grant to the city of Champlin to design, construct, and equip a parking area, including related site improvements and infrastructure, for Mississippi Crossings. This appropriation includes money for charging stations for electric vehicles, an ADA-compliant trail, an event space, an outdoor performance area, and a municipal dock system.

Subd. 6. Champlin; Park Land Acquisition**1,250,000**

For a grant to the city of Champlin for the acquisition of real property, as part of the city's parks and conservation initiative, along

the Elm Creek Greenway Trail Corridor and adjacent to the Champlin Mill Pond.

Subd. 7. Dellwood; Lake Links Trail

2,000,000

For a grant to the city of Dellwood in Washington County to design, engineer, construct, and equip trail improvements consistent with the completed preliminary engineering along or parallel with the shore of White Bear Lake between the Mahtomedi city limits and the western border of Washington County. This appropriation may also be used for the acquisition of permanent easements and right-of-way. This appropriation is in addition to the appropriation in Laws 2020, Fifth Special Session chapter 3, article 1, section 17, subdivision 13, for the same purposes.

Subd. 8. Dakota County; Minnesota River Greenway

5,000,000

For a grant to Dakota County for right-of-way acquisition and for predesign, design, engineering, and construction of pedestrian safety-related improvements, including grade-separated crossings of railroads and multilane highways in Dakota County. This appropriation includes money for the Minnesota River Regional Greenway in Fort Snelling State Park.

Subd. 9. Dakota County; Thompson Park

2,000,000

For a grant to Dakota County for design of Thompson County Park Master Plan improvements, which may include a land bridge over Highway 52, a pollinator promenade, a sensory garden, restoration of historical stream corridor, farmstead interpretation, Dakota Lodge renovations, a sound wall, a greenway rest area with picnic shelter, and a sledding hill.

Subd. 10. Dakota County; Veterans Memorial Greenway

5,000,000

For a grant to Dakota County for right-of-way acquisition, veteran-themed memorials, and design and construction of

pedestrian safety-related improvements, including grade-separated crossings of railroads and multilane highways in Dakota County within the trail corridor between Lebanon Hills Regional Park and the Mississippi River. This appropriation is in addition to the appropriation for the same purpose in Laws 2020, Fifth Special Session chapter 3, article 1, section 17, subdivision 7.

Subd. 11. Minneapolis Park Board; Grand Rounds Missing Link

5,500,000

For a grant to the Minneapolis Park and Recreation Board to design and construct trail connections for the Grand Rounds Missing Link on the east side of Minneapolis between East River Road and St. Anthony Parkway.

Subd. 12. Minneapolis Park Board; Cedar Riverside Recreation Center

3,500,000

For a grant to the Minneapolis Park and Recreation Board to predesign and design the new Cedar Riverside Recreation Center to serve the largest immigrant population center in the state.

Subd. 13. Ramsey County; Bruce Vento Regional Trail

5,000,000

For a grant to Ramsey County to construct an approximately 2.7-mile extension of the Bruce Vento Regional Trail between Buerkle Road and the intersection of Hoffman Road/Trunk Highway 61 in the city of White Bear Lake.

Subd. 14. Ramsey County; Park at RiversEdge

6,220,000

For a grant to Ramsey County to acquire property for and to predesign and design a public realm in the city of St. Paul over a portion of Shepard Road and adjacent rail lines, including related infrastructure.

Subd. 15. Ramsey County; Rice Street Revitalization**1,000,000**

For one or more grants to Ramsey County, the city of Maplewood, the city of St. Paul, or the city of Roseville for the Rice Street revitalization project, to improve safety for users in the corridor with a focus on pedestrians and bicyclists. This appropriation includes money for reconstruction of Rice Street (County State-Aid Highway 49) and on approach streets to support reconstruction of Rice Street from Wheelock Parkway in St. Paul to County Road B in Roseville and Maplewood.

Subd. 16. Three Rivers Park District; Mississippi Gateway Regional Park**3,000,000**

For a grant to the Three Rivers Park District to design, engineer, construct, furnish, and equip the Mississippi Gateway Regional Park development, including playground development, pedestrian trail connections, landscape restoration and enhancements, habitat restoration, visitor center, classroom space, and site amenities. This appropriation is in addition to the appropriation under Laws 2020, Fifth Special Session chapter 3, article 1, section 17, subdivision 12.

Sec. 12. HUMAN SERVICES**Subdivision 1. Total Appropriation****\$ 28,841,000**

To the commissioner of administration, or other named entity, for the purposes specified in this section.

Subd. 2. Asset Preservation**2,000,000**

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, the commissioner may use this appropriation for capital expenditures allowed under Minnesota

Statutes, section 16B.307, that do not constitute betterments and capital improvements within the meaning of the Minnesota Constitution, article XI, section 5, clause (a). The report required under Minnesota Statutes, section 16B.307, subdivision 2, shall include a list of projects that have been paid for with this appropriation.

Subd. 3. St. Peter Regional Treatment Center Campus; Phase 2

21,568,000

To design, renovate, construct, furnish, and equip the second phase of a multiphase project to develop additional residential, program, activity, and ancillary facilities for the Minnesota sex offender program on the lower campus of the St. Peter Regional Treatment Center. This appropriation includes money to design, renovate, construct, furnish, and equip the west, south, and north wings of Sunrise and the Tomlinson Building. This appropriation also includes money to: replace or renovate HVAC, plumbing, electrical, security, and life safety systems; address fire and life safety, and other building code deficiencies; replace windows and doors; tuck-point exterior building envelopes; reconfigure and remodel space; design and abate asbestos and other hazardous materials; remove or demolish nonfunctioning building components; and complete site work necessary to support the programmed use of the buildings.

Subd. 4. Early Childhood Learning and Child Protection Facilities

1,125,000

To the commissioner of human services for grants under Minnesota Statutes, section 256E.37, to predesign, design, construct, renovate, furnish, and equip early childhood learning facilities.

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Subd. 5. Grant Administration

760,000

For the administration of grants funded under Minnesota Statutes, section 245G.011.

Subd. 6. Harriet Tubman Center East Renovation

3,388,000

To the commissioner of human services for a grant to Tubman to design, construct, renovate, furnish, and equip capital improvements to the Harriet Tubman Center East building in the city of Maplewood. This appropriation includes money for installation of a public elevator, partial replacement of the roof, fire sprinklers, and electrical system improvements.

Any unspent portion of this appropriation remaining after completion of the projects listed in this subdivision, after written notice to the commissioner of human services, is available for additional improvements and betterments of a capital nature at the Harriet Tubman Center East building.

Sec. 13. CORRECTIONS

Subdivision 1. Total Appropriation

\$ 22,254,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

3,822,000

For asset preservation improvements and betterments of a capital nature at the Minnesota correctional facilities statewide to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, the commissioner may use this appropriation for capital expenditures allowed under Minnesota Statutes, section 16B.307, that do not constitute betterments and capital improvements within the meaning of the Minnesota Constitution, article XI, section 5, clause (a). The report required under Minnesota Statutes, section 16B.307,

subdivision 2, shall include a list of projects that have been paid for with this appropriation.

Subd. 3. Minnesota Correctional Facility - Shakopee

18,432,000

To predesign, design, construct, renovate, furnish, and equip new and existing buildings and complete associated site work at the Minnesota Correctional Facility - Shakopee to construct an incarcerated persons programming and support space. The renovation of the existing building includes but is not limited to the removal of hazardous materials, upgrades to comply with current codes, and the construction of a new programming addition.

Sec. 14. EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation

\$ 395,567,000

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Major Sports and Events

13,000,000

For transfer to the director of Explore Minnesota Tourism for a grant to Minnesota Sports and Events for large-scale sporting and other major events.

Subd. 3. Administration of Local Grants

2,204,000

For the administration of direct grants funded with an appropriation in bills that appropriate money for capital investment projects.

Subd. 4. Aurora; Community Center

630,000

For a grant to the city of Aurora to construct improvements and betterments of a capital nature to the community center facility. This appropriation includes major projects to preserve or replace windows, roofing, mechanical or electrical systems, utility infrastructure, safety systems, and site renovations to support ongoing operations

including energy conservation and accessibility improvements.

Subd. 5. Bigfork; Community Center

1,500,000

For a grant to the city of Bigfork to design and construct the renovation and expansion of the Bigfork community center. This appropriation may be used to add a community strength training, fitness, and wellness center; public restrooms accessible from the multiuse Bigfork River Walk Trail; and new locker rooms and related amenities for the Bigfork school.

Subd. 6. Bloomington; Public Health Facility

1,800,000

For a grant to the city of Bloomington to predesign and design a public health facility in the city of Bloomington to serve people who live and work in the cities of Bloomington, Edina, and Richfield.

Subd. 7. Bloomington; Ice Garden

2,272,000

For a grant to the city of Bloomington to design capital improvements and renovations to the Bloomington Ice Garden. This appropriation includes money for replacement of R22 refrigeration systems; electrical, mechanical, and dehumidification system improvements; replacement of rink floors and dasher boards; accessibility improvements compliant with the Americans with Disabilities Act; a dryland training area; and new and remodeled locker rooms, concourses, restrooms, concessions, and administrative offices.

Subd. 8. Bloomington; Veterans Memorial

350,000

For a grant to the city of Bloomington to construct a memorial to those who have served in the armed forces of the United States of America and those who have died in the line of duty.

Subd. 9. Brooklyn Center; Health, Culture, and Recreation Community Center

5,100,000

For a grant to the city of Brooklyn Center to predesign and design the renovation of a health, culture, and recreation facility.

Subd. 10. Brooklyn Park; Community Activity Center

5,000,000

For a grant to the city of Brooklyn Park to design, construct, furnish, and equip the renovation of the Brooklyn Park Community Activity Center to convert an existing ice arena into a multicourt gymnasium space to serve as a regional competition and training facility for basketball, volleyball, and pickleball.

Subd. 11. Cannon Falls; John Burch Park

469,000

For a grant to the city of Cannon Falls for design, engineering, construction, and rehabilitation of capital improvements at John Burch Park. This appropriation includes money for reconstruction of a limestone retaining wall and concrete seating area; spectator safety improvements, including a safety railing; and replacement of the first base dugout.

Subd. 12. Chisholm; Ice Arena and Curling Club

3,000,000

For a grant to the city of Chisholm to predesign, design, and construct capital improvements to the existing Sports Arena and Curling Club, located in Chisholm, including replacing an existing ice plant serving both the hockey arena and the curling club, adding new heating mains and replacing curling mains, replacing the floor systems in both the hockey arena and the curling club, and installing dehumidification systems in both the hockey arena and the curling club.

Subd. 13. Chisholm; Film Facility

2,040,000

For a grant to the city of Chisholm to renovate 316 West Lake Street in the city of

Chisholm into a filmmaking and film education facility.

Subd. 14. Crystal; Aquatic Center

2,350,000

For a grant to the city of Crystal to construct capital improvements for and to furnish and equip the renovation of the city's aquatic center in Grogan Park.

Subd. 15. Duluth; Entertainment and Convention Center

5,000,000

For a grant to the Duluth Entertainment and Convention Center Authority to predesign, design, construct, furnish, and equip capital improvements and renovations to the Duluth Entertainment and Convention Center facility. This appropriation includes money for replacement of or improvements to mechanical, electrical, heating, ventilating, and air conditioning systems; life safety improvements; and improvements to the building's exterior envelope.

Subd. 16. Duluth; Spirit Mountain

13,000,000

For a grant to the city of Duluth to design and construct new facilities and to renew, replace, and repair existing facilities at the Spirit Mountain Recreation Area.

Subd. 17. Embarrass Township; Timber Hall

1,500,000

For a grant to the Embarrass Region Fair Association to design, engineer, construct, renovate, and repair improvements and betterments of a capital nature at the Timber Hall facility in Embarrass Township. This appropriation includes money for major projects to preserve or replace structures, electrical and plumbing systems, and interior and exterior site renovations to support ongoing operations.

Subd. 18. Fridley; Inclusive Playground

500,000

For a grant to the city of Fridley to predesign, design, construct, furnish, and equip an inclusive and accessible playground at Commons Park in the city of Fridley. For the

purposes of this subdivision, "inclusive and accessible playground" means a playground, planned and designed in partnership with community stakeholders, designed to be safe and accessible to all children including those with intellectual, developmental, or physical disabilities.

Subd. 19. Hermantown; Ice Arena

7,475,000

For a grant to the city of Hermantown to predesign, design, construct, furnish, and equip an expansion and improvements to the hockey arena in the city of Hermantown, including adding a second sheet of indoor ice, locker rooms, dry land training area, ice plant, Zamboni room, and mezzanine, and renovating and reconfiguring existing space.

Subd. 20. Hoyt Lakes; Community Recreation and Wellness Center

1,750,000

For a grant to the city of Hoyt Lakes for improvements of a capital nature to the community recreation and wellness center, including major projects to preserve or replace mechanical or electrical systems, utility infrastructure, safety systems, and site renovations to support ongoing operations including energy conservation and accessibility improvements.

Subd. 21. Inver Grove Heights; Heritage Village Park

2,000,000

For a grant to the city of Inver Grove Heights to predesign, design, construct, furnish, and equip an inclusive accessible play structure for children and to predesign, design, construct, furnish, and equip accessible restrooms, water fountains, and a fixed-shade structure, at Heritage Village Park.

Subd. 22. Litchfield; Wellness Center

1,000,000

For a grant to the city of Litchfield to acquire land for and to predesign, design, construct, furnish, and equip a community wellness and recreation center that will include a gymnasium and general fitness spaces, a dedicated walking section, a community

room, and any locker rooms and mechanical equipment needed for future additions to the facility. This appropriation is in addition to the appropriation under Laws 2020, Fifth Special Session chapter 3, article 1, section 21, subdivision 25.

Subd. 23. Litchfield; Building Facades

2,025,000

For a grant to the city of Litchfield to rehabilitate building facades in the commercial historic district of the city of Litchfield, consistent with the standards for rehabilitation under Code of Federal Regulations, title 36, section 67.7, and guidance from the Minnesota Historical Society.

Subd. 24. Maple Grove; Community Center

6,000,000

For a grant to the city of Maple Grove to predesign and design the expansion and renovation of the Maple Grove Community Center.

Subd. 25. Mendota Heights; Pilot Knob

1,850,000

For a grant to the city of Mendota Heights for development of Oheyawahe (Pilot Knob), a culturally, historically, and environmentally important site and Dakota sacred site located at 2100 Pilot Knob Road in Mendota Heights, overlooking the confluence of the Mississippi and Minnesota Rivers, which is included on the National Register of Historic Places. This appropriation includes money to design and construct: multipurpose gathering spaces, interpretation structures, trail connections and walkways, parking, and other visitor amenities and infrastructure; grading, landscaping, and other site and natural resource improvements including the planting and restoration of native vegetation; and other betterments necessary to provide safe and improved visitor access and preserve the site as a public natural area.

Subd. 26. Minneapolis; Central City Storm Tunnel9,900,000

For a grant to the city of Minneapolis for construction necessary to expand the Central City Storm Tunnel in Minneapolis. This appropriation is in addition to the appropriation in Laws 2020, Fifth Special Session chapter 3, article 1, section 21, subdivision 26, for the same purpose.

Subd. 27. Minnetonka; Hopkins Crossroad Trail1,635,000

For a grant to the city of Minnetonka to acquire property, complete predesign and design, construct, furnish, and equip a new off-street, multiuse trail along County State-Aid Highway 73, Hopkins Crossroad, from Cedar Lake Road to Wayzata Boulevard and Hillside Lane east of Hopkins Crossroad. This appropriation may be used for utility relocation to accommodate the trail.

Subd. 28. Minnetonka; Opus Public Space725,000

For a grant to the city of Minnetonka to acquire property, predesign, and design a public space including a linear plaza, an interactive art and play area, a splash pad, a dog park, a great lawn, an amphitheater, shelters, trail connections, a bike share space, a bike parking space, and an overlook at a site adjacent to the Southwest Light Rail Transit Opus station.

Subd. 29. I.S.D. No. 2149, Minnewaska; Central Square4,000,000

For a grant to Independent School District No. 2149, Minnewaska, to design, construct, renovate, equip, and furnish capital improvements, including roof replacement, to the Central Square Cultural and Civic Center in the city of Glenwood.

Subd. 30. North St. Paul; Community Multicultural Outreach Center4,500,000

For a grant to the city of North St. Paul to design, construct, renovate, furnish, and equip improvements and betterments of a

capital nature to the existing community outreach facility at 2300 North St. Paul Drive. This appropriation includes money for accessibility improvements in compliance with the Americans with Disabilities Act (ADA); HVAC replacement; window replacement; roof replacement; green energy improvements; improvements to the exterior of the facility; electrical system improvements; an expansion and renovation of the library and technology center space; senior and veterans drop-in center improvements; wellness center improvements, including the addition of a gym and track; school district activity area improvements; and other improvements related to high-demand multicultural community gathering facilities.

Subd. 31. Olmsted County; Graham Park Regional Exhibition Center

8,000,000

For a grant to Olmsted County to predesign, design, construct, furnish, and equip capital improvements to and renovation of Graham Park, a regional multiuse complex in Olmsted County. This appropriation may be used for a new multiuse exhibition center and a permanent farmers' market pavilion.

Subd. 32. Pelican Rapids; Aquatic Center

1,500,000

For a grant to the city of Pelican Rapids to predesign, design, construct, furnish, and equip a new aquatic center, including a swimming pool, water slide, zero-depth entry, splash pad, and bathhouse.

Subd. 33. Richfield; Wood Lake Nature Center

12,000,000

For a grant to the city of Richfield to design and construct a new nature center building, and for the renovation of the site and trails at Wood Lake Nature Center. This appropriation may also be used for demolition costs associated with completing the project described in this subdivision.

Subd. 34. Rochester; Parks and Forestry Operations Center

14,000,000

For a grant to the city of Rochester to acquire property for and for predesign; design; site preparation, including demolition; construction; renovation; and furnishing and equipping an expansion of an existing public works and transit operations center facility to colocate the parks and forestry operations center and traffic operations in the facility.

Subd. 35. St. Paul; Inclusive Playground

2,500,000

For a grant to the city of St. Paul to construct, furnish, and equip an inclusive and accessible playground in the city of St. Paul. "Inclusive and accessible playground" as used in this subdivision means a playground, planned and designed in partnership with community stakeholders, designed to be safe and accessible to all children, including those with intellectual, developmental, or physical disabilities.

Subd. 36. St. Paul; North End Community Center

6,000,000

For a grant to the city of St. Paul for site preparation, park enhancements, and to construct, furnish, and equip a community center in the city's North End neighborhood.

Subd. 37. St. Paul; Conway Recreation Center

2,500,000

For a grant to the city of St. Paul for the repair, upgrade, and renovation of the existing structure; design, site preparation, and preconstruction services for an auxiliary storage facility; and improvements to increase security and safety at the Conway Community Recreation Center in the city of St. Paul.

Subd. 38. St. Paul Port Authority; Hillcrest Redevelopment - The Heights

11,000,000

For a grant to the St. Paul Port Authority for design and construction of the redevelopment of the public areas at the former Hillcrest Golf Course site. This appropriation includes

money for public rights-of-way, parkland, wetlands, stormwater infrastructure, and associated improvements to further economic development, jobs, housing, parkland, and net zero energy utilities and goals.

Subd. 39. Savage; Sports Center 600,000

For a grant to the city of Savage to construct drainage improvements and replace turf on athletic fields at the Savage Sports Center.

Subd. 40. Waite Park; Quarry Redevelopment 2,500,000

For a grant to the city of Waite Park to acquire property for and to predesign, design, construct, furnish, and equip Phase 2 of the Quarry Redevelopment Project, to include improvements and enhancements of a capital nature to the public open-air stage and related facilities.

Subd. 41. Woodbury; Central Park 7,500,000

For a grant to the city of Woodbury to construct, furnish, and equip the expansion and renovation of the Woodbury Central Park building, a multiuse facility and regional gathering space that includes an indoor garden and amphitheater, indoor playground, meeting, programming, and event space.

Subd. 42. 30,000 Feet; Technical Training Center 3,500,000

For a grant to 30,000 Feet to design, construct, renovate, furnish, and equip a renovation and expansion of a Black Arts and Tech Center in the city of St. Paul.

Subd. 43. Accessible Space 1,150,000

For a grant to Accessible Space, Inc., for capital improvements of low-income accessible housing units located at 814 Iglehart Avenue, 825 Selby Avenue, and 135 to 154 Western Avenue South in the city of St. Paul; 1370 Curve Crest Boulevard in the city of Stillwater; and 1074 Roselawn Avenue West in the city of Roseville.

Subd. 44. African Economic Development Solutions**1,500,000**

For a grant to African Economic Development Solutions to renovate and equip a building in St. Paul that will support business incubation, entrepreneurship, and workforce development in the African immigrant community.

Subd. 45. African Career Education and Resource**3,000,000**

For a grant to African Career Education and Resource, Inc., to acquire, predesign, design, and renovate a building in Brooklyn Center that will support business development, business incubation, entrepreneurship, and workforce development in the Black community and in other communities of color.

Subd. 46. Agate Housing and Services**5,000,000**

For a grant to Agate Housing and Services to design, construct, equip, and furnish a shelter facility in the city of Minneapolis for those experiencing homelessness.

Subd. 47. Ain Dah Yung Center**2,200,000**

For a grant to the Ain Dah Yung (Our Home) Center to construct, furnish, and equip the renovation of the emergency shelter and youth lodge in the city of St. Paul. The renovations include tuckpointing, electric upgrades, ADA access, emergency fire escape, and bathroom renovation for the emergency shelter. This appropriation also includes money for roof replacement, electric upgrades, and ADA access for the youth lodge.

Subd. 48. Anoka Area Ice Arena Association**487,000**

For a grant to the Anoka Area Ice Arena Association for reimbursement of costs incurred since March 2021, pursuant to design and construction plans made in contemplation of receipt of a general obligation bond proceeds grant that was

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MONDAY, MAY 22, 2023

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determined ineligible for general obligation bond proceeds in January 2023.

Subd. 49. St. Cloud; CentraCare

5,000,000

For a grant to CentraCare to design a University of Minnesota Medical School Campus on the CentraCare Health System Campus in the city of St. Cloud.

Subd. 50. Appetite For Change

1,500,000

For a grant to Appetite for Change to acquire property, predesign, and design a facility that will provide access to food, workforce development, urban agriculture, and health and wellness services in the city of Minneapolis.

Subd. 51. Avenues For Youth

6,000,000

For a grant to Avenues for Youth to acquire property, predesign, and design a new expanded facility in North Minneapolis to provide space for the organization's existing North Minneapolis emergency shelter and transitional housing program, provide affordable housing for youth, and serve as the new administrative headquarters for Avenues for Youth.

Subd. 52. Center for Asian and Pacific Islanders (CAPI)

3,000,000

For a grant to CAPI to construct, furnish, and equip a new expansion to CAPI's Immigrant Opportunity Center on Brooklyn Boulevard in the city of Brooklyn Center. The center will expand access to wealth-building services.

Subd. 53. Comunidades Latinas Unidas en Servicio (CLUES)

3,500,000

For a grant to Comunidades Latinas Unidas en Servicio (CLUES) to acquire property and predesign a new Latino outreach facility at 2800 East Lake Street, Minneapolis. The new Economic Opportunity and Wellness Hub will provide workforce training, business incubators and technical assistance, a youth

technology center, behavioral health clinics, a food shelf, child care, and other high-demand community supports.

Subd. 54. CornerHouse

2,750,000

For a grant to CornerHouse to acquire property for a new facility in Hennepin County.

Subd. 55. Cultural Wellness Center

3,000,000

For a grant to the Cultural Wellness Center for acquisition of property; site preparation, including demolition; and improvements and betterments of a capital nature for Dreamland on 38th Street in the city of Minneapolis. This appropriation includes money for HVAC and mechanical system upgrades and storm water and utility improvements.

Subd. 56. Division of Indian Work

500,000

For a grant to the Division of Indian Work (DIW) to predesign the renovation of property it currently owns, which formerly served as a transitional housing facility for teen mothers, and the renovation and capital repairs of the DIW's existing facility at 1001 East Lake Street in the city of Minneapolis, to better carry out its mission of providing support and strength to urban American Indian people through a full spectrum of culturally based programming.

Subd. 57. Duluth Historic Armory

4,500,000

(a) For a grant to the Armory Arts and Music Center to design, construct, furnish, and equip the renovation of the historic Armory in the city of Duluth.

(b) This appropriation includes money for improvements for the Music Resource Center, the North Country Creative Center, and the Food Enterprise Center; interior building improvements, including structural enhancements to meet current applicable building codes; improvements for compliance with Americans with Disabilities Act (ADA)

requirements; and building systems, including mechanical, electrical, plumbing, and utility upgrades.

(c) This project must use design and construction methods to maximize consideration of energy efficiency and long-life cycle materials, while meeting the requirements of the federal National Parks Service, Secretary of Interior Standards for Rehabilitation.

(d) Due to the integrated nature of the overall development, public bidding is not required for this project.

Subd. 58. East Side Neighborhood Services

300,000

For a grant to East Side Neighborhood Services to predesign rehabilitation of an existing structure in Northeast Minneapolis, the Mobile Food Shelf Storage and Preparation Center. This rehabilitated structure shall physically connect and integrate the food security and accesswork of East Side Neighborhood Services with the existing services for older adults, families and children, community food partners, economic development and job pathways programs, and the educational efforts to teach youth about food systems, urban agriculture, and sustainability.

Subd. 59. Every Meal

4,000,000

For a grant to Every Meal to purchase a facility that will function as the statewide distribution hub for a backpack service delivery network.

Subd. 60. FilmNorth

2,000,000

For a grant to FilmNorth to renovate property located at 2441 University Avenue in the city of St. Paul to serve as a filmmaking and film education facility.

Subd. 61. Firefighters for Healing1,500,000

For a grant to Firefighters for Healing to acquire property for a new facility in Minneapolis near the Hennepin County Medical Center to provide temporary housing for burn victims, first responders, and their families.

Subd. 62. Keystone Community Services2,600,000

For a grant to Keystone Community Services to renovate, furnish, and equip improvements to existing exterior enclosure, utilities, interior spaces, and other improvements of a capital nature for a new community food site in Ramsey County.

Subd. 63. Hope 4 Youth8,000,000

For a grant to HOPE 4 Youth to acquire property, predesign, design, construct, furnish, and equip a youth homeless drop-in center in Anoka County.

Subd. 64. Indian Health Board4,000,000

For a grant to the Indian Health Board to construct a medical facility in the city of Minneapolis.

Subd. 65. Indigenous Peoples Task Force4,000,000

For a grant to the Indigenous Peoples Task Force to acquire land, predesign, design, construct, furnish, and equip Mikwanedun Audisookon Center for Art and Wellness in the Phillips neighborhood in the city of Minneapolis to provide a spectrum of community services, including HIV and opioid harm reduction services, housing and navigation services, youth programs, and traditional foods and environment services.

Subd. 66. Irreducible Grace Foundation1,500,000

For a grant to the Irreducible Grace Foundation for demolition of 3,800 square feet of the Black Youth Healing Arts Center, and predesign and design of housing at 643 Virginia St. in St. Paul to be owned and

managed by the Irreducible Grace Foundation for youth and young adults.

Subd. 67. Isuroon

3,000,000

For a grant to Isuroon to predesign, design, construct, and renovate the property located at 1600 East Lake Street, in the city of Minneapolis, to carry out the mission of the organization to support immigrant women and provide mental health counseling.

Subd. 68. Latino Economic Development Center

3,548,000

For a grant to the Latino Economic Development Center for replacement of mechanical systems, construction or renovation of interior spaces, and other improvements of a capital nature to their building that will operate as a small business incubator on Payne Avenue in the city of St. Paul and serve other community uses.

Subd. 69. Leech Lake Health and Wellness Centers

24,000,000

For a grant to the Leech Lake Band of Ojibwe for design, site preparation, including demolition, construction, engineering, furnishing, and equipping Leech Lake area health and wellness centers to be located in the city of Cass Lake, the community of Kego Lake, and the community of Ball Club, that will provide space for health, wellness, and community gathering opportunities to both Tribal and non-Tribal members of the public.

Subd. 70. Listening House

2,950,000

For a grant to Listening House of St. Paul to renovate, remodel, furnish, and equip a building and parking lot on parcels located at 421, 423, and 423a East 7th Street in the city of St. Paul, including the construction of an addition, to serve as a permanent day shelter.

Subd. 71. Little Earth Neighborhood Early Learning Center

1,250,000

For a grant to the Little Earth Neighborhood Early Learning Center to predesign, design, and construct needed HVAC and other code upgrades within the existing building and to upgrade and add safety features to the outside play area.

Subd. 72. Little Earth Residents Association

3,500,000

For a grant to the Little Earth Residents Association for the predesign, design, and construction of the Little Earth Innovation Hub, which will contain a green house, aquaponics facility, commercial kitchen, office, and gathering space. The project also includes ADA upgrades to the facility.

Subd. 73. Lower Phalen Creek Project

2,500,000

For a grant to the Lower Phalen Creek Project to construct the Wakan Tipi Center in St. Paul, including construction of a reception area, classrooms, permanent and temporary exhibit space, community gathering area, and gallery space. This appropriation is in addition to the appropriation in Laws 2020, Fifth Special Session chapter 3, article 1, section 17, subdivision 11, for the same purpose.

Subd. 74. Hmong 18 Council

3,000,000

For a grant to Hmong 18 Council, Inc., to acquire property for and to predesign, design, renovate, furnish, and equip the Hmong Minnesota Community Center in the city of St. Paul. The center will serve Hmong families and the community. It will be a community space and a hub for culturally specific resources and social services.

Subd. 75. MNI Sota Fund

1,000,000

For a grant to MNI Sota Fund to acquire real property for and to design a new facility in the city of Minneapolis. MNI Sota Fund will create an Indigenous asset building center

equipped with classrooms, office space, and a small business incubator to support aspiring American Indian entrepreneurs and homeowners.

Subd. 76. Native American Community Clinic

4,500,000

(a) For a grant to the Native American Community Clinic for site preparation and construction of an expansion of the clinic in the city of Minneapolis. This appropriation includes money for medical and dental exam rooms, additional laboratory and diagnostic space, and associated capital improvements that will facilitate additional patients.

(b) This appropriation is only for the Native American Community Clinic. The Native American Community Clinic may sell real property interests on the clinic property, the purchase and construction of which were funded by this and earlier appropriations, so long as: (1) the real property interests sold do not include the clinic, and (2) the rights and interests sold will be used for the purpose of developing affordable housing for the populations served by the clinic. In addition, the Native American Community Clinic may retain any sale proceeds so long as the sale proceeds are applied to the construction and expansion of the clinic for which this appropriation is being made.

Subd. 77. New Native Theater

300,000

For a grant to the New Native Theater for predesign and design activities of a new and permanent 200-seat theater space. The new theater space will be colocated in the newly constructed Minneapolis American Indian Center.

Subd. 78. ArtSpace; Northrup King Building

1,720,000

For a grant to ArtSpace for improvements and betterments of a capital nature to renovate and restore the historic Northrup King Building campus in the city of Minneapolis.

Subd. 79. Northside Economic Opportunity Network**6,000,000**

For a grant to the Northside Economic Opportunity Network for site preparation, including demolition, construction, furnishing, and equipping of a food business incubator facility in the city of Minneapolis to provide reliable and affordable resources for food entrepreneurs and business owners who are Black, Indigenous, and People of Color to start and grow food-based businesses.

Subd. 80. Norway House**5,000,000**

For a grant to Norway House to acquire land and predesign, design, construct, furnish, and equip a conference and event center at 913 East Franklin Avenue and adjacent property in Minneapolis to celebrate the culture of Norway and American Norwegians. This appropriation may be used to reimburse Norway House for project costs already paid by Norway House for this project after January 1, 2018.

Subd. 81. Open Arms**500,000**

For a grant to Open Arms of Minnesota to construct, renovate, furnish, and equip a new kitchen and nutrition counseling center in Ramsey County to expand access to medically tailored meals for Minnesotans with life-threatening illnesses.

Subd. 82. Pangea World Theater**300,000**

For a grant to the Pangea World Theater for predesign and design to establish a community arts center in the West Lake Street area of the city of Minneapolis to serve the community in a multiuse arts and cultural space.

Subd. 83. Parents in Community Action**4,000,000**

For a grant to Parents in Community Action in the city of Minneapolis to remodel, construct, furnish, and equip an existing facility. This project shall consolidate

training programs from multiple locations and expand state-of-the-art workforce development training in early childhood, transportation, and food services. This project shall also increase child care services in a lab school dual-functioning model that has proven to increase teacher diversity through hands-on training for parents, staff, and community members. This project shall create additional child care classrooms, training rooms, restrooms, a central activity room, trainer office space, general office space, conference rooms, and a new lobby area with an outdoor canopy.

Subd. 84. Phyllis Wheatley Community Center

550,000

For a grant to the Phyllis Wheatley Community Center to design the construction and rehabilitation of infrastructure at Camp Katherine Parsons in Carver County.

Subd. 85. Playwrights' Center

4,000,000

For a grant to the city of St. Paul for acquisition of the property located at 710 Raymond Avenue and to construct, furnish, and equip renovation of the building for use as a comprehensive play development program and workshop facility.

Subd. 86. PROCEED

5,000,000

For a grant to Progressive Center for Education and Economic Development (PROCEED), to design, construct, furnish, and equip a new community center on the east side of the city of St. Paul to support programming for the community, including but not limited to youth after-school programs, college preparation, and a health clinic.

Subd. 87. Public Functionary

450,000

For a grant to Public Functionary to predesign and design a community arts center in the northeast area of the city of Minneapolis.

Subd. 88. Red Lake Tribal College3,000,000

For a grant to the Red Lake Band of Chippewa Indians to complete construction and renovation of the Red Lake Nation Tribal College, Minneapolis location.

Subd. 89. Rondo Innovation Campus1,000,000

For a grant to ReConnect Rondo to predesign and design the Rondo Innovation Campus in the city of St. Paul, a NetZero facility that will house multiple community services and a gathering space for the public.

Subd. 90. St. Paul Urban Tennis750,000

For a grant to St. Paul Urban Tennis to acquire property for and to predesign and design a new Tennis and Life Learning Community Center.

Subd. 91. Sanneh Foundation1,820,000

For a grant to the Sanneh Foundation to acquire property for and to predesign and design an Innovation Center in the city of St. Paul for community gathering, training, and for supportive housing to host teacher pathway candidates and future educators, nonprofit service providers, AmeriCorps members, and other community employees serving the public.

Subd. 92. Simpson Housing Services5,000,000

For a grant to Simpson Housing Services to construct a shelter facility in the city of Minneapolis. For the purposes of this subdivision, "shelter facility" means a facility having a primary purpose of providing a temporary shelter for the homeless in general, or for a specific homeless population, and does not require occupants to sign leases or occupancy agreements.

Subd. 93. Somali Museum3,900,000

For a grant to the Somali Museum to predesign and design a facility in the city of Minneapolis to be used for a museum of

Somali relics and artifacts, Somali cultural history, and education.

Subd. 94. Southern Anoka Community Assistance 2,500,000

For a grant to Southern Anoka Community Assistance to predesign, design, construct, engineer, furnish, and equip a facility in the city of Columbia Heights to provide food shelf services, grocery delivery for seniors and people with disabilities, and basic needs support.

Subd. 95. Special Guerilla Units Veterans Museum 2,000,000

For a grant to the Special Guerrilla Units (SGU) Veterans and Families of the United States of America to acquire property for and to predesign, design, construct, furnish, and equip a museum in the city of St. Paul of SGU veterans' relics, artifacts, and history for educational efforts to teach the public about the history and cultural heritage of the Hmong in Minnesota.

Subd. 96. Great River Children's Museum 7,000,000

For a grant to Great River Children's Museum to construct, furnish, and equip capital improvements to renovate and expand a facility and outdoor exhibit space donated to the museum for the purpose of housing a children's museum in the city of St. Cloud.

Subd. 97. The Link 5,000,000

For a grant to The Link for land acquisition and to predesign, design, construct, furnish, and equip a new multiuse facility in North Minneapolis. The new building would include a youth program and recreational space, administrative and program office space, and between 40 to 45 new units of housing for unaccompanied homeless youth, sex-trafficked youth, and young families experiencing homelessness.

Subd. 98. Tending the Soil MN 1,500,000

For a grant to Tending the Soil MN to acquire property for and for predesign of a

facility that will provide workforce development and job training, housing, and administrative and public gathering spaces in the city of Minneapolis.

Subd. 99. True Friends; Camp Courage

10,000,000

For a grant to True Friends to predesign, design, engineer, construct, furnish, and equip a new recreation facility on the campus of Camp Courage in Wright County, a conference and retreat center operated by True Friends that provides respite, camping, and recreational opportunities for children and adults with disabilities and their families.

Subd. 100. Turning Point

1,000,000

For a grant to Turning Point to design, construct, furnish, and equip improvements and betterments of a capital nature to Turning Point's facility in the city of Minneapolis, in order to help the organization carry out its mission of providing culturally specific substance use disorder treatment, housing, support services, and training to adults.

Subd. 101. Ukrainian Center

1,800,000

For a grant to the Ukrainian American Community Center to predesign, design, and construct improvements and betterments of a capital nature to their facility in the city of Minneapolis to help the organization carry out its mission of preserving Ukrainian culture and heritage and assisting and serving refugees from Ukraine in the wake of Russia's invasion.

Subd. 102. V3 Sports, Inc.

15,000,000

For a grant to V3 Sports, Inc., to predesign, design, construct, furnish, and equip a community, aquatic, sports, and event center with a 50-meter competition swimming pool in the North Minneapolis neighborhood.

Subd. 103. Walker|West Music Academy

4,100,000

For a grant to Walker|West Music Academy to acquire property, predesign, and design a

building in the city of St. Paul to support youth music education.

Subd. 104. **Wellstone Center**

2,150,000

For a grant to The Neighborhood House to renovate The Wellstone Center in the city of St. Paul.

Subd. 105. **WE WIN Institute**

3,500,000

For a grant to WE WIN Institute, Inc., to acquire property and predesign, design, construct, renovate, furnish, and equip capital improvements to provide academic, social, and culturally specific programming and food services for Black students in the city of Minneapolis.

Subd. 106. **YWCA St. Paul**

2,317,000

For restoration, replacement, and repairs and to enhance the security, efficiency, safety, sustainability, and accessibility of the nine supportive housing facilities in St. Paul owned and operated by YWCA St. Paul and of its headquarters at 375 Selby Avenue in St. Paul, which is comprised of several attached structures with nine roofs. The necessary work will include capital improvements such as tuckpointing and masonry, roofing, windows, furnaces, air conditioning, water heaters, boilers, exterior doors, retaining walls, gutters, flooring, decking, and enhanced security, lighting, and accessibility.

Sec. 15. **PUBLIC FACILITIES AUTHORITY**

Subdivision 1. **Total Appropriation**

\$ 120,402,000

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. **Lewis and Clark Joint Powers Board**

22,000,000

For a grant to the Lewis and Clark Joint Powers Board to acquire land for and to design, engineer, and construct facilities and infrastructure necessary for an expansion of

the Lewis and Clark Regional Water System. This appropriation is not available until the Lewis and Clark Joint Powers Board pays to the commissioner of management and budget the total amount of federal money that it received or receives associated with the project that was funded by Laws 2014, chapter 295, section 11, subdivision 2, and Minnesota Statutes, section 16A.967, estimated to be \$39,003,078, by June 30, 2024. The commissioner must deposit this money in the general fund.

Subd. 3. Austin; Wastewater Treatment Facility Improvements

14,500,000

For a grant to the city of Austin to construct and equip improvements for upgrades to the city's wastewater treatment facility. This appropriation includes money for renovation, repairs, and replacement of infrastructure, equipment, and other components of the facility's wastewater treatment systems including site improvements to buildings and other structures as well as the costs of demolition associated with the project.

Subd. 4. Braham; Clean Water Infrastructure

10,227,000

For a grant to the city of Braham to design, engineer, permit, and construct publicly owned infrastructure in conjunction with upgrades to the wastewater treatment plant and improvements to the collection system, clean drinking water infrastructure including water main replacement in various locations and water well replacement.

Subd. 5. Buhl; Water System

2,000,000

For a grant to the city of Buhl to design, construct, furnish, and equip a new water treatment system, including a new water tower and other improvements to infrastructure required for an upgrade of the city's water system.

Subd. 6. Dayton; Wellhead Treatment Improvements**1,750,000**

For a grant to the city of Dayton to construct two wellhead treatment plants to improve the city's drinking water.

Subd. 7. First District Association; Wastewater Industrial Pretreatment Facility**5,000,000**

For a grant to the First District Association, a dairy cooperative located in the city of Litchfield, to design, engineer, construct, equip, and furnish, a new wastewater industrial pretreatment facility in the city of Litchfield with a processing capacity of up to 1,750,000 gallons per day of high strength wastewater, a biosolids handling process, and renewable gas production.

Subd. 8. Gilbert; Water Treatment Plant**4,885,000**

For a grant to the city of Gilbert to design and construct a new lime softening water treatment plant and associated capital improvements. This appropriation includes money for demolition of decommissioned water treatment structures, a lime sludge processing system, capital improvements to lime sludge storage facilities, and replacement of aquifer monitoring equipment in existing water supply wells.

Subd. 9. Lincoln-Pipestone Rural Water System**11,500,000**

For one or more grants to the Lincoln-Pipestone Rural Water System for the purposes described in this subdivision.

(1) \$4,000,000 of this appropriation is to design, construct, and equip a biological filtration and water treatment system for nitrate removal.

(2) \$2,500,000 of this appropriation is to design and construct improvements and betterments of a capital nature to water treatment facilities in Fortier Township, including contact basin and water storage improvements.

(3) \$5,000,000 of this appropriation is to acquire property and to design and construct water storage and distribution infrastructure, including booster stations and new water connecting pipelines.

Subd. 10. Mankato; Water Treatment

10,000,000

For a grant to the city of Mankato for site preparation and to construct upgrades to the city's regional water resource recovery facility, including the disinfection upgrades improving water quality of the discharge to the Minnesota River.

Subd. 11. Minneapolis; Water Distribution Facility

4,500,000

For a grant to the city of Minneapolis for predesign, design, engineering, and environmental analysis of the water distribution facility to be located in Hennepin County or Anoka County.

Subd. 12. Mound; Clean Water Infrastructure

10,300,000

For a grant to the city of Mound to predesign, design, and construct a new clean water well, decommission and seal of wells No. 4 and No. 7, installation of a new water main between water towers 3 and 8, and capital improvements to the water treatment facility.

Subd. 13. Red Rock Rural Water System; Expansion Design

748,000

For a grant to the Red Rock Rural Water System to design a new well field for an expansion of the Red Rock Rural Water System.

Subd. 14. Tyler; Sanitary Sewer

3,792,000

For a grant to the city of Tyler to predesign, design, construct, and equip repair and reconstruction of portions of the sanitary sewer collection system.

Subd. 15. West St. Paul; Wastewater Infrastructure

1,700,000

For a grant to the city of West St. Paul to design and construct the replacement of

sanitary sewer lift station number 4 and force main number 4.

Subd. 16. Western Lake Superior Sanitary District; Clarifiers

17,500,000

For a grant to the Western Lake Superior Sanitary District to design, construct, and rehabilitate four secondary clarifiers in the district's wastewater treatment system.

Sec. 16. MINNESOTA HOUSING FINANCE AGENCY

Subdivision 1. Total Appropriation

\$ 31,132,000

To the Minnesota Housing Finance Agency for the purposes specified in this section.

Subd. 2. Rehabilitation to Preserve Public Housing

30,132,000

For transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and publicly owned or housing that has been repositioned under the federal Rental Assistance Demonstration or similar program. Priority may be given to proposals that maximize nonstate resources to finance the capital costs and requests that prioritize health, safety, and energy improvements and requests that prioritize long-term affordability. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Subd. 3. Satori Village

1,000,000

For a grant to the city of Minneapolis for the Satori Village Development, a mixed-income and mixed-age housing project.

Sec. 17. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation § 800,000

To the Minnesota Historical Society for the purposes specified in this section.

Subd. 2. Minnesota Transportation Museum 100,000

For a grant to the Minnesota Transportation Museum to predesign and design the renovation, restoration, and preservation of the historical Jackson Street Roundhouse in St. Paul to preserve the history and culture of railroads in Minnesota.

Subd. 3. Morrison County; Weyerhaeuser Museum 700,000

For a grant to the Morrison County Historical Society for repair and stabilization of the riverbank along the Mississippi River at the C.A. Weyerhaeuser Memorial Museum.

Sec. 18. CANCELLATION.

The amount of the general fund appropriations listed in the cancellation report submitted to the legislature in 2023, pursuant to Minnesota Statutes, section 16A.642, are canceled on the effective date of this section.

Sec. 19. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 15B.03, subdivision 4, is amended to read:

Subd. 4. **Executive secretary, employees, contractors.** (a) The chair of the board must appoint an executive secretary to serve the board. The chair must consult with the board before making an appointment. The executive secretary serves in the unclassified service.

(b) The board may employ any other officers and employees it considers necessary. Those employed under this paragraph are in the state classified civil service.

(c) The board may contract for professional and other similar services on the terms it considers desirable.

Sec. 2. Minnesota Statutes 2022, section 16A.966, subdivision 2, is amended to read:

Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law, including for the purposes of financing the cost of implementing removal or remedial actions permitted under section 115B.17 and further subject to the conditions in chapter 115B to address risks to human health and the environment at contaminated sites. Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the commissioner of the Pollution Control Agency under subdivision 7, not to exceed \$30,400,000 net of costs of issuance, for the purposes as provided under this subdivision, and to pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (d). Notwithstanding section 115B.17, subdivision 6 or 16, any money recovered in a civil action or any money received from the disposition of property acquired for a response action and financed with bonds under this section shall be transferred to the commissioner and applied toward principal and interest on outstanding bonds.

(b) Proceeds of the appropriation bonds must be credited to a special appropriation state response to releases bond proceeds fund in the state treasury. All income from investment of the bond proceeds, as estimated by the commissioner, is appropriated to the commissioner for the payment of principal and interest on the appropriation bonds.

(c) Appropriation bonds may be issued in one or more issues or series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 21 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

(e) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

(f) The appropriation bonds are not subject to chapter 16C.

(g) Notwithstanding section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2027.

Sec. 3. Minnesota Statutes 2022, section 116J.435, subdivision 1, is amended to read:

Subdivision 1. **Creation of account.** (a) An innovative business development public infrastructure account is created in the bond proceeds fund. Money in the account may only be used for capital costs of public infrastructure for eligible innovative business development projects.

(b) An innovative business development public infrastructure account is created in the general fund. The account consists of funds as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on a project receiving financial assistance as provided under this section.

Sec. 4. Minnesota Statutes 2022, section 116J.435, subdivision 7, is amended to read:

Subd. 7. **Repayment of grant.** If an eligible project supported by public infrastructure funded with a grant awarded under this section is not occupied by an innovative business in accordance with the grant application under subdivision 4 within five years after the date of the last grant payment, the grant recipient must repay the amount of the grant received. The commissioner must deposit all money received under this subdivision into the state treasury and credit it to the debt service account in the state bond fund if the grant was funded with state general obligation bond proceeds or to the general fund if the grant was funded with money from the general fund.

Sec. 5. Minnesota Statutes 2022, section 134.45, subdivision 5, is amended to read:

Subd. 5. **Qualification; accessibility grants.** A public library jurisdiction may apply for a grant in an amount up to ~~\$300,000~~ \$450,000 or 50 percent of the approved costs of removing architectural barriers from a building or site, whichever is less. Grants may be made only for projects in existing buildings used as a library, or to prepare another existing building for use as a library. Renovation of an existing building may include an addition to the building if the additional space is necessary to provide accessibility or if relocating public spaces to the ground level provides improved overall accessibility. Grants must not be used to pay part of the cost of meeting accessibility requirements in a new building.

Sec. 6. Minnesota Statutes 2022, section 240A.20, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "skate" means wheeled, nonmotorized recreation, including skateboarding, roller blading, ~~and roller skating, and not including cycling or BMX biking.~~

Sec. 7. Minnesota Statutes 2022, section 240A.20, subdivision 3, is amended to read:

Subd. 3. **Criteria for grants to local units of government for public skate parks.** (a) The commission shall administer a site selection process for the skate parks. The commission shall invite proposals from cities ~~or~~ towns, counties ~~or~~ consortia of cities, park boards, and school districts that are eligible to receive a grant under this program. A proposal for a skate park must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(b) The skate park must be accessible to the public without charge for personal use.

(c) The skate park must be constructed of concrete.

~~(b)~~ (d) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway, transit, or pedestrian or bike path.

~~(c)~~ (e) To the extent possible, all proposed facilities must be dispersed equitably, must be located to maximize potential for full utilization, must accommodate noncompetitive family and community skating for all ages, and must encourage use of skate parks by a diverse population.

~~(d)~~ (f) The commission will give priority to proposals that come from more than one local government unit.

~~(e)~~ (g) The commission may also use the money to upgrade, ~~rehabilitate, or renovate~~ current facilities.

~~(f)~~ (h) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

~~(g)~~ (i) A grant awarded under subdivision 2, clause (2), may not exceed ~~\$250,000~~ \$500,000 unless the grantee demonstrates that the facility will have a regional or statewide draw. A grant awarded under subdivision 2, clause (2), may be for up to ~~\$750,000~~ \$1,000,000 for a skate park with regional impact. A grant awarded under subdivision 2, clause (2), may be for up to \$2,000,000 for a skate park ~~with statewide draw~~ that has or will have more than 40,000 square feet.

~~(h)~~ (j) In selecting projects to be awarded grants under this section, the commission must give priority to those projects that are ~~designated~~ designed by experts in the field of concrete skate park design and are to be constructed by professionals with experience in the construction of concrete skate parks.

~~(i)~~ (k) To be eligible for a grant under this section, a local government must have engaged or must commit to engage youth in the planning, design, and programming for the concrete skate park.

Sec. 8. Minnesota Statutes 2022, section 240A.20, is amended by adding a subdivision to read:

Subd. 6. **Awarding a design-build contract.** Notwithstanding section 471.345, cities, towns, counties, park boards, and school districts may solicit and award a design-build or construction manager at-risk contract for a construction or upgrade project funded under this section on the basis of a best value selection process. The city, town, county, park board, or school district must consider at least three proposals when awarding a design-build contract under this section.

Sec. 9. Minnesota Statutes 2022, section 240A.20, is amended by adding a subdivision to read:

Subd. 7. **Availability of funds.** A grant of money from an appropriation under this program is available to each grantee until the project that is the subject of the grant is completed or abandoned, subject to section 16A.642.

Sec. 10. Minnesota Statutes 2022, section 256E.37, subdivision 1, is amended to read:

Subdivision 1. **Grant authority.** The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for early childhood programs, crisis nurseries, or parenting time centers. The following requirements apply:

(1) The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases.

(2) A grant for an individual facility must not exceed \$500,000 for each program that is housed in the facility, up to a maximum of \$2,000,000 for a facility that houses three programs or more. Programs include Head Start, School Readiness, Early Childhood Family Education, licensed child care, and other early childhood intervention programs.

(3) State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply program wide and not to individual grants.

~~(4) At least 80 percent of grant funds must be distributed to facilities located in counties not included in the definition under section 473.121, subdivision 4.~~

Sec. 11. **CAPITOL AREA LAND USE PROJECTS; ZONING AND DESIGN.**

Minnesota Statutes, sections 15B.05, subdivision 3; 15B.06; 15B.08; and 16B.31, subdivision 4, and any rules adopted under the authority of those sections, do not apply to any project to address critical health, life safety, and security needs on the State Capitol complex and for which funds are available on or before December 31, 2023, if the primary affected tenant has given final approval to the project.

Sec. 12. **CONVEYANCE AUTHORIZED; AMATEUR SPORTS COMMISSION.**

Subdivision 1. **National Sports Center.** The Minnesota Amateur Sports Commission may sell no more than 2.5 acres of land situated at the National Sports Center in Blaine, Minnesota, and identified as 10610 Nassau Street NE, Blaine, Minnesota, legally described in subdivision 3, to the city of Blaine or the Blaine Economic Development Authority provided that such sale must be completed in accordance with the provisions contained in Minnesota Statutes, section 16A.695.

Subd. 2. **Appropriation.** Upon completion of the sale, an amount of funds equal to the net proceeds of the sale are appropriated to the Minnesota Amateur Sports Commission from the state's general fund in fiscal year 2024 for use thereby for public improvements of a capital nature at the National Sports Center in Blaine, Minnesota. This appropriation is onetime and is contingent on the sale of the land and the commissioner of management and budget receiving all net proceeds from the sale of the land, estimated to be \$433,000, by June 30, 2024. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

Subd. 3. **Description.** The real property to be conveyed is located in Anoka County and is legally described as:

Lot 2, Block 1, Northeast NSC Extension, Anoka County, Minnesota.

Sec. 13. **REPEALER.**

Minnesota Statutes 2022, sections 16A.93; 16A.94; and 16A.96, are repealed.

Sec. 14. EFFECTIVE DATE.

Except as otherwise specified, this article is effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pappas moved to amend the Pappas amendment to H.F. No. 670, adopted by the Senate May 22, 2023, as follows:

Page 2, line 12, after the third comma, insert "Tribal governments,"

Page 2, line 15, after "public" insert "or Tribal"

Page 20, line 9, delete "construct" and insert "design"

Page 25, line 19, before "For" insert "To the commissioner of human services"

Page 29, line 4, delete "and design" and insert ", design, and construct"

Page 32, line 34, after the period, insert "The city of Litchfield may use up to four percent of this appropriation to administer the historic building facade grants."

The motion prevailed. So the amendment was adopted.

H.F. No. 670 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 14, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kunesh	Mitchell	Port
Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Mann, McEwen, Morrison, and Port.

Those who voted in the negative were:

Anderson	Duckworth	Gruenhagen	Lucero	Rasmusson
Bahr	Eichorn	Johnson	Mathews	Wesenberg
Drazkowski	Green	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 669: A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying prior appropriations; authorizing the sale and issuance of state bonds; authorizing the conveyance of state bond-financed property; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 16A.966, subdivision 2; 116J.417, subdivision 2; 134.45, subdivision 5; 174.38, subdivisions 1, 3; Laws 2018, chapter 214, article 1, sections 7, subdivisions 7, 9, 11, 18; 16, subdivisions 14, 19, as amended; 17, subdivision 7, as amended; 18, subdivision 5; 21, subdivisions 17, 29, as amended; Laws 2020, Fifth Special Session chapter 3, article 1, sections 7, subdivisions 12, 24; 15, subdivision 6; 16, subdivisions 4, 11, 26; 17, subdivisions 7, 13; 20, subdivision 11; 21, subdivisions 36, 46, 48; 22, subdivision 33, as amended; article 3, section 2, subdivision 2; Laws 2021, First Special Session chapter 14, article 11, section 42; proposing coding for new law in Minnesota Statutes, chapters 116J; 446A.

Senator Pappas moved to amend H.F. No. 669 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

(a) The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, clause (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, clauses (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act:

(1) may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget;

(2) is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642;

(3) for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144;

(4) is subject to the policies and procedures adopted by the commissioner of management and budget or otherwise specified in applicable law; and

(5) is available for a grant to a political subdivision after the commissioner of management and budget determines that an amount sufficient to complete the project as described in this act has been committed to the project, as required by Minnesota Statutes, section 16A.502.

(b) Unless otherwise specified, appropriations in this article from the general fund are made in fiscal year 2024 and are onetime appropriations.

(c) Recipients of grants from money appropriated in this article must demonstrate to the commissioner of the agency making the grant that the recipient has the ability and a plan to fund the program intended for the facility. This paragraph does not apply to state agencies.

APPROPRIATIONS

Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. **Total Appropriation** \$ 135,950,000

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)** 43,350,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. **Twin Cities - Chemistry Undergraduate Teaching Laboratory** 92,600,000

To construct, furnish, and equip the renovation of and an addition to Fraser Hall for an undergraduate chemistry teaching laboratory facility on the Twin Cities campus. This project includes the demolition of obsolete portions of Fraser Hall.

Subd. 4. **University Share**

Except for the appropriations for HEAPR, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 5. Unspent Appropriations

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation **\$ 179,752,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR) **44,733,000**

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Minnesota State University, Moorhead **23,099,000**

To design, renovate, expand, and equip Weld Hall, including the construction of additions to improve building accessibility at Minnesota State University, Moorhead.

Subd. 4. Inver Hills Community College **22,025,000**

To design, renovate, and equip the Technology and Business Center building, including the construction of a link to Heritage Hall at Inver Hills Community College.

Subd. 5. Minneapolis Community and Technical College20,457,000

To design, renovate, and equip phases 1 and 2 of the Management Education Center shared with Metropolitan State University on the Minneapolis Community and Technical College campus to support baccalaureate programming expansion.

Subd. 6. Pine Technical and Community College21,468,000

To design, renovate, construct, and equip the renovation of the main building allied health space and an addition of the technical trade and applied learning labs at Pine Technical and Community College.

Subd. 7. Saint Paul College1,671,000

To design the renovation of classroom, lab, and student services space and design the demolition of the College Learning Center Building which will be replaced by the renovations at the Saint Paul College campus.

Subd. 8. Northeast Higher Education District - Vermilion Community College3,633,000

To design, renovate, and equip the classroom building and common space at Northeast Higher Education District - Vermilion Community College.

Subd. 9. Central Lakes College11,591,000

To design, renovate, and equip the student services, academic support areas, and athletics space of the Central Lakes College, Brainerd campus.

Subd. 10. Northland Community and Technical College3,282,000

To design, renovate, and equip teaching and learning lab space at Northland Community and Technical College, East Grand Forks campus.

Subd. 11. Minnesota State University, Mankato8,460,000

To design and renovate space in the lower level of the Clinical Sciences Building; to design the demolition and replacement of Armstrong Hall; and to design the partial renovation of Wiecking Center, Performing Arts Center, the Library, and Morris Hall at Minnesota State University, Mankato.

Subd. 12. Winona State University

4,866,000

To design a net zero energy building that will contain flexible classroom space and student support services and to design the demolition of Gildemeister and Watkins Halls which will be replaced by the net zero energy building at Winona State University.

Subd. 13. Lake Superior College

8,316,000

To design the renovation and construction of integrated manufacturing workforce labs and related support space at Lake Superior College.

Subd. 14. Metropolitan State

5,196,000

To design, renovate, and equip space in New Main Hall for the cybersecurity program at Metropolitan State University.

Subd. 15. Alexandria Technical and Community College

955,000

To design the renovation of student services spaces, the demolition of obsolete campus space, which will be replaced by the new renovated student services space and the new Transportation Center, and to design the construction of the Transportation Center at Alexandria Technical and Community College.

Subd. 16. Debt Service

(a) Except as provided in paragraph (b), the Board of Trustees shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section. After each sale of general obligation bonds, the commissioner of management and budget shall notify the

board of the amounts assessed for each year for the life of the bonds.

(b) The board need not pay debt service on bonds sold to finance HEAPR. Where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold.

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 17. Unspent Appropriations

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance and

to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under this section is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION** **\$** **4,000,000**

To the commissioner of education for library construction grants under Minnesota Statutes, section 134.45.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation** **\$** **9,037,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation** **1,200,000**

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Dorm Renovations and Predesign** **7,837,000**

To predesign, design, construct, furnish, and equip the renovation of Kramer Hall, Brandeen Hall, and Rode Hall Dorms on the Blind School Campus, including but not limited to abatement of asbestos and hazardous materials, construction, and renovations required to improve safety and security for occupants, meet ADA requirements, meet energy saving requirements, and improve indoor air quality

standards. This appropriation also includes money to predesign, design, construct, furnish, and equip the renovation of Pollard Hall Dorm on the Deaf School Campus, including but not limited to abatement of asbestos and hazardous materials, construction, and renovations required to improve safety and security for occupants, meet ADA requirements, meet energy saving requirements, and improve indoor air quality standards.

Sec. 6. PERPICH CENTER FOR ARTS EDUCATION

\$ 900,000

To the commissioner of administration for capital asset preservation improvements and betterments at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 7. NATURAL RESOURCES

Subdivision 1. Total Appropriation

\$ 196,880,000

(a) To the commissioner of natural resources for the purposes specified in this section.

(b) The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. Natural Resources Asset Preservation

36,000,000

For the preservation and replacement of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946.

Subd. 3. Betterment of Buildings

20,000,000

For acquisition, predesign, design, and construction to replace existing facilities that

no longer meet the business needs of the department or to acquire or construct new facilities.

Subd. 4. Badoura State Forest Nursery

10,000,000

For the predesign, design, and construction of facility capital improvements and associated facility components at the Badoura State Forest Nursery.

Subd. 5. Wildfire Aviation Infrastructure

6,360,000

For site preparation, predesign, design, engineering, demolition, construction, furnishing, and equipping new public safety facilities for aerial wildfire suppression, which may include grants to airport authorities. This appropriation includes money for the Hibbing airport and air tanker base buildings and associated utilities and systems.

Subd. 6. Accessibility

1,200,000

For the design and construction of accessibility improvements at state parks, recreation areas, and wildlife management areas.

Subd. 7. Dam Renovation, Repair, Removal

4,000,000

(a) For design, engineering, and construction to repair, reconstruct, or remove publicly owned dams and respond to dam safety emergencies on publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

(b) If the commissioner determines that a project is not ready to proceed, this appropriation may be used for other projects on the commissioner's priority list.

Subd. 8. Flood Hazard Mitigation

40,300,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section

103F.161. To the extent practical, levee projects shall meet the state standard of three feet above the 100-year flood elevation.

(b) Project priorities shall be determined by the commissioner as appropriate, based on need and consideration of available leveraging of federal, state, and local funds.

(c) Notwithstanding paragraph (b), \$3,300,000 of this appropriation is for Phase II of the Toelle Coulee project in Traverse County to mitigate flood risks posed to the city of Browns Valley, including construction of an East Levee, County State-Aid Highway 2 culvert replacement, and marked Trunk Highway 28 culvert replacement.

(d) Notwithstanding paragraph (b), \$5,000,000 of this appropriation is for grants to watershed districts that are members of the Red River Watershed Management Board for flood mitigation projects and is not for projects in the city of Moorhead.

(e) Notwithstanding paragraph (b), \$11,000,000 is for a grant to the city of Moorhead to design, construct, and equip flood mitigation infrastructure. This appropriation includes money for Phase 2 of the North Moorhead levee project, the relocation of sanitary lift station #2, and a levee project along First Avenue North.

(f) Notwithstanding paragraph (b), \$6,000,000 is from the general fund for a grant to the city of Carver for capital improvements to restore the Carver levee protecting an important historic district in Minnesota from flood waters of the Minnesota River. This levee restoration must meet the requirements for FEMA certification. The project includes predesign, design, engineering, land acquisition, and construction of capital improvements, including raising the height of the Carver levee, constructing internal drainage, establishing maintainable setbacks to

adjacent structures, and certification by FEMA.

(g) To the extent practicable and consistent with the project, recipients of appropriations for flood control projects in this subdivision shall create wetlands that are eligible for wetland replacement credit to replace wetlands drained or filled as the result of repair, reconstruction, replacement, or rehabilitation of an existing public road under Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

(h) To the extent that the cost of a municipal project exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Subd. 9. Lake Vermilion-Soudan Underground Mine State Park

11,000,000

For the design and construction of a visitor center, camping facilities and boardwalk, hiking and biking trails, dock and fishing pier, and related infrastructure; the design of the Mattson Bay Camp and Soudan Heritage and Science Center; and the rehabilitation of a fire tower at Lake Vermilion-Soudan Underground Mine State Park.

Subd. 10. Parks and Trails Local and Regional Recreation Grants

2,000,000

For matching grants under Minnesota Statutes, section 85.019.

Subd. 11. Community Tree Planting Grants

8,400,000

For grants to cities, counties, townships, and park and recreation boards in cities of the first class, to remove and plant shade trees on public land to provide environmental benefits; to replace trees lost to forest pests, disease, or storm; or to establish a more diverse community forest better able to withstand disease and forest pests. For purposes of this appropriation, "shade tree"

means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value. Any tree planted with money under this subdivision must be a climate-adapted species to Minnesota.

Subd. 12. St. James Open Pit Mine Complex

2,500,000

For predesign, design, and engineering of capital improvement projects to mitigate the imminent threat to public safety, property, and regional water quality from the rising water levels at the St. James open pit mine complex.

Subd. 13. Reforestation

6,000,000

For reforestation and stand improvement on state forest lands to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including purchasing native seeds and native seedlings, planting, seeding, site preparation, and protection on state lands administered by the commissioner.

Subd. 14. State Trail Maintenance

1,200,000

To renovate paved and unpaved state trails established under Minnesota Statutes, section 85.015, according to the commissioner's priorities and as provided in Minnesota Statutes, section 84.946.

Subd. 15. Casey Jones State Trail

1,320,000

For acquisition, design, engineering, and construction of the Casey Jones State Trail under Minnesota Statutes, section 85.015, subdivision 2. The Casey Jones State Trail must be established as a primary, not a secondary trail.

Subd. 16. Gitchi Gami State Trail

4,000,000

For acquisition, design, engineering, and construction of the Gitchi Gami State Trail priority segments: Lutsen from Ski Hill Road, Tofte, Silver Bay to Tettegouche State

Park, and Two Harbors to Flood Bay State Wayside.

Subd. 17. Glacial Lakes Trail

3,000,000

To design and construct the final trail segment for the Glacial Lakes Trail, established under Minnesota Statutes, section 85.015, subdivision 5, between the city of New London and Sibley State Park.

Subd. 18. Heartland State Trail

2,950,000

(a) For capital improvements to the Heartland State Trail. Of this amount, (1) \$550,000 is for construction of a trail segment of the Heartland State Trail between Detroit Lakes and Frazee; and (2) \$2,400,000 is for the environmental review, predesign, design, and construction of a paved multiple-use trail to connect Itasca State Park to the Heartland State Trail beginning from the park contact station to the park's southeast boundary and through a Phase 1 tunnel to be constructed under marked U.S. Highway 71, and continuing from there for about two miles.

(b) This appropriation is in addition to the appropriations in Laws 2017, First Special Session chapter 8, article 1, section 6, subdivision 6, and Laws 2020, Fifth Special Session chapter 3, article 1, section 7, subdivision 12.

Subd. 19. Mill Towns State Trail

8,190,000

For land acquisition, predesign, design, and construction of the Mill Towns State Trail between Riverside Park in the city of Northfield and the Waterford Historic Bridge in Waterford Township.

Subd. 20. Root River State Trail; Preston to Carimona

2,000,000

For acquisition of property, design, and engineering of the Root River State Trail under Minnesota Statutes, section 85.015, from the city of Preston to the city of Carimona.

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11409

Subd. 21. Glendalough State Park

900,000

To complete the paved multipurpose trail from the bridge at the northwest corner of Annie Battle Lake to the park entrance at Glendalough State Park.

Subd. 22. Upper Sioux Agency State Park Bond Defeasance

250,000

From the general fund to the commissioner of management and budget to prepay and defease any outstanding state general obligation bonds used for improvements and betterments at Upper Sioux Agency State Park, including Minnesota Historical Society property located within the park's boundaries, and other associated financing costs. This amount may be deposited, invested, and applied to accomplish the purposes of this section as provided in Minnesota Statutes, section 475.67, subdivisions 5 to 10 and 13. Upon the prepayment and defeasance of all associated debt on the real property and improvements, all conditions set forth in Minnesota Statutes, section 16A.695, subdivision 3, shall be deemed to have been satisfied and the real property and improvements shall no longer constitute state bond financed property under Minnesota Statutes, section 16A.695.

Subd. 23. Lower Minnesota River Watershed District; Minnesota River Riverbank Stabilization

2,750,000

For a grant to the Lower Minnesota River Watershed District for final design and construction of capital improvements necessary to stabilize the riverbank, prevent erosion, and prevent future degradation of the water quality of the Minnesota River resulting from Area 3 bank erosion in the city of Eden Prairie.

Subd. 24. Mora; High Water Mitigation

1,800,000

For a grant to the city of Mora to design and construct improvements to mitigate high water in Mora Lake, including installation

of intake and outlet structures, and associated sanitary sewer and road replacement.

Subd. 25. Ranier; Rainy Lake Marina

3,500,000

For a grant to the city of Ranier to predesign, design, engineer, construct, and equip a marina to provide up to 26 slips in a safe harbor on Rainy Lake and Rainy River at the Gateway to Voyageurs National Park. The marina will provide overnight transient boaters with water, electricity, and pump-out services.

Subd. 26. Shakopee; Minnesota River Riverbank Stabilization

8,260,000

For a grant to the city of Shakopee to predesign, design, and construct the restoration of the Minnesota River riverbank from the western edge of downtown Shakopee to The Landing in the Three Rivers Park District.

Subd. 27. Shell Rock River Watershed District; Fountain Lake

9,000,000

For a grant to the Shell Rock River Watershed District for sediment removal and cleanup of Fountain Lake.

Subd. 28. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 8. POLLUTION CONTROL AGENCY

\$

10,000,000

To the Pollution Control Agency for a capital assistance grant to Olmsted County under Minnesota Statutes, section 115A.54, to design, construct, and equip a new materials recovery facility which will expand upon the

county's current integrated solid waste management system by reclaiming materials and removing problematic items from the waste stream. This appropriation is notwithstanding the maximum amount of grant assistance for a project under Minnesota Statutes, section 115A.54.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. Total Appropriation

\$ 22,700,000

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. Local Government Roads Wetland Replacement Program

12,000,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). Notwithstanding Minnesota Statutes, section 103G.222, subdivision 3, the board may implement the wetland replacement program consistent with section 404 of the federal Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420. Up to five percent of this appropriation may be used for restoration and enhancement.

Subd. 3. Reinvest in Minnesota (RIM) Reserve Program

10,700,000

To acquire conservation easements from landowners to preserve, restore, create, and

enhance wetlands and associated uplands of prairie and grasslands, and to restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands, in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program. The board shall give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements. The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Up to five percent of this appropriation may be used for restoration and enhancement.

Sec. 10. **AGRICULTURE**

\$ 384,000

To the commissioner of administration to design, construct, and equip the renovation and repair of the plant protection division's potato inspection facility located in East Grand Forks. This appropriation may also be used to design and complete hazardous materials abatement.

Sec. 11. **MINNESOTA ZOOLOGICAL GARDEN**

Subdivision 1. Total Appropriation

\$ 18,025,000

To the Minnesota Zoological Board for the purposes specified in this section.

Subd. 2. Asset Preservation

16,800,000

For capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo, to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, this appropriation may be used to

replace buildings that are in poor condition, outdated, and no longer support the work of the Minnesota Zoological Garden; to construct and renovate trails and roads on the Minnesota Zoological Garden site; and to replace the lakeside plaza infrastructure, including the stairs and ramp to the upper plaza, and to design, construct, furnish, and equip the renovation of related animal holding and mechanical spaces.

Subd. 3. Animal Hospital Renovation 1,225,000

To design a new or renovated animal hospital building at the Minnesota Zoological Garden.

Sec. 12. **ADMINISTRATION**

Subdivision 1. Total Appropriation **\$ 17,796,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Capital Asset Preservation and Replacement Account 9,000,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 3. Capitol Complex - Physical Security Upgrades Phase II 8,796,000

For the continuation of the design, construction, and equipping required to upgrade the physical security elements and systems for the Capitol Mall and the buildings listed in this subdivision, their attached tunnel systems, their surrounding grounds, and parking facilities as identified in the 2017 Minnesota State Capitol Complex Physical Security Predesign completed by Miller Dunwiddie and an updated assessment completed in 2022. Upgrades include but are not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, surveillance systems, security kiosks, locking devices, and traffic and crowd control devices. This appropriation includes

money for work associated with the following buildings: Administration, Ag/Health Lab, Capitol, Centennial, Governor's Residence, Judicial Center, Minnesota History Center, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

Sec. 13. **AMATEUR SPORTS COMMISSION** **\$** **9,600,000**

To the Minnesota Amateur Sports Commission for asset preservation improvements and betterments of a capital nature at the National Sports Center in Blaine, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 14. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation** **\$** **31,487,000**

To the adjutant general for the purposes specified in this section.

Subd. 2. **Rosemount Readiness Center** **25,080,000**

(a) To construct and equip the renovation of existing space at the Rosemount Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements.

(b) \$360,000 of this appropriation is in addition to the appropriation for the same purpose in Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 2.

Subd. 3. **Fergus Falls Readiness Center** **800,000**

This appropriation is in addition to the appropriation for the same purpose in Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 3.

Subd. 4. **Moorhead Readiness Center** **855,000**

This appropriation is in addition to the appropriation for the same purpose in Laws

2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 4.

Subd. 5. Marshall Readiness Center

4,752,000

This appropriation is in addition to the appropriation for the same purpose in Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 5.

Sec. 15. PUBLIC SAFETY

Subdivision 1. Total Appropriation

\$ 17,425,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. State Emergency Operations Center

11,392,000

For the state emergency operations center. This appropriation is in addition to the appropriation for the same purpose in Laws 2020, Fifth Special Session chapter 3, article 1, section 15, subdivision 2.

Subd. 3. BCA Maryland Building

6,033,000

To design, construct, renovate, equip, and furnish unfinished space in the Bureau of Criminal Apprehension building in St. Paul to provide new offices and to design, construct, and equip a new perimeter security fence and access controls at this site.

Sec. 16. TRANSPORTATION

Subdivision 1. Total Appropriation

\$ 257,111,000

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. Local Road Improvement Program

84,954,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for eligible improvements on trunk highway corridor projects under Minnesota Statutes, section 174.52, subdivision 2; for construction and reconstruction of local roads with statewide

or regional significance under Minnesota Statutes, section 174.52, subdivision 4; or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a. \$6,000,000 of this appropriation is for grants to townships for capital improvements to township roads.

Subd. 3. Local Bridge Replacement Program

67,000,000

From the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50.

Subd. 4. Highway Rail Grade Crossings

3,600,000

To design, construct, and equip the replacement of active highway rail grade warning devices that have reached the end of their useful life or new highway rail grade warning devices.

Subd. 5. Port Development Assistance Program

18,097,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 6. Safe Routes to School

2,400,000

For grants under Minnesota Statutes, section 174.40.

Subd. 7. Active Transportation

1,200,000

For grants and financial assistance under Minnesota Statutes, section 174.38.

Subd. 8. Minnesota Rail Service Improvement Program

9,600,000

For rail service improvement grants under Minnesota Statutes, section 222.50.

Subd. 9. Greater Minnesota Transit

3,000,000

For capital assistance for publicly owned greater Minnesota transit systems to acquire property and to predesign, design, construct, furnish, and equip transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c.

Subd. 10. Carver County; CSAH 18

3,760,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for one or more grants to the cities of Victoria, Chaska, or Chanhassen or Carver County, or any combination of these entities, for property or permanent easement acquisition, predesign, and design of construction of improvements to Carver County State-Aid Highway 18, known as West 82nd Street, from Bavaria Road to marked Trunk Highway 41. This project includes cross streets, off-street trails, a bridge over a ravine and trail, and utility relocations, installations, and connections.

Subd. 11. Fridley; Northtown Rail Yard Overpass

4,000,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for a grant to the city of Fridley to design the extension of 57th Avenue NE, including public utilities as necessary and a bridge and approach walls, across the BNSF Northtown Rail Yard from Main Street NE (Anoka County State-Aid Highway 102) westward to East River Road (Anoka County State-Aid Highway 1) in Fridley.

Subd. 12. Hennepin County; Hennepin Avenue Bridge

3,500,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for a grant to Hennepin County for design and construction engineering for Phase 1 of the reconstruction of the iconic and historic Hennepin Avenue Suspension Bridge.

Subd. 13. Inver Grove Heights; 117th Street Reconstruction5,000,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for one or more grants to the city of Inver Grove Heights, Dakota County, or both, to perform final design, acquire right-of-way, acquire easements, and reconstruct 117th Street from Rich Valley Boulevard (Dakota County Road 71), including intersection improvements thereto in both directions up to 1,500 feet, to approximately 800 feet east of U.S. Highway 52 to improve safety, mobility, and traffic conditions. This appropriation includes the cost for relocation and construction of public utilities on 117th Street, including sanitary sewer, water main, and storm sewer facilities.

Subd. 14. Plymouth; Chankahda Trail6,200,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for a grant to the city of Plymouth for property acquisition and design of construction of roadway, utility, drainage, pedestrian facilities, and associated appurtenances, on Chankahda Trail, formerly known as Hennepin County Road 47, from Hennepin County State-Aid Highway 101 to Hennepin County State-Aid Highway 61.

Subd. 15. Savage; Road and Bridge Improvements800,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for a grant to the city of Savage to predesign and design the expansion of Quentin Avenue and reconstruction of two railroad bridges that pass over Quentin Avenue. The project area for this project is from approximately 600 feet to the south to approximately 600 feet to the north of the two railroad bridges that pass over Quentin Avenue.

Subd. 16. St. Paul; Third Street/Kellogg Boulevard Bridge and BRT Gold Line Readiness25,000,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for a grant to the city of St. Paul for the Third Street/Kellogg Boulevard bridge project. This appropriation is in addition to the appropriation for the same purpose in Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 19.

Subd. 17. St. Paul Park; Third Street Collector Roadway7,000,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for a grant to the city of St. Paul Park to predesign, design, engineer, construct, and equip the Third Street Collector Roadway Improvements Project. This appropriation includes money for the construction and reconstruction of Third Street from Broadway Avenue to 14th Avenue, pedestrian and bicycle safety improvements, and sanitary sewer, drinking water, and storm water management infrastructure.

Subd. 18. Sherburne County; Highway 1692,000,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for a grant to Sherburne County for property acquisition and engineering for the local road portions of an interchange at marked U.S. Highway 169 and Sherburne County State-Aid Highway 4 in the city of Zimmerman.

Subd. 19. Washington County; Interchange at Trunk Highway 36 and Lake Elmo Avenue10,000,000

From the bond proceeds account in the state transportation fund, as provided in Minnesota Statutes, section 174.50, for a grant to Washington County for property acquisition and to predesign, design, construct, furnish,

and equip a new interchange at marked Trunk Highway 36 and County State-Aid Highway 17, known as Lake Elmo Avenue, in Washington County. This appropriation is for portions of the project that are eligible to be funded with general obligation bonds.

Sec. 17. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**

\$ 108,620,000

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. **Inflow and Infiltration Grants**

12,000,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Subd. 3. **Metropolitan Regional Parks and Trails**

16,620,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and metropolitan parks implementing agencies as defined in Minnesota Statutes, section 473.351, of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.

Subd. 4. **Arterial Bus Rapid Transit**

72,000,000

For real property acquisition, predesign, design, engineering, and construction of arterial bus rapid transit, including utility relocation, demolition, and furnishing and

equipping facilities for arterial bus rapid transit projects. The council must allocate the money among projects based on criteria in its transitway capital improvement plan including: consistency with the council's transportation policy plan; project readiness; potential current and forecasted ridership; expansion of the bus rapid transit system; availability of federal or other matching funds; coordination with other major projects; and additional criteria for priorities otherwise specified in state law or rule applicable to bus rapid transit, including state law authorizing state bond fund appropriations for a bus rapid transit project.

Subd. 5. St. Paul; Mississippi River Learning Center **8,000,000**

For a grant to the city of St. Paul for design of a Mississippi River Learning Center that will be located on a site in Crosby Farm Regional Park that includes the Watergate Marina site.

Sec. 18. **HUMAN SERVICES**

Subdivision 1. Total Appropriation **\$ 19,150,000**

To the commissioner of administration, or other named entity, for the purposes specified in this section.

Subd. 2. Asset Preservation **7,200,000**

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. St. Peter Water and Sewer Upgrades **1,050,000**

To design upgrades and the replacement of water, sanitary, and storm sewer infrastructure at the St. Peter Campus.

Subd. 4. Early Childhood Learning and Child Protection Facilities

900,000

To the commissioner of human services for grants under Minnesota Statutes, section 256E.37, to predesign, design, construct, renovate, furnish, and equip early childhood learning facilities.

Subd. 5. Regional Behavioral Health Crisis Facilities

10,000,000

(a) To the commissioner of human services, for grants under Minnesota Statutes, section 245G.011.

(b) Notwithstanding Minnesota Statutes, section 245G.011, subdivision 4, \$6,000,000 of this appropriation is for a grant to Dakota County for a behavioral health crisis facility in Dakota County.

(c) \$2,500,000 of this appropriation is for a grant to the Human Development Center for a behavioral health crisis facility in Duluth.

Sec. 19. VETERANS AFFAIRS

Subdivision 1. Total Appropriation

\$ 90,125,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

12,360,000

For asset preservation improvements and betterments of a capital nature at the veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, Luverne, and the state veterans cemeteries at Little Falls, Preston, and Duluth, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Hastings Veterans Home Campus Upgrade

77,765,000

To predesign, design, construct, and equip the replacement of administrative and residential buildings and infrastructure at the Minnesota Veterans Home - Hastings Campus. This appropriation includes money to design and complete demolition of all or

portions of buildings and other structures deemed unnecessary or undesirable for the development of the project, site preparation, asbestos removal and hazardous materials abatement, and the furnishing and equipping of the new buildings. The commissioner of veterans affairs may apply for federal funding for this project.

Sec. 20. **CORRECTIONS**

Subdivision 1. **Total Appropriation** **\$ 34,292,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation** **33,800,000**

For asset preservation improvement and betterments of a capital nature at the Minnesota correctional facilities statewide to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minnesota Correctional Facility - Lino Lakes** **492,000**

To design renovations to an existing building, including but not limited to building system upgrades and hazardous materials abatement, at the Minnesota Correctional Facility - Lino Lakes for an incarcerated persons programming and support space.

Subd. 4. **Unspent Appropriations**

The unspent portion of an appropriation for a Department of Corrections project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 21. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. Total Appropriation**\$ 21,500,000**

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Greater Minnesota Business Development Public Infrastructure**10,000,000**

For grants under Minnesota Statutes, section 116J.431.

Subd. 3. Innovative Business Development Public Infrastructure**1,500,000**

For grants under Minnesota Statutes, section 116J.435.

Subd. 4. Transportation Economic Development Infrastructure**1,500,000**

For grants under Minnesota Statutes, section 116J.436.

Subd. 5. Greater Minnesota Child Care Facilities**900,000**

For grants under Minnesota Statutes, section 116J.417.

Subd. 6. Apple Valley; Inclusive Playground**1,410,000**

For a grant to the city of Apple Valley to predesign, design, construct, furnish, and equip an inclusive and accessible playground in the city of Apple Valley. "Inclusive and accessible playground" as used in this subdivision means a playground, planned and designed in partnership with community stakeholders, designed to be safe and accessible to all children including those with intellectual, developmental, or physical disabilities.

Subd. 7. Belle Plaine; Public Infrastructure**3,000,000**

For a grant to the city of Belle Plaine to design, construct, furnish, and equip the rehabilitation and replacement of aging public infrastructure in the central business district of Belle Plaine, including streets, lighting, sidewalks, regional transportation

connections, sanitary sewer conveyance systems, and storm sewer collection and conveyance systems.

Subd. 8. International Falls; Regional Health and Wellness Center

1,000,000

For a grant to the city of International Falls to design an expansion to the Kerry Park Recreation Center to create a regional health and wellness center that will provide space for health, wellness, and community gathering opportunities.

Subd. 9. Oak Park Heights; Redevelopment

2,190,000

For a grant to the city of Oak Park Heights to acquire property and to predesign and design public infrastructure for development of the Allen S. King power plant site in the city. Public infrastructure includes clean water systems, sanitary sewer systems, stormwater systems, roads, trails, and sidewalks.

Sec. 22. IRON RANGE RESOURCES AND REHABILITATION

\$ 12,229,000

To the Department of Iron Range Resources and Rehabilitation to acquire, upgrade, construct, and install a snowmaking infrastructure system, including associated equipment, that will replace aging water lines at Giants Ridge and aid in fire suppression.

Sec. 23. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$ 319,310,000

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. State Match for Federal Grants to State Revolving Loan Programs

41,000,000

To match federal capitalization grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota

Statutes, section 446A.081. This appropriation must be used for qualified capital projects.

Subd. 3. Water Infrastructure Funding Program

87,200,000

(a) For grants to eligible municipalities under the water infrastructure funding program under Minnesota Statutes, section 446A.072.

(b) \$52,000,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$35,200,000 is for drinking water projects listed on the commissioner of health's project priority list in the fundable range under the drinking water revolving fund program.

(d) After all eligible projects under paragraph (b) or (c) have been funded in a fiscal year, the Public Facilities Authority may transfer any remaining, uncommitted money to eligible projects under a program defined in paragraph (b) or (c) based on that program's project priority list.

Subd. 4. Point Source Implementation Grants Program

80,000,000

For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects.

Subd. 5. Albert Lea; Wastewater Treatment Facility Improvements

2,000,000

For a grant to the city of Albert Lea to construct and equip the preliminary treatment building at the city's wastewater treatment facility. This appropriation includes money for construction, renovation, repairs, and replacement of infrastructure, equipment, and other components of the facility's wastewater preliminary treatment systems including improvements to receive raw

sanitary sewage at the wastewater treatment facility. Improvements include, but are not limited to, monitoring the influent flow and loadings, and for the removal of grit from the sewage stream utilizing vortex channels. Site improvements include buildings and other structures as well as the costs of demolition associated with this phase of the project.

Subd. 6. Arden Hills; Water and Sewer Improvements

510,000

For a grant to the city of Arden Hills to construct water main and sanitary sewer replacement and improvements at the intersection of County Road E and Old Highway 10 (also known as Snelling Avenue North or County State-Aid Highway 76).

Subd. 7. Babbitt; Water, Sewer, and Utility Improvements

2,000,000

For a grant to the city of Babbitt to predesign, design, construct, and equip extensions of clean water, sanitary sewer, storm sewer, and utilities throughout the city. This appropriation also includes money for a new lift station, electrical and lighting infrastructure, and street construction and reconstruction for the West Development Housing Project.

Subd. 8. Bagley; Drinking Water and Sanitary Sewer Improvements

7,200,000

For a grant to the city of Bagley to predesign, design, engineer, construct, reconstruct, and rehabilitate drinking water infrastructure, including replacement of a water main and sanitary sewer infrastructure.

Subd. 9. Brainerd; Water Treatment Facility Improvements

5,000,000

For a grant to the city of Brainerd to design, construct, and equip a new backwash collection, detention, and reclaim system for the city's municipal water treatment facility.

Subd. 10. Clearbrook; Water Infrastructure Improvements5,500,000

For a grant to the city of Clearbrook to construct, rehabilitate, and equip capital improvements to the city's water infrastructure. This appropriation includes money for water tower rehabilitation and water treatment facility upgrades.

Subd. 11. Cloquet; Water Infrastructure Expansion5,000,000

For a grant to the city of Cloquet to design and construct capital improvements to the Lake Superior water transmission line from Lake Superior to the city of Cloquet. This appropriation includes money for electrical infrastructure upgrades at Pump Station No. 2 and the renovation and repair of the Harris and Wagtskjold Reservoirs.

Subd. 12. East Gull Lake; Wastewater Treatment Facility Improvements2,900,000

For a grant to the city of East Gull Lake to design, construct, and equip capital improvements to the South Pine Beach wastewater treatment plant. This appropriation includes the decommissioning of the North Gull Point wastewater treatment facility and wastewater force main rerouting.

Subd. 13. Elk River; Sewer Improvements1,100,000

For a grant to the city of Elk River to decommission a failed subsurface sewage treatment system in the northeast part of the city, remediate associated contaminated soil, and acquire easements, design, and construct a lift station that will connect the existing low-pressure sanitary force main in the northeast part of the city to the city's existing sewer system.

Subd. 14. Grand Rapids; Water Treatment Facility Renovation2,500,000

For a grant to the city of Grand Rapids to design, construct, and equip capital improvements to the municipal water

treatment plant and related infrastructure necessary to renovate the existing facility and expand water treatment capacity for residential and commercial users. This appropriation includes money for facility improvements, including a new roof and HVAC system, upgrades to well pumps, construction of secure well houses, and other improvements and betterments of a capital nature connected with the water treatment plant.

Subd. 15. Lino Lakes; Water Treatment Plant and Accompanying Water Utility Infrastructure

13,500,000

For a grant to the city of Lino Lakes to design, engineer, construct, furnish, and equip a water treatment facility, including accompanying water utility infrastructure.

Subd. 16. Mankato; Water Treatment

25,000,000

For a grant to the city of Mankato for site preparation and to construct upgrades to the city's regional water resource recovery facility, including the disinfection upgrades improving water quality of the discharge to the Minnesota River.

Subd. 17. Medicine Lake; Public Water System

3,500,000

For a grant to the city of Medicine Lake to design and construct capital improvements to the Medicine Lake public water system to meet Department of Health drinking water standards. This appropriation includes construction and reconstruction of drinking water and wastewater collection systems, associated street improvements, and improvements for hydrant fire safety and suppression.

Subd. 18. Monticello; Water Treatment Facility and Infrastructure

11,000,000

For a grant to the city of Monticello to design, engineer, construct, furnish, and equip a water treatment facility, including accompanying water utility infrastructure.

Subd. 19. Morristown; Water and Sewer Infrastructure1,500,000

For a grant to the city of Morristown for predesign, design, and reconstruction of water mains, storm sewer collection systems, streets, and for other drinking water system improvements necessary to increase water pressure and volume and to reduce inflow and infiltration.

Subd. 20. Osseo; Lift Stations1,600,000

For a grant to the city of Osseo to predesign, design, construct, and equip the renovation of three lift stations in the city of Osseo, including replacement of the HVAC systems, replacement of and upgrades to the equipment, and improvements to ensure the structural soundness of the lift stations.

Subd. 21. Owatonna; Water Treatment Facility Expansion11,000,000

For a grant to the city of Owatonna to design, construct, and equip improvements to expand and upgrade the city's wastewater treatment facility.

Subd. 22. Rice Lake; Water, Sewer, and Utilities Extension1,800,000

For a grant to the city of Rice Lake to acquire land for and predesign, design, construct, furnish, and equip extensions of clean water, sanitary sewer, storm sewer, and utilities, including a lift station, in the city of Rice Lake.

Subd. 23. South Haven; Drinking Water Improvements3,500,000

For a grant to the city of South Haven to design, engineer, construct, and equip improvements and upgrades to the city's clean drinking water system, including the replacement of water mains, service lines, meters, and improvements to lift stations and main lift station access road.

Subd. 24. St. Michael; Wastewater Treatment System Improvements

5,000,000

For a grant to the city of St. Michael to design and construct wastewater infrastructure system improvements.

Sec. 24. MINNESOTA HOUSING FINANCE AGENCY

Subdivision 1. Total Appropriation

\$ 44,868,000

To the Minnesota Housing Finance Agency for the purposes specified in this section.

Subd. 2. Rehabilitation to Preserve Public Housing

41,868,000

For transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and publicly owned. Priority may be given to proposals that maximize nonstate resources to finance the capital costs and requests that prioritize health, safety, and energy improvements. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Subd. 3. Greater Minnesota Housing Infrastructure

3,000,000

For transfer to the housing development fund for the greater Minnesota housing infrastructure grant program under Laws 2023, chapter 37, article 2, section 7.

Sec. 25. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation

\$ 6,025,000

To the Minnesota Historical Society for the purposes specified in this section.

Subd. 2. Historic Sites Asset Preservation**5,000,000**

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Subd. 3. County and Local Preservation Grants**1,000,000**

For grants to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

Subd. 4. Lower Sioux Agency Historic Site Bond Defeasance**25,000**

From the general fund to the commissioner of management and budget, in contemplation of a future transfer of land and facilities at the Lower Sioux Agency Historic Site to the Lower Sioux Community, to prepay and defease any outstanding state general obligation bonds used for improvements and betterments at Lower Sioux Agency Historic Site and other associated financing costs. This amount may be deposited, invested, and applied to accomplish the purposes of this section as provided in Minnesota Statutes, section 475.67, subdivisions 5 to 10 and 13. Upon the prepayment and defeasance of all associated debt on the real property and improvements, all conditions set forth in Minnesota Statutes, section 16A.695, subdivision 3, shall be deemed to have been satisfied and the real property and improvements shall no longer constitute state bond financed property under Minnesota Statutes, section 16A.695.

Sec. 26. BOND SALE EXPENSES**\$****1,564,000**

To the commissioner of management and budget from the bond proceeds fund for bond

sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 27. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$1,298,235,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the bond proceeds account in the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$219,214,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 28. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

(a) The amounts of the general obligation bond proceeds appropriations listed in the cancellation report submitted to the legislature in 2023, pursuant to Minnesota Statutes, section 16A.642, are canceled on the effective date of this section, with the exception of appropriations and related bond sale authorizations that are extended in article 3. The corresponding bond sale authorizations are reduced by the same amounts. If an appropriation in this section is canceled more than once, the cancellation must be given effect only once.

(b) The unobligated amount remaining from the appropriation in Laws 2020, Fifth Special Session chapter 3, article 1, section 12, subdivision 3, is canceled. The bond sale authorization in Laws 2020, Fifth Special Session chapter 3, article 1, section 26, subdivision 1, is reduced by the same amount.

Sec. 29. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2025, no more than \$1,179,727,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 30. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 2**GENERAL FUND APPROPRIATIONS****Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.**

(a) The sums shown in the column under "Appropriations" are appropriated from the general fund in fiscal year 2024 to the state agencies or officials indicated, to be spent for public purposes. These are onetime appropriations. Money appropriated in this act is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(b) For any project funded in whole or in part by this act, workers on the project must be paid at least the prevailing wage rate as defined in Minnesota Statutes, section 177.42, subdivision 6, and the project is subject to the requirements and enforcement provisions in Minnesota Statutes, sections 177.27, 177.30, 177.32, and 177.41 to 177.45. For the purposes of this act, "project" means demolition, erection, construction, remodeling, or repairing of a public building, facility, or other public work financed in whole or part by state funds. Project also includes demolition, erection, construction, remodeling, or repairing of a building, facility, or public work when the acquisition of property, predesign, design, or demolition is financed in whole or in part by state funds.

(c) Money appropriated in this act: (1) is available for a grant after the commissioner of management and budget determines that an amount sufficient to complete the project as described in this act has been committed to the project, as required by Minnesota Statutes, section 16A.502; and (2) may be used to pay state agency staff costs that are attributed directly to the capital program or project for capitalizable staff costs.

(d) The sustainable building guidelines under Minnesota Statutes, section 16B.325, are mandatory for all new buildings and major renovations owned or to be owned by the state, state agencies, Minnesota State Colleges and Universities, and the University of Minnesota that are funded with an appropriation in this act.

(e) Recipients of grants from money appropriated in this article must demonstrate to the commissioner of the agency making the grant that the recipient has the ability and a plan to fund the program intended for the facility. This paragraph does not apply to state agencies.

Sec. 2. MINNESOTA STATE COLLEGES AND UNIVERSITIES

\$ 1,347,000

To the board of trustees of the Minnesota State Colleges and Universities to design the renovation of space for Career and Technical Education programs at the Heintz Center at Rochester Community and Technical College.

Sec. 3. NATURAL RESOURCES.**Subdivision 1. Total Appropriation**

\$ 36,204,000

To the commissioner of natural resources for the purposes specified in this section.

Subd. 2. Acquisition and Betterment of Public Lands

2,500,000

(a) For the betterment of public lands and other improvements of a capital nature. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, section 86A.12. Reforestation shall be conducted in accordance with Minnesota Statutes, section 89.002, subdivision 2.

(b) For acquisition of public lands for the purposes described in Minnesota Statutes, section 86A.12, subdivision 2. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, section 86A.12.

Subd. 3. Blufflands State Trail

4,000,000

For acquisition of land and construction of, as well as other costs associated with, the extension of a segment of the Blufflands trail system under Minnesota Statutes, section 85.015, subdivision 7, from Harmony to the Iowa border, including a connection to Niagara Cave in Fillmore County.

Subd. 4. Crosslake; National Loon Center

2,500,000

For a grant to the city of Crosslake for site preparation and to predesign, design, construct, furnish, and equip a new building and adjacent outdoor public space improvements, including surface lot parking areas, in the city of Crosslake to house a national loon center, to provide visitor, education, and exhibit facilities for the general public.

Subd. 5. Forest Lake; Flood Hazard Mitigation

5,700,000

For a grant to the city of Forest Lake to acquire property and design capital improvements for stormwater management, flood control, climate preparedness, and parks to achieve flood management and water

quality goals and protect surrounding and downstream communities.

Subd. 6. Gaylord; Lake Titlow Dam

500,000

For a grant under Minnesota Statutes, sections 103G.511 to 103G.515, to the city of Gaylord for replacement of the Lake Titlow Dam.

Subd. 7. Kasson; Flood Hazard Mitigation

5,000,000

For a grant to the city of Kasson to acquire property and easements, design, engineer, obtain permits for, construct, furnish, and equip a stormwater impoundment infrastructure and to design, engineer, construct, furnish, and equip the replacement and renovation of sanitary sewer and stormwater infrastructure and systems and a water main, and restore roadways in a portion of the city of Kasson.

Subd. 8. Otter Tail County; Glacial Edge Trail

939,000

For a grant to Otter Tail County to predesign, design, and construct the Maplewood State Park segment of the Glacial Edge Regional Trail.

Subd. 9. Lake Shamineau Improvement District; High Water Mitigation

3,000,000

For a grant under Minnesota Statutes, section 103F.161, to the Lake Shamineau Lake Improvement District to construct publicly owned capital improvements necessary to prevent or alleviate flooding outlined in the Lake Shamineau High Water Mitigation Project.

Subd. 10. Scott County; Merriam Junction Trail and Riverbank Stabilization

4,000,000

For a grant to Scott County to predesign, design, construct, furnish, and equip the Merriam Junction riverbank stabilization project. The project will:

(1) stabilize the Minnesota River riverbank along the former UP Rail Line from the city

of Carver to Merriam Junction in Scott County to reduce erosion and protect the adjacent Minnesota State Trail and planned regional trail alignment; and

(2) stabilize the Minnesota River riverbank to protect historic Native American cultural resources, public property, and natural resources, and improve water quality of the impaired river segment.

Subd. 11. Rochester; Willow Creek Trail

1,750,000

For a grant to the city of Rochester to predesign, design, engineer, construct, furnish, and equip a paved trail to extend the Rochester Trail network approximately 2.5 miles from 28th Street SE to Gamehaven Regional Park and the future extension of the Bluestem Trail to Stewartville. This project includes a trail crossing under U.S. Highway 52, property/easement acquisition, trail rehabilitation, creek crossing, trail construction, installation of trail wayfinding and rest areas, and a trailhead located at Gamehaven Regional Park. In addition, expenditures made by the city before enactment of this subdivision related to predesign, design, and engineering are included in the nonstate contribution to the project.

Subd. 12. Roseau; Flood Hazard Mitigation

1,915,000

For a grant to the city of Roseau to design, engineer, and construct an upgraded storm sewer system in a portion of the city of Roseau.

Subd. 13. Sartell; Flood Hazard Mitigation

2,500,000

For a grant to the city of Sartell for flood hazard mitigation projects, which may include the design and construction of an open channel ditch and high capacity box culvert, replacement of other existing culverts, an outlet to Baker's Lake, and the completion of additional capital improvements necessary for flood hazard

mitigation within the North Central Watab
Watershed.

**Subd. 14. Sauk River Watershed District; Gravity
Outlet Conveyance System**

1,400,000

For a grant to the Sauk River Watershed
District to design, construct, and equip a
gravity outlet conveyance system, including
an upstream control structure at the outlet
location, to direct water from Long Lake in
Birchdale Township in Todd County to Sauk
Lake in Todd County to mitigate issues
caused by high water levels in Long Lake.

Subd. 15. Scott County; Public Water Access

500,000

For the rehabilitation and upgrading of public
water access facilities in Scott County under
Minnesota Statutes, section 97A.141,
subdivision 3. Priority shall be given to
launch ramp modifications required to
address changing water surface elevations,
accessibility, stormwater management, and
facility improvements necessary to
accommodate current recreational boating
equipment.

Sec. 4. POLLUTION CONTROL AGENCY

\$ 2,100,000

To the Pollution Control Agency for a grant
to Dodge County to construct, furnish, and
equip a solid waste transfer station building
at Dodge County's existing facility in
Mantorville Township.

**Sec. 5. BOARD OF WATER AND SOIL
RESOURCES**

\$ 2,000,000

To the Board of Water and Soil Resources
for a grant to the city of Beardsley to remove
and replace or to repair a portion of drain line
in the gravity pipe system designed to
remove excess water from Dry Lake and
prevent flooding. The city must undertake
this project in coordination with the Upper
Minnesota River Watershed District.

Sec. 6. **PUBLIC SAFETY****\$ 7,170,000**

To the commissioner of public safety for a grant to the city of Lakeville to design, construct, furnish, and equip the renovation of an existing building for a new regional public safety training center in Lakeville to provide training facilities for first responders serving the south portion of the Twin Cities metropolitan area and adjacent cities and counties. The facility will include physical and virtual training areas, tactical training rooms, a firing range, classrooms, and meeting areas.

Sec. 7. **TRANSPORTATION.**Subdivision 1. **Total Appropriation****\$ 69,215,000**

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. **U.S. Highway 14 and Olmsted CSAH 44****5,000,000**

To conduct environmental analysis, predesign, design, engineer, acquire right-of-way for, construct, furnish, and equip an interchange at marked U.S. Highway 14 and County State-Aid Highway 44, including a flyover at 7th Street NW, in Olmsted County, and associated infrastructure and road work to accommodate the interchange.

Subd. 3. **Anoka County; Trunk Highway 65****25,000,000**

For one or more grants to the city of Blaine, Anoka County, or both for the predesign, right-of-way acquisition, design, engineering, and construction of intersection improvements along Trunk Highway 65 at 99th Avenue Northeast, 105th Avenue Northeast, Anoka County State-Aid Highway 12 (109th Avenue Northeast), and 117th Avenue Northeast and the associated frontage roads, backage roads, connecting local streets, and utility infrastructure improvements, if necessary or required for the construction.

Subd. 4. Baytown Township; Civil Air Patrol150,000

For a grant to the town of Baytown to construct, renovate, and equip a hangar for the Civil Air Patrol at the Lake Elmo Airport.

Subd. 5. Carver County; CSAH 186,240,000

For one or more grants to the cities of Victoria, Chaska, or Chanhassen or Carver County, or any combination of these entities, for property or permanent easement acquisition, predesign, and design of construction of improvements to Carver County State-Aid Highway 18, known as West 82nd Street, from Bavaria Road to marked Trunk Highway 41. This project includes cross streets, off-street trails, a bridge over a ravine and trail, and utility relocations, installations, and connections.

Subd. 6. Chisago County; U.S. Highway 88,000,000

(a) For a grant to Chisago County to acquire property, design, construct, and engineer the reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to Interstate 35. This reconstruction may include expanding segments of U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8.

(b) Amounts planned by the Department of Transportation for the resurfacing of U.S. Highway 8, as reflected in the department's Metro District 10-Year Capital Highway Investment Plan 2020-2029, shall instead be applied to the reconstruction of U.S. Highway 8 to supplement appropriations for that purpose from any fund in this section.

Subd. 7. Dundas; Trail Segments370,000

For a grant to the city of Dundas for predesign, design, and construction of three trail segment connections, with

ADA-compliant features. The trail segments would be located on the south side of County Road 1 between Schilling Drive and Trunk Highway 3; on the south side of County Road 1 between Trunk Highway 3 and North Stafford Road; and on the East side of Trunk Highway 3 between County Road 1 and the terminus of the existing trail.

Subd. 8. Forest Lake; Road Improvements

4,500,000

For a grant to the city of Forest Lake for improvements to Eureka Avenue from State Highway 97 to County Highway 32. Improvements include predesign; design; construction; replacement or repair and installation of water, sewer, and storm sewer utilities; street reconstruction, including improvements on roads adjacent to the project locations; and other improvements or upgrades related to street work.

Subd. 9. Greenfield; Road Improvements

3,000,000

For a grant to the city of Greenfield to design, engineer, construct, and reconstruct Greenfield Road as a paved road from U.S. Highway 55 to County State-Aid Highway 10 (Woodland Trail), and for associated stormwater improvements.

Subd. 10. Murray County; CSAH 13 Improvements

4,200,000

For one or more grants to Murray County for preliminary design, design, right-of-way acquisition, and construction of a flood mitigation and road-widening project to include shared-use paths on County State-Aid Highway 13 between marked U.S. Highway 59 and the end of County State-Aid Highway 13 on Keely Island near Lake Shetek. This project includes constructing shared-use paths, raising dikes, and relocating water main and sanitary sewer infrastructure as necessary.

Subd. 11. Ottertail; Tyler Wohlers Memorial Trail

55,000

For a grant to the city of Ottertail for the Tyler Wohlers Memorial Trail along state

Trunk Highway 78 from Bay View Road to the Pelican Bay public water access.

Subd. 12. Sherburne County; U.S. Highway 169 Interchange

9,700,000

For a grant to Sherburne County for property acquisition, engineering, and construction for the local road portions of an interchange at marked U.S. Highway 169 and Sherburne County State-Aid Highway 4 in the city of Zimmerman.

Subd. 13. Thief River Falls; Airport

3,000,000

For a grant to the Thief River Falls Regional Airport Authority. This appropriation is in addition to the appropriation for the same purpose in Laws 2020, Fifth Special Session chapter 3, section 16, subdivision 27.

Sec. 8. CORRECTIONS

\$ 10,000,000

To the commissioner of corrections for a grant to Carlton County to construct, furnish, and equip a new regional female offender and judicial center within the Carlton County Justice Center.

Sec. 9. EMPLOYMENT AND ECONOMIC DEVELOPMENT.

Subdivision 1. Total Appropriation

\$ 26,210,000

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Aitkin County; Health and Human Services Building

2,000,000

For a grant to Aitkin County for the construction of the renovation and expansion of the Aitkin County Health and Human Services building, including the replacement of heating and cooling systems; renovating and repurposing existing spaces to provide secure interview spaces, Americans with Disabilities Act accessible restrooms,

meeting spaces, and convertible work areas; renovation of the lobby; and providing increased security measures, including adding badge access, panic buttons, and clear escape routes.

Subd. 3. Chaska; City Square West

5,425,000

For a grant to the city of Chaska to acquire property for the city plaza and city paseo areas of the City Square West redevelopment project.

Subd. 4. Fergus Falls; Riverfront Corridor

4,000,000

For a grant to the city of Fergus Falls for Phase 2, Part 2 improvements as part of the city's Riverfront Corridor Project. This appropriation includes money for acquisition of approximately 11.68 acres of land, and for the design, engineering, and construction of the river buffer trail system, including accessible public parking and other public amenities. This appropriation also includes money to design, engineer, and construct two rail crossings, one at Broadway Avenue and one at St. Andrews Street, to serve as access points to the river buffer parcel and provide safe motor vehicle and pedestrian crossing.

Subd. 5. Forest Lake; Veterans Memorial

250,000

For a grant to the Forest Lake Veterans Memorial Committee to construct a memorial to veterans of the United States armed forces at Lakeside Memorial Park.

Subd. 6. Parkers Prairie; Veterans Memorial Park

50,000

For a grant to the city of Parkers Prairie to design, construct, and equip site improvements and infrastructure for a veterans memorial park along marked Trunk Highway 29.

Subd. 7. Scandia; Water Tower Barn Arts and Heritage Center

2,200,000

For a grant to the city of Scandia to predesign, design, construct, furnish, and equip the Scandia Water Tower Barn Arts

and Heritage Center in the city of Scandia. This appropriation is for the reconstruction and rehabilitation of the historic Scandia water tower barn for reuse as a regional arts and heritage center, along with construction of an amphitheater and site improvements. This facility will be located adjacent to the Gammelgarden Museum and will complement the telling of the important story of the state's original Swedish immigrant community. The water tower barn is the state's only remaining water tower barn tank house and is eligible for listing on the National Register of Historic Places for its unique engineering significance and the role that tank house facilities played in the evolution from the agrarian to the early 20th century mercantile economy.

Subd. 8. St. Louis County; Mining Exhibit

385,000

For a grant to St. Louis County to design and construct a new permanent exhibit on mining at the St. Louis County Heritage and Arts Center, also known as the Depot, in the city of Duluth.

Subd. 9. Rochester; Children's Museum

200,000

For a grant to the Rochester Children's Museum to increase access and engagement for diverse audiences through museum programs and exhibits that promote Minnesota arts, culture, and history.

Subd. 10. Stillwater; Riverfront Park

6,000,000

For a grant to the city of Stillwater to predesign, design, construct, furnish, and equip improvements to downtown, St. Croix riverfront parks, and public spaces in the city of Stillwater. This appropriation is for an Americans with Disabilities Act-accessible, nonmotorized public boat launch and fishing pier; restoration of hardwood and prairie grass exploration areas, community gathering and picnic spaces, and connections to Browns Creek State Trail at Lumberjack Landing; rehabilitation of the Lowell Park gazebo to

reconstruct failing foundation and restore historic features; development of the Chestnut Street Plaza for pedestrian and event area uses connecting to the regional trail system; archaeological enhancements, historic features interpretation, fishing pier, picnic area, surface parking, and boat launch facility at Bridgeview Park; rehabilitation of the Moritz Bergstein Shoddy Mill and Warehouse, listed on the National Register of Historic Places, for visitors and hospitality use; and public river access, public docking, and trail connections to the Stillwater Commercial Historic District, listed on the National Register of Historic Places, and regional trails from a transient dock.

Subd. 11. Washington County Heritage Center

700,000

For a grant to the Washington County Historical Society, for capital improvements at the Washington County Heritage Center in the city of Stillwater to allow for proper storage of historical artifacts. This appropriation includes money for facility remodeling, replacement of the HVAC system, roof replacement, exterior facility improvements, and the purchase and installation of appropriate storage containers for historical artifacts.

Subd. 12. Winona; Mississippi River Trail

5,000,000

For a grant to the city of Winona for final design, engineering, and construction of a bridge and bridge approaches connecting to Chestnut Street at one end and Carimona Street at the other end as part of the multipurpose nonmotorized Riverfront Trail from Levee Park to Lions Park.

Sec. 10. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$ 61,779,000

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. Belview; Water Treatment Facility

1,750,000

For a grant to the city of Belview to predesign, design, construct, and equip the replacement of aging and failing municipal drinking water infrastructure.

Subd. 3. Cologne; Wastewater Treatment Facility

1,060,000

For a grant to the city of Cologne to design, permit, engineer, construct, and equip a new municipal wastewater treatment facility and related infrastructure.

Subd. 4. Corcoran; Drinking Water Infrastructure

10,000,000

For a grant to the city of Corcoran to construct and equip drinking water improvements to serve the municipal service area of the city. This appropriation includes money for a well, a water treatment facility, a booster station, and a water storage facility.

Subd. 5. Elysian; Water Treatment Plant

3,500,000

For a grant to the city of Elysian to construct, furnish, and equip a water treatment plant to treat drinking water for radium, manganese, and iron bacteria. This appropriation includes money for associated public infrastructure to transport water from wells 2 and 3 to the water treatment plant.

Subd. 6. Floodwood; Water and Sewer Infrastructure

1,500,000

For a grant to the city of Floodwood to design and construct capital improvements to the city's water and sewer infrastructure along County Road 8, Trunk Highway 8, and Trunk Highway 73. This appropriation includes money for replacement and expansion of water and sewer mains and associated street reconstruction.

Subd. 7. Gilbert; Water Treatment Plant

1,365,000

For a grant to the city of Gilbert to design and construct a new lime softening water treatment plant and associated capital improvements. This appropriation includes money for demolition of decommissioned water treatment structures, a lime sludge processing system, capital improvements to

lime sludge storage facilities, and replacement of aquifer monitoring equipment in existing water supply wells.

Subd. 8. Hackensack; Water Main

1,400,000

For a grant to the city of Hackensack to construct an extension of water main, in conjunction with the reconstruction of Trunk Highway 371.

Subd. 9. Lake Lillian; Water Infrastructure Replacement

3,999,000

For a grant to the city of Lake Lillian to design, construct, and equip the replacement of aging and failing municipal infrastructure. This appropriation includes money for replacement of water main, improvements to and replacement of sanitary sewer system and storm sewer system infrastructure, rehabilitation of the city's water tower, and reconstruction of city streets.

Subd. 10. North Zumbro Sanitary District; Wastewater Treatment Facility

10,000,000

For a grant to the joint powers sanitary district created pursuant to Minnesota Statutes, section 471.59, comprising the cities of Zumbrota, Goodhue, Pine Island, and Wanamingo, to acquire property for and to predesign a new state-of-the-art regional wastewater treatment facility to be located in Goodhue County and to serve as a regional wastewater facility prototype. This facility shall provide wastewater treatment service for the Elk Run settlement lands of the Prairie Island Indian Community, which shall connect to existing wastewater infrastructure in the city of Pine Island. This appropriation includes money for improvements and betterments of a capital nature, including the construction of infrastructure necessary to connect the new facility to the communities in the sanitary district and for the facility to serve its intended purpose.

Subd. 11. Owatonna and Medford; Wastewater Treatment Facility Expansion

15,500,000

Of this amount, \$11,000,000 is for a grant to the city of Owatonna to design, engineer, construct, furnish, and equip a wastewater treatment facility in the city of Owatonna. Of this amount, \$4,500,000 is for a grant to the city of Medford to demolish the existing Medford wastewater treatment plant, pay for the sewer access charge, acquire property and easements, design, engineer, construct, furnish, and equip a connection to the Owatonna wastewater treatment facility from the city of Medford's wastewater collection system.

Subd. 12. Ramsey; Water Treatment Facility

3,200,000

For a grant to the city of Ramsey to construct a new water treatment facility to remove manganese and iron from the city's water supply.

Subd. 13. Red Rock Rural Water System

1,252,000

For a grant to the Red Rock Rural Water System to acquire land and design, construct, furnish, and equip a new water treatment plant, a new well field, installation of approximately 20 miles of water transmission main, and other improvements to infrastructure required for an expansion of the Red Rock Rural Water System, to be built and located in Watonwan, Brown, and Martin Counties.

Subd. 14. Rockville; Lift Station Improvements

1,201,000

For a grant to the city of Rockville to construct improvements necessary for rehabilitation and site restoration of the Grand Lake, Pleasant Lake, and Voigt sanitary sewer lift stations.

Subd. 15. Swanville; Water System Improvements

3,052,000

For a grant to the city of Swanville to design, construct, engineer, and equip capital improvements to the city's drinking water

system. This appropriation includes money for a ground-level water storage tank and pumping pressure system to replace the existing water tower; removal of the existing water tower; new wells; water meter replacement; and water main extensions, looping, and replacement.

Subd. 16. Watertown; Water Tower

3,000,000

For a grant to the city of Watertown to acquire property for and predesign, design, construct, and equip a new water tower and associated improvements, including utilities and an access road.

Sec. 11. MINNESOTA HISTORICAL SOCIETY

\$ 2,100,000

To the Minnesota Historical Society for a grant to Dodge County to predesign, design, and construct the stabilization of the Wasioja Historic District seminary ruins; to predesign, design, and construct a walkway to the middle of the ruins to preserve and enhance access to the ruins; and to construct a fence surrounding the ruins.

ARTICLE 3

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 116J.417, subdivision 2, is amended to read:

Subd. 2. **Creation of accounts.** Two greater Minnesota child care facility capital grant accounts are created. One account is created in the ~~special revenue~~ general fund and one in the bond proceeds fund. Money in the accounts is appropriated to the commissioner to make grants under this section. Money in the greater Minnesota child care facility capital grant accounts is available until encumbered or spent subject to section 16A.642.

Sec. 2. Minnesota Statutes 2022, section 174.38, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Active transportation" means bicycling, pedestrian activities, and other forms of nonmotorized transportation.

(c) "Bond-eligible costs" means expenditures under subdivision 6, clause (1), for publicly owned infrastructure in this state with a useful life of at least ten years.

(e) (d) "Commissioner" means the commissioner of transportation.

Sec. 3. Minnesota Statutes 2022, section 174.38, subdivision 3, is amended to read:

Subd. 3. **Active transportation account.** (a) An active transportation account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account must be expended only on a project that receives financial assistance under this section.

(b) An active transportation account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner. Money in the account may only be expended on bond-eligible costs of a project receiving financial assistance as provided under this section. Money in the account may only be expended on a project that is publicly owned.

(c) An active transportation account is established in the general fund. The account consists of money as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on a project receiving financial assistance as provided under this section.

Sec. 4. Laws 2018, chapter 214, article 1, section 7, subdivision 7, is amended to read:

Subd. 7. **Chester Woods State Trail** 2,500,000

To complete construction and paving of phase one of the Chester Woods State Trail from the city of Rochester to Chester Woods Park in Olmsted County. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds in this subdivision are available until December 31, 2026.

Sec. 5. Laws 2018, chapter 214, article 1, section 7, subdivision 9, is amended to read:

Subd. 9. **Glendalough State Park** 750,000

To predesign, design, and construct a Visitor and Trail Center in Glendalough State Park. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2023.

Sec. 6. Laws 2018, chapter 214, article 1, section 7, subdivision 11, is amended to read:

Subd. 11. **Mill Towns State Trail** 500,000

For acquisition ~~and~~ design, and construction of the Mill Towns State Trail between the cities of Faribault and Waterford.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2026.

Sec. 7. Laws 2018, chapter 214, article 1, section 7, subdivision 18, is amended to read:

**Subd. 18. St. Louis and Lake Counties Regional
Railroad Authority - Mesabi Trail**

1,138,000

For a grant to the St. Louis and Lake Counties Regional Railroad Authority to continue construction of the Mesabi Trail, starting near Whalston Road and going toward the city of Tower for approximately ~~4.5~~ 2.0 miles. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2026.

Sec. 8. Laws 2018, chapter 214, article 1, section 16, subdivision 14, is amended to read:

**Subd. 14. Wadena - U.S. Highway 10 Environmental
Cleanup**

5,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Wadena for environmental analysis and environmental cleanup and construction of storm water drainage within the marked U.S. Highway 10 corridor in the city of Wadena. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2026.

Sec. 9. Laws 2018, chapter 214, article 1, section 16, subdivision 19, as amended by Laws 2020, Fifth Special Session chapter 3, article 5, section 30, is amended to read:

**Subd. 19. Hennepin County - Railroad Crossing
Safety**

1,200,000

For one or more grants to Hennepin County or the affected city in the county to construct railroad crossing safety improvements in Hennepin County. Of this amount, \$350,000

is for crossings at marked County Road 19 in the city of Loretto; at least \$450,000 is for crossings at Arrowhead Drive in the city of Medina; and at least \$400,000 is for crossings at East Lake Street and Barry Avenue in the city of Wayzata. Any unspent portion of this appropriation remaining after completion of a project listed in this subdivision, after written notice to the commissioner of management and budget, is available for the purposes of this subdivision. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2026.

Sec. 10. Laws 2018, chapter 214, article 1, section 17, subdivision 7, as amended by Laws 2019, chapter 2, article 2, section 5, is amended to read:

Subd. 7. White Bear Lake Trail and Route

4,000,000

(a) To the Metropolitan Council for grants to complete design and construction of a multiuse paved trail and route for pedestrians, bicycles, and wheelchairs around White Bear Lake in Ramsey and Washington Counties.

(b) \$2,600,000 of this appropriation is for a grant to Ramsey County to design and construct trail improvements, consistent with the completed preliminary engineering, along South Shore Boulevard between White Bear Avenue and marked Trunk Highway 120 and to pave an existing dirt path within the Ramsey County Beach and Water Park from the entrance to the park at Highway 96 to the northeast edge of the park.

(c) \$1,400,000 of this appropriation is for a grant to the city of Mahtomedi to design, construct, and equip elements of the trail and route along or proximate to Birchwood Road, Wildwood Beach Road, and on or in the proximity of Briarwood Road, consistent with the completed preliminary engineering, and final design and specification, subject to approval of the commissioner of transportation with regard to elements of the

trail and route that are within or adjacent to the right-of-way of marked Trunk Highway 244.

(d) Up to \$70,000 of the amount remaining after substantial completion of the project described in paragraph (c) is for a grant to the city of Birchwood Village to predesign, design, construct, furnish, and equip a Lake Links Trail segment extending through the city of Birchwood Village and connecting to Lakes Links Trail segments in adjacent communities to complete a loop around White Bear Lake.

(e) Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for these projects are available until December 31, 2026.

Sec. 11. Laws 2018, chapter 214, article 1, section 18, subdivision 5, is amended to read:

Subd. 5. Regional Behavioral Health Crisis Facility Grants

28,100,000

To the commissioner of human services for behavioral health crisis program facilities grants under Minnesota Statutes, section 245G.011. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this appropriation are available until December 31, 2024.

Sec. 12. Laws 2018, chapter 214, article 1, section 21, subdivision 17, is amended to read:

Subd. 17. Minneapolis - American Indian Center

5,000,000

From the general fund in fiscal year 2019 for a grant to the Minneapolis American Indian Center to design, construct, furnish, and equip the renovation and expansion of the center on Franklin Avenue. This project includes: demolition work; improvements and additions to, or replacement of, the mechanical, electrical, plumbing, heating, ventilating, and air conditioning systems; repairs to the existing roof and exterior

enclosure; required site improvements; general renovation of interior spaces; and expansion of the cafe space, the event spaces, and the performance spaces. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2024.

Sec. 13. Laws 2018, chapter 214, article 1, section 21, subdivision 29, as amended by Laws 2020, Fifth Special Session chapter 3, article 5, section 34, is amended to read:

Subd. 29. Wabasha - National Eagle Center and Wabasha Riverfront Revitalization

8,000,000

(a) \$1,500,000 of this appropriation is for a grant to the city of Wabasha to predesign the renovation and expansion of the National Eagle Center in order to expand program and exhibit space, and increase aviary space for eagles, and to design and construct improvements to the riverfront in Wabasha for infrastructure, large vessel landing areas and docks, and public access and program areas.

(b) \$2,500,000 of this appropriation is for a grant to the city of Wabasha to acquire land, design, renovate, construct, furnish, and equip the National Eagle Center in order to expand the program space, gift shop, and exhibit space, and increase aviary space for eagles. If the acquisition of land, design, renovation, construction, furnishing, and equipping of the National Eagle Center expansion of its program space, gift shop, exhibit space, and aviary space is complete, the City of Wabasha may use any remaining money from this appropriation toward the renovation of the historical buildings on Main Street.

(c) \$4,000,000 of this appropriation is for a grant to the city of Wabasha to predesign, design, construct, renovate, furnish, and equip the new auditorium, expansion of the Preston Cook Exhibit, and final renovation of the historical buildings on Main Street.

(d) Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for the projects described in paragraphs (a) to (c) are available until December 31, 2026.

Sec. 14. Laws 2020, Fifth Special Session chapter 3, article 1, section 7, subdivision 12, is amended to read:

Subd. 12. Heartland State Trail; Detroit Lakes to Frazee Segment 2,000,000

For land acquisition, final engineering, ~~and design,~~ and construction of the proposed Heartland State Trail between its current terminus at Becker County CSAH 10 and Trunk Highway 87 in Frazee, and for the construction of a trail bridge over Becker County CSAH 10.

Sec. 15. Laws 2020, Fifth Special Session chapter 3, article 1, section 7, subdivision 18, as amended by Laws 2021, First Special Session chapter 9, section 20, is amended to read:

Subd. 18. ~~Lake City; Ohuta Beach Breakwater~~ Shoreline Stabilization and Water Access at Lake Pepin 1,058,000

For a grant to the city of Lake City to design, engineer, and construct a ~~breakwater at Ohuta Beach~~ retaining wall providing shoreline stabilization with public water access to Lake Pepin in Lake City at Ohuta Park.

Sec. 16. Laws 2020, Fifth Special Session chapter 3, article 1, section 7, subdivision 24, is amended to read:

Subd. 24. ~~Scott County Soil and Water Conservation District;~~ McMahan Lake Flood Mitigation 600,000

For the state share of a flood hazard mitigation grant to the Scott County Soil and Water Conservation District for publicly owned capital improvements to prevent or alleviate flood damage on McMahan Lake under Minnesota Statutes, section 103F.161, subject to Minnesota Statutes, section 16A.695.

Sec. 17. Laws 2020, Fifth Special Session chapter 3, article 1, section 15, subdivision 6, is amended to read:

Subd. 6. Edina; South Metro Public Safety Training Facility

1,000,000

For a grant to the city of Edina to predesign, design, construct, expand, renovate, furnish, and equip a tactical training building at the South Metro Public Safety Training Facility to provide year-round flexible space for different training scenarios. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2027.

Sec. 18. Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 4, is amended to read:

Subd. 4. Anoka County; Marked U.S. Highway 10/169

8,400,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Anoka County for environmental analysis, preliminary engineering, ~~and~~ final design, and construction for the interchanges on marked U.S. Highway 10/169 at County State-Aid Highway 56 (Ramsey Boulevard) and County State-Aid Highway 57 (Sunfish Lake Boulevard) and the associated railroad grade separations, frontage roads, backage roads, and connecting local streets to support the U.S. Highway 10/169 improvements in the city of Ramsey.

Sec. 19. Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 11, is amended to read:

Subd. 11. Ramsey County; I-35E and County Road J Interchange

1,500,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Ramsey County to complete the preliminary engineering ~~and~~ environmental analysis, and final design for a full access interchange on County Road J at Interstate Highway 35E and associated improvements on County

Road J supporting the interchange from Centerville Road to Otter Lake Road in the cities of North Oaks and Lino Lakes and White Bear Township.

Sec. 20. Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 25, is amended to read:

**Subd. 25. International Falls-Koochiching County
Airport Improvements**

1,800,000

For a grant to the International Falls-Koochiching County Airport Commission to provide for the nonfederal share of a project at International Falls Airport for land acquisition, predesign, design, and reconstruction of the runway, taxiway, and apron, including improvements to crosswind runway 4/22. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this subdivision are available until December 31, 2025.

Sec. 21. Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 26, is amended to read:

**Subd. 26. Rochester International Airport Runway
and Associated Improvements**

11,400,000

(a) The following appropriations are for one or more grants to the city of Rochester for improvements to the Rochester International Airport. If any of these appropriations for a specified phase is not needed to complete that phase, the unexpended and unencumbered amount may be applied to another phase of the Rochester Airport project for which an appropriation is made in this subdivision. Each appropriation for a phase is available when the commissioner of management and budget determines that an amount sufficient to complete that phase is committed to the project.

(b) \$2,900,000 is appropriated for Phase 2, for property acquisition; site mitigation; petroleum pipeline relocation and all

associated predesign and design at the Rochester International Airport.

(c) \$460,000 is appropriated for Phase 3, for relocation of 31st Ave. SW and 90th Street; utility relocation; grading and drainage improvements; to modify airport fencing and all associated predesign and design at the Rochester International Airport.

(d) \$1,000,000 is appropriated for Phase 4, for removal of taxiways; reconstruction of the southern portion of Runway 2 and adjacent Taxiway B including paved shoulders; installation of lighting and signage and all associated predesign and design at the Rochester International Airport.

(e) \$1,270,000 is appropriated for Phase 5, to modify airport fencing; construct an extension of Runway 2 and Taxiway B including paved shoulders; construct paved shoulders on the remaining portion of Runway 2 located south of the runway-runway intersection; acquisition and installation of navigational aids; installation of lighting and signage and all associated predesign and design at the Rochester International Airport.

(f) \$3,670,000 is appropriated for Phase 6, to demolish and reconstruct a portion of Taxiway B including paved shoulders; to reposition navigational aids; acquire and install instrument approach improvements; for grading and drainage improvements; installation of lighting and signage and all associated predesign and design at the Rochester International Airport.

(g) \$2,100,000 is appropriated for Phase 7, to reconstruct taxiway and runway intersections; to remove Taxiways A6, E, F, G and a portion of Runway 20; to reconstruct Taxiway D; for grading and drainage improvements; installation of lighting and signage and all associated predesign and design at the Rochester International Airport.

(h) Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the projects described in paragraphs (a) to (g) are available until December 31, 2028.

Sec. 22. Laws 2020, Fifth Special Session chapter 3, article 1, section 17, subdivision 7, is amended to read:

Subd. 7. Dakota County; Veterans Memorial Greenway

5,000,000

For a grant to Dakota County ~~to construct improvements~~ for the acquisition of land and right-of-way, design, engineering, and construction for the Veterans Memorial Greenway, including pedestrian safety-related improvements, memorials, a community gathering space, and a new trail connection between Lebanon Hills Regional Park and the Mississippi River.

Sec. 23. Laws 2020, Fifth Special Session chapter 3, article 1, section 17, subdivision 13, is amended to read:

Subd. 13. White Bear Lake Communities; Lake Links Trail

3,600,000

For grants to complete design and construction of a multiuse paved trail and route for pedestrians, bicycles, and wheelchairs around White Bear Lake in Ramsey and Washington Counties, as follows:

(1) \$2,600,000 of this appropriation is for a grant to the city of Dellwood in Washington County to design, engineer, construct, and equip trail improvements consistent with the completed preliminary engineering along or parallel with the shore of White Bear Lake between the Mahtomedi city limits and the western line of Washington County. This appropriation may also be used for the acquisition of permanent easements and right-of-way;

(2) \$500,000 of this appropriation is for a grant to White Bear Township in Ramsey

County to design, engineer, construct, and equip trail improvements along and parallel with the shore of White Bear Lake between the Washington County line and the city limits of the city of White Bear Lake, Ramsey County; and

(3) \$500,000 of this appropriation is for a grant to the city of White Bear Lake in Ramsey County to design, engineer, construct, and equip trail improvements along or parallel with the shore of White Bear Lake between the eastern city limits of White Bear Lake and Pacific Avenue.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project is available until December 31, 2026.

Sec. 24. Laws 2020, Fifth Special Session chapter 3, article 1, section 20, subdivision 11, is amended to read:

Subd. 11. Prairie Lake Youth JPB; School and Recreation Center

2,500,000

For a grant to the Prairie Lake Youth Joint Powers Board to predesign, design, construct, furnish, and equip an indoor recreation and educational building adjoining the current building for the Prairie Lakes Youth Program. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2027.

Sec. 25. Laws 2020, Fifth Special Session chapter 3, article 1, section 21, subdivision 17, is amended to read:

Subd. 17. Duluth; Lake Superior Zoo

204,000

For a grant to the city of Duluth to predesign ~~and design~~ the renovation or replacement of the Main Building at the Lake Superior Zoo.

Sec. 26. Laws 2020, Fifth Special Session chapter 3, article 1, section 21, subdivision 36, is amended to read:

Subd. 36. St. Cloud; Municipal Athletic Complex

10,000,000

For a grant to the city of St. Cloud to design, construct, furnish, and equip improvements to the municipal athletic complex to serve as a regional sport facility. This appropriation includes money to renovate and expand the ice arena components of the Municipal Athletic Facility, to demolish the grandstand at Dick Putz field, and to design, construct, furnish and equip a new grandstand at Dick Putz Field. This appropriation may not be used to acquire and install artificial turf or only and may not be used to construct the west lobby. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2028.

Sec. 27. Laws 2020, Fifth Special Session chapter 3, article 1, section 21, subdivision 46, is amended to read:

**Subd. 46. Western Lake Superior Sanitary District;
Engine Generators**

6,750,000

For a grant to the Sanitary Board of the Western Lake Superior Sanitary District to design and construct engine generators as part of the combined heat and power system to capture and process heat and generate electricity for use at the Western Lake Superior Sanitary District wastewater treatment facilities. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2026.

Sec. 28. Laws 2020, Fifth Special Session chapter 3, article 1, section 21, subdivision 48, is amended to read:

Subd. 48. Wright County; Dental Care Facility

1,400,000

For a grant to Wright County to predesign, design, construct, furnish, and equip a dental care facility. The dental care facility will be constructed ~~in~~ within a building ~~constructed for this purpose by the county~~ on the Wright County Government Center campus in the city of Buffalo. The county may enter into

an agreement under Minnesota Statutes, section 16A.695, for operation of the dental clinic.

Sec. 29. Laws 2020, Fifth Special Session chapter 3, article 1, section 22, subdivision 15, is amended to read:

Subd. 15. Foley; Wastewater Infrastructure 8,000,000

For a grant to the city of Foley to predesign, design, construct, and equip wastewater infrastructure improvements, which may also include acquisition of real property needed for the wastewater infrastructure improvements. This appropriation may be used to reimburse the city of Foley for costs paid for the project after the enactment of this subdivision but prior to execution of a grant agreement for the project.

Sec. 30. Laws 2020, Fifth Special Session chapter 3, article 1, section 22, subdivision 33, as amended by Laws 2021, First Special Session chapter 9, section 42, is amended to read:

Subd. 33. Vernon Center; Water Infrastructure Improvements 7,984,000

For a grant to the city of Vernon Center to predesign, design, construct, furnish, and equip ~~water and wastewater treatment facilities~~, water distribution, sanitary sewer, and storm water collection systems, and related local road improvements.

Sec. 31. Laws 2020, Fifth Special Session chapter 3, article 3, section 2, subdivision 2, is amended to read:

Subd. 2. Hmong American Farmers Association 2,000,000

(a) For a grant to the Hmong American Farmers Association to purchase approximately 155 acres in Dakota County that the association has leased since 2014, including buildings and improvements on the property.

(b) Upon completion of the purchase of the 155 acres in Dakota County, any unspent portion of this appropriation remaining, after written notice to the commissioner of management and budget, is available to

purchase additional farmland. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until December 31, 2026.

(c) Notwithstanding any law to the contrary, a municipality, county, or the state shall not take or condemn land purchased pursuant to this subdivision without the express consent of the property owner.

Sec. 32. **CONVEYANCE AUTHORIZED.**

Subdivision 1. **Conveyance authorized.** (a) Notwithstanding Minnesota Statutes, sections 16A.695, 16B.281 to 16B.287, 92.45, 94.09, and 94.10, any state law, administrative rule, or commissioner's order to the contrary, and the appropriation of state general obligation bond proceeds in Laws 2002, chapter 393, article 11, section 5, subdivision 6, and Laws 2005, chapter 20, article 1, section 7, subdivision 24, to the commissioner of natural resources, the parcels described in subdivision 2 may be conveyed for no consideration to the city of Two Harbors for outdoor recreation facilities. The commissioner may convey the parcels described in subdivision 2 subject to the state's reservation of an access easement if the commissioner determines that reservation of an access easement is necessary or beneficial for access to any state-owned or state-administered property. Notwithstanding any provision of this section to the contrary, the real property shall continue to be considered state bond-financed property after the conveyance of the real property to the city of Two Harbors and until all the requirements are satisfied for the real property to no longer be considered state bond-financed property. The city of Two Harbors must operate the state bond-financed property in compliance with Minnesota Statutes, section 16A.695, and all applicable state and federal laws, and in a manner that will not cause the interest on the state general obligation bonds to be subject to federal income taxation for any reason.

(b) The conveyance shall be in a form approved by the attorney general. The attorney general may make changes to the legal description to correct errors and ensure accuracy.

(c) The commissioner of natural resources has determined that the parcels are no longer needed for any state purpose and that the state's interests would best be served if the parcels were conveyed to the city of Two Harbors.

Subd. 2. **Parcels.** The two parcels of property conveyed in subdivision 1 are as follows:

(1) that part of Government Lot 1, Section 1, Township 52 North, Range 11 West of the Fourth Principal Meridian, Lake County, Minnesota, lying southerly and easterly of the following described lines: commencing at the center east 1/16 corner; thence along the North-South 1/16 line on an assumed bearing of North 00 degrees 46 minutes 07 seconds East 144.23 feet; thence North 67 degrees 30 minutes 43 seconds West 385.00 feet; thence North 22 degrees 29 minutes 17 seconds East 24.00 feet; thence South 67 degrees 30 minutes 43 seconds East 385.00 feet; thence easterly a distance of 232.90 feet along a tangential curve concave to the North having a radius of 611.85 feet and central angle of 21 degrees 48 minutes 36 seconds; thence South 89 degrees 19 minutes 19 seconds East 1,015.67 feet; thence South 00 degrees 40 minutes 41 seconds West 35.00 feet; thence

South 89 degrees 19 minutes 19 seconds East 73.08 feet to the east line of said Government Lot 1 and the point of beginning of said line; thence North 89 degrees 19 minutes 19 seconds West 877.08 feet; thence North 00 degrees 40 minutes 41 seconds East 11.00 feet; thence North 89 degrees 19 minutes 19 seconds West 28.86 feet; thence South 00 degrees 51 minutes 25 seconds West 19.82 feet to a 3/4-inch by 24-inch rebar marked "MN DNR LS 16098" (DNR monument); thence continuing South 00 degrees 51 minutes 25 seconds West 484.06 feet to a DNR monument; thence continuing South 00 degrees 51 minutes 25 seconds West 78 feet, more or less to the shore of Lake Superior and there terminating; containing 14.5 acres, more or less (parcel identification number 23-7600-01415); and

(2) that part of Government Lot 3, Section 6, Township 52 North, Range 10 West of the Fourth Principal Meridian, described as follows: commencing at the West Quarter corner of said Section 6 (northwest corner of said Government Lot 3); thence North 88 degrees 43 minutes 09 seconds East along the north line of said Government Lot 3 a distance of 485.19 feet; thence South 00 degrees 20 minutes 34 seconds East a distance of 16 feet, more or less, to the south line of the northerly 16 feet of said Government Lot 3, being the point of beginning of the parcel described herein; thence continuing South 00 degrees 20 minutes 34 seconds East a distance of 584 feet, more or less, to a line lying within 600 feet and South of the North boundary of said Government Lot 3; thence westerly, along said line, to the west line of said Government Lot 3; thence northerly, along the west line of the said Government Lot 3 to the south line of the northerly 16 feet of said Government Lot 3; thence easterly along the south line of the northerly 16 feet of said Government Lot 3 to the point of beginning; except minerals (parcel identification number 23-7600-06605).

Sec. 33. RIVER PLACE ARTS, CULTURE, AND EVENT CENTER; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction, reconstruction, upgrade, expansion, or remodeling of the River Place Arts, Culture, and Event Center in the city of Warroad, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 31, 2023, and before January 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 2, clause (7). Refunds for eligible purchases must not be issued until after June 30, 2023.

Subd. 2. **Appropriation.** \$500,000 is appropriated in fiscal year 2024 from the general fund to the commissioner of revenue to pay the refunds under subdivision 1, on a first come, first served basis. This appropriation is available until June 30, 2027.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to sales and purchases made after May 30, 2023, and before January 1, 2026.

Sec. 34. REVISOR INSTRUCTION.

The revisor of statutes shall codify Laws 2023, chapter 37, article 2, section 7, in Minnesota Statutes, chapter 462A.

Sec. 35. EFFECTIVE DATE.

Except as otherwise specified, this article is effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pappas moved to amend the Pappas amendment to H.F. No. 669, adopted by the Senate May 22, 2023, as follows:

Page 55, delete lines 17 to 19 and insert "property for the city of Chaska plaza and paseo areas, acquire property for the city of Chaska Public Parking, acquire property for the city of Chaska Mercado and Arts Consortium Space, and to construct the city of Chaska's plaza, paseo areas, Mercado and Arts Consortium Space and Public Parking of the city Square West redevelopment project."

Page 79, line 12, after the period, insert "Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2026."

The motion prevailed. So the amendment was adopted.

H.F. No. 669 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 11, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kreun	Mitchell	Rest
Boldon	Frentz	Kunesh	Mohamed	Seeberger
Carlson	Gruenhagen	Kupec	Morrison	Utke
Champion	Gustafson	Lang	Murphy	Weber
Coleman	Hauschild	Latz	Nelson	Westlin
Cwodzinski	Hawj	Limmer	Oumou Verbeten	Westrom
Dahms	Hoffman	Mann	Pappas	Wiklund
Dibble	Housley	Marty	Pha	Xiong
Dornink	Jasinski	Mathews	Port	
Draheim	Johnson	Maye Quade	Pratt	
Dziedzic	Klein	McEwen	Putnam	
Farnsworth	Koran	Miller	Rarick	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Mann, McEwen, Morrison, and Port.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Pratt.

Those who voted in the negative were:

Anderson	Duckworth	Howe	Rasmusson
Bahr	Eichorn	Lieske	Wesenberg
Drazkowski	Green	Lucero	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Abeler moved that S.F. No. 3327 be withdrawn from the Committee on Environment, Climate, and Legacy and returned to its author. The motion prevailed.

RECESS

Senator Dziejdzic moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Senators Hoffman, Rasmusson, Dziejdzic, Johnson, and Maye Quade introduced--

S.F. No. 3363: A bill for an act relating to human services; providing for a nursing facility workforce incentive program, nursing facility payments, and a nursing facility temporary rate add-on; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Senator Dziejdzic moved that S.F. No. 3363 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 3342.

Transmitted May 22, 2023

Patrick D. Murphy, Chief Clerk, House of Representatives

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 3342: A bill for an act relating to human services; providing for a nursing facility workforce incentive program, nursing facility payments, and a nursing facility temporary rate add-on; providing partial reimbursement to hospitals for qualifying avoidable patient days; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

MOTIONS AND RESOLUTIONS - CONTINUED**SUSPENSION OF RULES**

Senator Dziejdzic moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 3342 and that the rules of the Senate be so far suspended as to give H.F. No. 3342 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 3342 was read the second time.

H.F. No. 3342 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dziejdzic	Johnson	Maye Quade	Rarick
Anderson	Eichorn	Klein	McEwen	Rasmusson
Bahr	Farnsworth	Koran	Miller	Rest
Boldon	Fatch	Kreun	Mitchell	Seeberger
Carlson	Frentz	Kunesh	Mohamed	Utke
Champion	Green	Kupec	Morrison	Weber
Coleman	Gruenhagen	Lang	Murphy	Wesenberg
Cwodzinski	Gustafson	Latz	Nelson	Westlin
Dahms	Hauschild	Lieske	Oumou Verbeten	Westrom
Dibble	Hawj	Limmer	Pappas	Wiklund
Dornink	Hoffman	Lucero	Pha	Xiong
Draheim	Housley	Mann	Port	
Drazkowski	Howe	Marty	Pratt	
Duckworth	Jsinski	Mathews	Putnam	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Klein, Mann, McEwen, Morrison, and Port.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Bahr, Duckworth, and Pratt.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED**SPECIAL ORDER**

H.F. No. 447: A bill for an act relating to civil law; amending certain policy provisions related to forfeiture, name change, property, survival of cause of action after death, mediation for debtors owning agricultural property, State Board of Public Defense, construction contracts, civil rights, gender identity, data, notaries public, and health care incident open discussion; amending Minnesota Statutes 2022, sections 13.072, subdivision 1; 13.32, subdivisions 3, 5; 13.643, subdivision 6; 15.71, by adding subdivisions; 15.72, by adding a subdivision; 82B.195, subdivision 3; 169A.63, subdivision 8; 245I.12, subdivision 1; 259.11; 259.13, subdivisions 1, 5; 325F.992, subdivision 3; 336.9-601; 337.01, subdivision 3; 337.05, subdivision 1; 357.17; 359.04; 363A.02, subdivision 1; 363A.03, subdivisions 23, 44, by adding a subdivision; 363A.04; 363A.06, subdivision 1; 363A.07, subdivision 2; 363A.08, subdivisions 1, 2, 3, 4, by adding a subdivision; 363A.09, subdivisions 1, 2, 3, 4; 363A.11, subdivisions 1, 2; 363A.12, subdivision 1; 363A.13, subdivisions 1, 2, 3, 4; 363A.15; 363A.16, subdivision 1; 363A.17; 363A.21, subdivision 1; 504B.301; 508.52; 517.04; 517.08, subdivisions 1a, 1b; 518.191, subdivisions 1, 3; 550.365, subdivision 2; 559.209, subdivision 2; 573.01; 573.02, subdivisions 1, 2; 582.039, subdivision 2; 583.25; 583.26, subdivision 2; 600.23; 609.5314, subdivision 3; 611.215, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 145; 259; 359; 363A; repealing Minnesota Statutes 2022, sections 346.02; 363A.20, subdivision 3; 363A.27; 504B.305; 582.14.

Senator Latz moved to amend H.F. No. 447 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CORR23-14] Minnesota Statutes 2022, section 116J.015, as added by Laws 2023, chapter 33, section 1, is amended to read:

116J.015 LEGISLATIVE REVIEW; EXPIRATION OF REPORT MANDATES.

The commissioner shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development by February 15 of each year, beginning February 15, ~~2023~~ 2024, the following:

(1) a list of all reports required from the commissioner of employment and economic development to the legislature that are mandated by statute and the enabling legislation does not include a date for the submission of a final report;

(2) a discussion regarding the usefulness of continuation for each report; and

(3) any additional information the commissioner considers appropriate regarding whether the reporting requirement should be set to expire by the legislature.

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

Sec. 2. [CORR23-15] Laws 2021, First Special Session chapter 14, article 11, section 42, is amended to read:

State Government		
Special Revenue	4,901,000	5,409,000
Health Care Access	917,933,000	1,328,004,000
Federal TANF	276,953,000	279,387,000
Lottery Prize	163,000	163,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 5. [CORR23-18] 2023 S.F. No. 2995, article 20, section 2, subdivision 4, if enacted, is amended to read:

Subd. 4. Central Office; Children and Families

	Appropriations by Fund	
	57,107,000	43,515,000
General	<u>56,717,000</u>	<u>43,125,000</u>
Federal TANF	2,582,000	2,582,000

(a) **Quadrennial review of child support guidelines.** \$64,000 in fiscal year 2024 and \$32,000 in fiscal year 2025 are from the general fund for a quadrennial review of child support guidelines.

(b) **Transfer.** The commissioner must transfer \$64,000 in fiscal year 2024 and \$32,000 in fiscal year 2025 from the general fund to the special revenue fund to be used for the quadrennial review of child support guidelines.

(c) **Child care and early education professional wage scale and comparable competencies analysis.** \$778,000 in fiscal year 2024 and \$730,000 in fiscal year 2025 are from the general fund for child care and early education professional wage scale and comparable competencies analysis. This is a onetime appropriation. The commissioner may execute, as necessary to complete this analysis, interagency agreements with the commissioners of education, employment and economic development, and management and budget.

(d) **Cost estimation model for early care and learning programs.** \$100,000 in fiscal year 2024 is from the general fund for developing a cost estimation model for providing early care and learning.

(e) **Integrated services for children and families.** \$8,302,000 in fiscal year 2024 and \$6,776,000 in fiscal year 2025 are from the general fund for integrated services for children and families projects. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$2,041,000 of the appropriation in fiscal year 2024 is available until June 30, 2027, and \$4,261,000 is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$4,586,000 of the appropriation in fiscal year 2025 is available until June 30, 2029. This is a onetime appropriation.

(f) **Carryforward authority.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$4,992,000 of the appropriation in fiscal year 2024 is available until June 30, 2027, and \$2,413,000 is available until June 30, 2028.

(g) **IT systems improvements for children and families.** \$20,000,000 in fiscal year 2024 is from the general fund for information technology improvements for programs for children and families. This appropriation must be deposited in the state systems account under Minnesota Statutes, section 256.014, subdivision 2, and must only be expended according to the requirements of article 12, section 31. The commissioner of human services may transfer funds from this appropriation to the commissioner of education, Minnesota IT Services, or the commissioner of children, youth, and families to develop and implement the plan under article 12, section 31. The commissioner of human services must transfer any unexpended amounts and any

federal funds attributable to expenditures under this paragraph to the commissioner of children, youth, and families according to the requirements of Minnesota Statutes, section 15.039, subdivision 6. This is a onetime appropriation.

(h) **Base level adjustment.** The general fund base is \$35,889,000 in fiscal year 2026 and \$35,466,000 in fiscal year 2027.

Sec. 6. [CORR23-19] 2023 S.F. No. 2995, article 20, section 15, if enacted, is amended to read:

Sec. 15. **COMMISSIONER OF LABOR AND INDUSTRY.**

	\$	68,000	\$	72,000
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This appropriation is contingent upon legislative enactment of 2023 Senate File 1384 by the 93rd Legislature. This appropriation is available until June 30, 2025.

~~**Base level adjustment.** The general fund base is \$1,793,000 in fiscal year 2026 and \$1,790,000 in fiscal year 2027.~~

Sec. 7. [CORR23-20] **REPEALER.**

Laws 2023, chapter 52, article 1, section 15, is repealed.

Sec. 8. **EFFECTIVE DATE.**

Unless otherwise provided, each section of this act is effective at the time the provision being corrected is effective."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 447 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 14, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Hawj	Kunesh	Maye Quade
Boldon	Duckworth	Hoffman	Kupec	McEwen
Carlson	Dziedzic	Housley	Lang	Miller
Champion	Fateh	Jasinski	Latz	Mitchell
Coleman	Frentz	Johnson	Limmer	Mohamed
Cwodzinski	Gustafson	Klein	Mann	Morrison
Dahms	Hauschild	Kreun	Marty	Murphy

Nelson	Port	Rasmusson	Westlin
Oumou Verbeten	Pratt	Rest	Westrom
Pappas	Putnam	Seeberger	Wiklund
Pha	Rarick	Weber	Xiong

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Klein, Mann, McEwen, Morrison, and Port.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Duckworth and Pratt.

Those who voted in the negative were:

Anderson	Draheim	Green	Koran	Mathews
Bahr	Drazkowski	Gruenhagen	Lieske	Utke
Dornink	Eichorn	Howe	Lucero	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Bahr.

So the bill, as amended, was passed and its title was agreed to.

RECESS

Senator Dziejdzic moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1384 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. No. 1384

A bill for an act relating to state government; modifying labor policy provisions; modifying building codes, occupational safety and health, and employment law; amending Minnesota Statutes 2022, sections 13.43, subdivision 6; 120A.414, subdivision 2; 122A.181, subdivision 5; 122A.26, subdivision 2; 122A.40, subdivision 5; 122A.41, subdivision 2; 177.27, subdivision 4; 177.42, subdivision 2; 179A.03, subdivisions 14, 18; 179A.06, subdivision 6; 179A.07, subdivision 6, by adding subdivisions; 179A.12, subdivisions 6, 11, by adding a subdivision; 181.03, subdivision 6; 181.06, subdivision 2; 181.172; 181.275, subdivision 1; 181.932, subdivision 1; 181.939; 181.940, subdivisions 2, 3; 181.941, subdivision 3; 181.9413; 181.942; 181.9436; 181.945, subdivision 3; 181.9456, subdivision 3; 181.956, subdivision 5; 181.964; 182.659, subdivisions 1, 8; 182.66, by adding a subdivision; 182.661, by adding a subdivision; 182.676; 326B.093, subdivision 4; 326B.106, by adding a subdivision; 326B.163, subdivision 5, by adding a subdivision; 326B.164, subdivision 13; 326B.31, subdivision 30; 326B.32, subdivision 1; 326B.36, subdivision 7, by adding a subdivision; 326B.805, subdivision 6; 326B.921, subdivision 8; 326B.925, subdivision 1; 326B.988; 572B.17; proposing coding for new law in Minnesota Statutes, chapters 16A; 181; 327; repealing Minnesota Statutes 2022, section 179A.12, subdivision 2.

May 22, 2023

The Honorable Bobby Joe Champion
President of the Senate

The Honorable Melissa Hortman
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1384 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1384 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. TITLE.

This act shall be known as the Nurse and Patient Safety Act.

Sec. 2. Minnesota Statutes 2022, section 144.1501, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Advanced dental therapist" means an individual who is licensed as a dental therapist under section 150A.06, and who is certified as an advanced dental therapist under section 150A.106.

(c) "Alcohol and drug counselor" means an individual who is licensed as an alcohol and drug counselor under chapter 148F.

(d) "Dental therapist" means an individual who is licensed as a dental therapist under section 150A.06.

(e) "Dentist" means an individual who is licensed to practice dentistry.

(f) "Designated rural area" means a statutory and home rule charter city or township that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

(g) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

(h) "Hospital nurse" means an individual who is licensed as a registered nurse and who is providing direct patient care in a nonprofit hospital setting.

(i) "Mental health professional" means an individual providing clinical services in the treatment of mental illness who is qualified in at least one of the ways specified in section 245.462, subdivision 18.

~~(j)~~ (j) "Medical resident" means an individual participating in a medical residency in family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(k)~~ (k) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

~~(l)~~ (l) "Nurse" means an individual who has completed training and received all licensing or certification necessary to perform duties as a licensed practical nurse or registered nurse.

~~(m)~~ (m) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives.

~~(n)~~ (n) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse practitioners.

~~(o)~~ (o) "Pharmacist" means an individual with a valid license issued under chapter 151.

~~(p)~~ (p) "Physician" means an individual who is licensed to practice medicine in the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(q)~~ (q) "Physician assistant" means a person licensed under chapter 147A.

~~(r)~~ (r) "Public health nurse" means a registered nurse licensed in Minnesota who has obtained a registration certificate as a public health nurse from the Board of Nursing in accordance with Minnesota Rules, chapter 6316.

~~(s)~~ (s) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

~~(t)~~ (t) "Underserved urban community" means a Minnesota urban area or population included in the list of designated primary medical care health professional shortage areas (HPSAs), medically underserved areas (MUAs), or medically underserved populations (MUPs) maintained and updated by the United States Department of Health and Human Services.

Sec. 3. Minnesota Statutes 2022, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

(1) for medical residents, mental health professionals, and alcohol and drug counselors agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home; an intermediate care facility for persons with developmental disability; a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; a housing with services establishment as defined in section 144D.01, subdivision 4; or for a home care provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses who agree to practice in designated rural areas; ~~and~~

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303; and

(7) for nurses employed as a hospital nurse by a nonprofit hospital and providing direct care to patients at the nonprofit hospital.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 4. Minnesota Statutes 2022, section 144.1501, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a medical or dental resident; a licensed pharmacist; or be enrolled in a training or education program to become a dentist, dental therapist, advanced dental therapist, mental health professional, alcohol and drug counselor, pharmacist, public health nurse, midlevel practitioner, registered nurse, or a licensed practical nurse. The commissioner may also consider applications submitted by graduates in eligible professions who are licensed and in practice; and

(2) submit an application to the commissioner of health. A nurse applying under subdivision 2, paragraph (a), clause (7), must also include proof that the applicant is employed as a hospital nurse.

(b) An applicant selected to participate must sign a contract to agree to serve a minimum three-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training, with the exception of:

(1) a nurse, who must agree to serve a minimum two-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training;

(2) a nurse selected under subdivision 2, paragraph (a), clause (7), who must agree to continue as a hospital nurse for a minimum two-year service obligation; and

(3) a nurse who agrees to teach according to subdivision 2, paragraph (a), clause (3), who must sign a contract to agree to teach for a minimum of two years.

Sec. 5. Minnesota Statutes 2022, section 144.1501, subdivision 4, is amended to read:

Subd. 4. **Loan forgiveness.** (a) The commissioner of health may select applicants each year for participation in the loan forgiveness program, within the limits of available funding. In considering applications, the commissioner shall give preference to applicants who document diverse cultural competencies. The commissioner shall distribute available funds for loan forgiveness proportionally among the eligible professions according to the vacancy rate for each profession in the required geographic area, facility type, teaching area, patient group, or specialty type specified in subdivision 2, except for hospital nurses. The commissioner shall allocate funds for physician loan forgiveness so that 75 percent of the funds available are used for rural physician loan forgiveness and 25 percent of the funds available are used for underserved urban communities and pediatric psychiatry loan forgiveness. If the commissioner does not receive enough qualified applicants each year to use the entire allocation of funds for any eligible profession, the remaining funds may be allocated proportionally among the other eligible professions according to the vacancy rate for each profession in the required geographic area, patient group, or facility type specified in subdivision 2. Applicants are responsible for securing their own qualified educational loans. The commissioner shall select participants based on their suitability for practice serving the required geographic area or facility type specified in subdivision 2, as indicated by experience or training. The commissioner shall give preference to applicants closest to completing their training. Except as specified in paragraph (c), for each year that a participant meets the service obligation required under subdivision 3, up to a maximum of four years, the commissioner shall make annual disbursements directly to the participant equivalent to 15 percent of the average educational debt for indebted graduates in their profession in the year closest to the applicant's selection for which information is available, not to exceed the balance of the participant's qualifying educational loans. Before receiving loan repayment disbursements and as requested, the participant must complete and return to the commissioner a confirmation of practice form provided by the commissioner verifying that the participant is practicing as required under subdivisions 2 and 3. The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made. Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2.

(b) For hospital nurses, the commissioner of health shall select applicants each year for participation in the hospital nursing education loan forgiveness program, within limits of available funding for hospital nurses. Before receiving the annual loan repayment disbursement, the participant must complete and return to the commissioner a confirmation of practice form provided by the commissioner, verifying that the participant continues to meet the eligibility requirements under subdivision 3. The participant must provide the commissioner with verification that the full amount

of loan repayment disbursement received by the participant has been applied toward the designated loans.

(c) For each year that a participant who is a nurse and who has agreed to teach according to subdivision 2 meets the teaching obligation required in subdivision 3, the commissioner shall make annual disbursements directly to the participant equivalent to 15 percent of the average annual educational debt for indebted graduates in the nursing profession in the year closest to the participant's selection for which information is available, not to exceed the balance of the participant's qualifying educational loans.

Sec. 6. Minnesota Statutes 2022, section 144.566, is amended to read:

144.566 VIOLENCE AGAINST HEALTH CARE WORKERS.

Subdivision 1. **Definitions.** (a) The following definitions apply to this section and have the meanings given.

(b) "Act of violence" means an act by a patient or visitor against a health care worker that includes kicking, scratching, urinating, sexually harassing, or any act defined in sections 609.221 to 609.2241.

(c) "Commissioner" means the commissioner of health.

(d) "Health care worker" means any person, whether licensed or unlicensed, employed by, volunteering in, or under contract with a hospital, who has direct contact with a patient of the hospital for purposes of either medical care or emergency response to situations potentially involving violence.

(e) "Hospital" means any facility licensed as a hospital under section 144.55.

(f) "Incident response" means the actions taken by hospital administration and health care workers during and following an act of violence.

(g) "Interfere" means to prevent, impede, discourage, or delay a health care worker's ability to report acts of violence, including by retaliating or threatening to retaliate against a health care worker.

(h) "Preparedness" means the actions taken by hospital administration and health care workers to prevent a single act of violence or acts of violence generally.

(i) "Retaliate" means to discharge, discipline, threaten, otherwise discriminate against, or penalize a health care worker regarding the health care worker's compensation, terms, conditions, location, or privileges of employment.

(j) "Workplace violence hazards" means locations and situations where violent incidents are more likely to occur, including, as applicable, but not limited to locations isolated from other health care workers; health care workers working alone; health care workers working in remote locations; health care workers working late night or early morning hours; locations where an assailant could prevent entry of responders or other health care workers into a work area; locations with poor illumination; locations with poor visibility; lack of effective escape routes; obstacles and impediments to accessing alarm systems; locations within the facility where alarm systems are not operational; entryways where unauthorized entrance may occur, such as doors designated for staff entrance or

emergency exits; presence, in the areas where patient contact activities are performed, of furnishings or objects that could be used as weapons; and locations where high-value items, currency, or pharmaceuticals are stored.

Subd. 2. **Hospital duties Action plans and action plan reviews required.** (a) All hospitals must design and implement preparedness and incident response action plans to acts of violence by January 15, 2016, and review and update the plan at least annually thereafter. The plan must be in writing; specific to the workplace violence hazards and corrective measures for the units, services, or operations of the hospital; and available to health care workers at all times.

Subd. 3. **Action plan committees.** (b) A hospital shall designate a committee of representatives of health care workers employed by the hospital, including nonmanagerial health care workers, nonclinical staff, administrators, patient safety experts, and other appropriate personnel to develop preparedness and incident response action plans to acts of violence. The hospital shall, in consultation with the designated committee, implement the plans under ~~paragraph (a)~~ subdivision 2. Nothing in this ~~paragraph~~ subdivision shall require the establishment of a separate committee solely for the purpose required by this subdivision.

Subd. 4. **Required elements of action plans; generally.** The preparedness and incident response action plans to acts of violence must include:

(1) effective procedures to obtain the active involvement of health care workers and their representatives in developing, implementing, and reviewing the plan, including their participation in identifying, evaluating, and correcting workplace violence hazards, designing and implementing training, and reporting and investigating incidents of workplace violence;

(2) names or job titles of the persons responsible for implementing the plan; and

(3) effective procedures to ensure that supervisory and nonsupervisory health care workers comply with the plan.

Subd. 5. **Required elements of action plans; evaluation of risk factors.** (a) The preparedness and incident response action plans to acts of violence must include assessment procedures to identify and evaluate workplace violence hazards for each facility, unit, service, or operation, including community-based risk factors and areas surrounding the facility, such as employee parking areas and other outdoor areas. Procedures shall specify the frequency that environmental assessments take place.

(b) The preparedness and incident response action plans to acts of violence must include assessment tools, environmental checklists, or other effective means to identify workplace violence hazards.

Subd. 6. **Required elements of action plans; review of workplace violence incidents.** The preparedness and incident response action plans to acts of violence must include procedures for reviewing all workplace violence incidents that occurred in the facility, unit, service, or operation within the previous year, whether or not an injury occurred.

Subd. 7. **Required elements of action plans; reporting workplace violence.** The preparedness and incident response action plans to acts of violence must include:

(1) effective procedures for health care workers to document information regarding conditions that may increase the potential for workplace violence incidents and communicate that information without fear of reprisal to other health care workers, shifts, or units;

(2) effective procedures for health care workers to report a violent incident, threat, or other workplace violence concern without fear of reprisal;

(3) effective procedures for the hospital to accept and respond to reports of workplace violence and to prohibit retaliation against a health care worker who makes such a report;

(4) a policy statement stating the hospital will not prevent a health care worker from reporting workplace violence or take punitive or retaliatory action against a health care worker for doing so;

(5) effective procedures for investigating health care worker concerns regarding workplace violence or workplace violence hazards;

(6) procedures for informing health care workers of the results of the investigation arising from a report of workplace violence or from a concern about a workplace violence hazard and of any corrective actions taken;

(7) effective procedures for obtaining assistance from the appropriate law enforcement agency or social service agency during all work shifts. The procedure may establish a central coordination procedure; and

(8) a policy statement stating the hospital will not prevent a health care worker from seeking assistance and intervention from local emergency services or law enforcement when a violent incident occurs or take punitive or retaliatory action against a health care worker for doing so.

Subd. 8. **Required elements of action plans; coordination with other employers.** The preparedness and incident response action plans to acts of violence must include methods the hospital will use to coordinate implementation of the plan with other employers whose employees work in the same health care facility, unit, service, or operation and to ensure that those employers and their employees understand their respective roles as provided in the plan. These methods must ensure that all employees working in the facility, unit, service, or operation are provided the training required by subdivision 10 and that workplace violence incidents involving any employee are reported, investigated, and recorded.

Subd. 9. **Required elements of action plans; training.** (a) The preparedness and incident response action plans to acts of violence must include:

(1) procedures for developing and providing the training required in subdivision 10 that permits health care workers and their representatives to participate in developing the training; and

(2) a requirement for cultural competency training and equity, diversity, and inclusion training.

(b) The preparedness and incident response action plans to acts of violence must include procedures to communicate with health care workers regarding workplace violence matters, including:

(1) how health care workers will document and communicate to other health care workers and between shifts and units information regarding conditions that may increase the potential for workplace violence incidents;

(2) how health care workers can report a violent incident, threat, or other workplace violence concern;

(3) how health care workers can communicate workplace violence concerns without fear of reprisal; and

(4) how health care worker concerns will be investigated, and how health care workers will be informed of the results of the investigation and any corrective actions to be taken.

Subd. 10. Training required. ~~(e)~~ A hospital ~~shall~~ must provide training to all health care workers employed or contracted with the hospital on safety during acts of violence. Each health care worker must receive safety training ~~annually and upon hire~~ during the health care worker's orientation and before the health care worker completes a shift independently, and annually thereafter. Training must, at a minimum, include:

(1) safety guidelines for response to and de-escalation of an act of violence;

(2) ways to identify potentially violent or abusive situations, including aggression and violence predicting factors; and

(3) the hospital's ~~incident response reaction plan and violence prevention plan~~ preparedness and incident response action plans for acts of violence, including how the health care worker may report concerns about workplace violence within each hospital's reporting structure without fear of reprisal, how the hospital will address workplace violence incidents, and how the health care worker can participate in reviewing and revising the plan; and

(4) any resources available to health care workers for coping with incidents of violence, including but not limited to critical incident stress debriefing or employee assistance programs.

Subd. 11. Annual review and update of action plans. ~~(d)~~ (a) As part of its annual review of preparedness and incident response action plans required under paragraph (a) subdivision 2, the hospital must review with the designated committee:

(1) the effectiveness of its preparedness and incident response action plans, including the sufficiency of security systems, alarms, emergency responses, and security personnel availability;

(2) security risks associated with specific units, areas of the facility with uncontrolled access, late night shifts, early morning shifts, and areas surrounding the facility such as employee parking areas and other outdoor areas;

(3) the most recent gap analysis as provided by the commissioner; and

~~(3)~~ (4) the number of acts of violence that occurred in the hospital during the previous year, including injuries sustained, if any, and the unit in which the incident occurred;

(5) evaluations of staffing, including staffing patterns and patient classification systems that contribute to, or are insufficient to address, the risk of violence; and

(6) any reports of discrimination or abuse that arise from security resources, including from the behavior of security personnel.

(b) As part of the annual update of preparedness and incident response action plans required under subdivision 2, the hospital must incorporate corrective actions into the action plan to address workplace violence hazards identified during the annual action plan review, reports of workplace violence, reports of workplace violence hazards, and reports of discrimination or abuse that arise from the security resources.

Subd. 12. **Action plan updates.** Following the annual review of the action plan, a hospital must update the action plans to reflect the corrective actions the hospital will implement to mitigate the hazards and vulnerabilities identified during the annual review.

Subd. 13. **Requests for additional staffing.** A hospital shall create and implement a procedure for a health care worker to officially request of hospital supervisors or administration that additional staffing be provided. The hospital must document all requests for additional staffing made because of a health care worker's concern over a risk of an act of violence. If the request for additional staffing to reduce the risk of violence is denied, the hospital must provide the health care worker who made the request a written reason for the denial and must maintain documentation of that communication with the documentation of requests for additional staffing. A hospital must make documentation regarding staffing requests available to the commissioner for inspection at the commissioner's request. The commissioner may use documentation regarding staffing requests to inform the commissioner's determination on whether the hospital is providing adequate staffing and security to address acts of violence, and may use documentation regarding staffing requests if the commissioner imposes a penalty under subdivision 17.

Subd. 14. **Disclosure of action plans.** ~~(e)~~ (a) A hospital shall ~~must~~ make its most recent action plans and ~~the information listed in paragraph (d)~~ most recent action plan reviews available to local law enforcement, all direct care staff and, if any of its workers are represented by a collective bargaining unit, to the exclusive bargaining representatives of those collective bargaining units.

(b) Beginning January 1, 2025, a hospital must annually submit to the commissioner its most recent action plan and the results of the most recent annual review conducted under subdivision 11.

Subd. 15. **Legislative report required.** (a) Beginning January 15, 2026, the commissioner must compile the information into a single annual report and submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care by January 15 of each year.

(b) This subdivision does not expire.

Subd. 16. **Interference prohibited.** ~~(f)~~ A hospital, including any individual, partner, association, or any person or group of persons acting directly or indirectly in the interest of the hospital, shall ~~must~~ not interfere with or discourage a health care worker if the health care worker wishes to contact law enforcement or the commissioner regarding an act of violence.

Subd. 17. **Penalties.** ~~(e)~~ Notwithstanding section 144.653, subdivision 6, the commissioner may impose an administrative fine of up to ~~\$250~~ \$10,000 for failure to comply with the requirements of this ~~subdivision~~ section. The commissioner must allow the hospital at least 30 calendar days to correct a violation of this section before assessing a fine.

Sec. 7. Minnesota Statutes 2022, section 144.608, subdivision 1, as amended by Laws 2023, chapter 25, section 47, is amended to read:

Subdivision 1. **Trauma Advisory Council established.** (a) A Trauma Advisory Council is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, and improvement of a statewide trauma system.

(b) The council shall consist of the following members:

(1) a trauma surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery who practices in a level I or II trauma hospital;

(2) a general surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery whose practice includes trauma and who practices in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (f)~~;

(3) a neurosurgeon certified by the American Board of Neurological Surgery who practices in a level I or II trauma hospital;

(4) a trauma program nurse manager or coordinator practicing in a level I or II trauma hospital;

(5) an emergency physician certified by the American Board of Emergency Medicine or the American Osteopathic Board of Emergency Medicine whose practice includes emergency room care in a level I, II, III, or IV trauma hospital;

(6) a trauma program manager or coordinator who practices in a level III or IV trauma hospital;

(7) a physician certified by the American Board of Family Medicine or the American Osteopathic Board of Family Practice whose practice includes emergency department care in a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (f)~~;

(8) a nurse practitioner, as defined under section 144.1501, subdivision 1, ~~paragraph (m)~~, or a physician assistant, as defined under section 144.1501, subdivision 1, ~~paragraph (p)~~, whose practice includes emergency room care in a level IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (f)~~;

(9) a physician certified in pediatric emergency medicine by the American Board of Pediatrics or certified in pediatric emergency medicine by the American Board of Emergency Medicine or certified by the American Osteopathic Board of Pediatrics whose practice primarily includes emergency department medical care in a level I, II, III, or IV trauma hospital, or a surgeon certified in pediatric surgery by the American Board of Surgery whose practice involves the care of pediatric trauma patients in a trauma hospital;

(10) an orthopedic surgeon certified by the American Board of Orthopaedic Surgery or the American Osteopathic Board of Orthopedic Surgery whose practice includes trauma and who practices in a level I, II, or III trauma hospital;

(11) the state emergency medical services medical director appointed by the Emergency Medical Services Regulatory Board;

(12) a hospital administrator of a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (f)~~;

(13) a rehabilitation specialist whose practice includes rehabilitation of patients with major trauma injuries or traumatic brain injuries and spinal cord injuries as defined under section 144.661;

(14) an attendant or ambulance director who is an EMT, AEMT, or paramedic within the meaning of section 144E.001 and who actively practices with a licensed ambulance service in a primary service area located in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (f)~~; and

(15) the commissioner of public safety or the commissioner's designee.

Sec. 8. Minnesota Statutes 2022, section 147A.08, is amended to read:

147A.08 EXEMPTIONS.

(a) This chapter does not apply to, control, prevent, or restrict the practice, service, or activities of persons listed in section 147.09, clauses (1) to (6) and (8) to (13); persons regulated under section 214.01, subdivision 2; or ~~persons~~ midlevel practitioners, nurses, or nurse-midwives as defined in section 144.1501, subdivision 1, paragraphs (i), (k), and (l).

(b) Nothing in this chapter shall be construed to require licensure of:

(1) a physician assistant student enrolled in a physician assistant educational program accredited by the Accreditation Review Commission on Education for the Physician Assistant or by its successor agency approved by the board;

(2) a physician assistant employed in the service of the federal government while performing duties incident to that employment; or

(3) technicians, other assistants, or employees of physicians who perform delegated tasks in the office of a physician but who do not identify themselves as a physician assistant.

Sec. 9. **DIRECTION TO COMMISSIONER OF HEALTH; NURSING WORKFORCE REPORT.**

(a) The commissioner of health must publish a public report on the current status of the state's nursing workforce employed by hospitals. In preparing the report, the commissioner shall utilize information collected in collaboration with the Board of Nursing as directed under Minnesota Statutes, sections 144.051 and 144.052, on Minnesota's supply of active licensed nurses and reasons licensed nurses are leaving direct care positions at hospitals; information collected and shared by the Minnesota Hospital Association on retention by hospitals of licensed nurses; information collected

through an independent study on reasons licensed nurses are choosing not to renew their licenses and leaving the profession; and other publicly available data the commissioner deems useful. The commissioner may require hospitals to submit to the commissioner, or to the commissioner's designee, nurse staffing data for purposes of the independent study.

(b) The commissioner may impose a fine of up to \$1,000 on any hospital that fails to provide information required by the commissioner for purposes of the independent study under paragraph (a). A hospital is entitled to a hearing under Minnesota Statutes, section 144.653, subdivision 8, on any fine imposed under this section.

(c) The commissioner must publish the report by January 1, 2026.

Sec. 10. USE OF APPROPRIATION; LOAN FORGIVENESS ADMINISTRATION.

The commissioner of health may also use the appropriation in S.F. No. 2995, article 20, section 3, subdivision 2, paragraph (w), clause (3), if enacted during 2023 regular legislative session, for administering sections 2 to 5.

Sec. 11. DIRECTION TO COMMISSIONER OF HUMAN SERVICES.

The commissioner of human services must define as a direct educational expense the reasonable child care costs incurred by a nursing facility employee scholarship recipient while the recipient is receiving a wage from the scholarship sponsoring facility, provided the scholarship recipient is making reasonable progress, as defined by the commissioner, toward the educational goal for which the scholarship was granted.

Sec. 12. 2023 S.F. No. 2995, article 20, section 2, subdivision 31, if enacted, is amended to read:

Subd. 31. Direct Care and Treatment - Mental Health and Substance Abuse -0- 6,109,000

(a) Keeping Nurses at the Bedside Act; contingent appropriation. The appropriation in this subdivision is contingent upon legislative enactment by the 93rd Legislature of 2023 Senate File 1384 by the 93rd Legislature provisions substantially similar to 2023 S.F. No. 1561, the second engrossment, article 2.

(b) Base level adjustment. The general fund base is increased by \$7,566,000 in fiscal year 2026 and increased by \$7,566,000 in fiscal year 2027.

Sec. 13. 2023 S.F. No. 2995, article 20, section 12, if enacted, is amended to read:

Sec. 12. COMMISSIONER OF MANAGEMENT AND BUDGET \$ 12,932,000 \$ 3,412,000

(a) **Outcomes and evaluation consultation.** \$450,000 in fiscal year 2024 and \$450,000 in fiscal year 2025 are for outcomes and evaluation consultation requirements.

(b) **Department of Children, Youth, and Families.** \$11,931,000 in fiscal year 2024 and \$2,066,000 in fiscal year 2025 are to establish the Department of Children, Youth, and Families. This is a onetime appropriation.

(c) **Keeping Nurses at the Bedside Act impact evaluation; contingent appropriation.** \$232,000 in fiscal year 2025 is for the Keeping Nurses at the Bedside Act impact evaluation. This appropriation is contingent upon legislative enactment by the 93rd Legislature of 2023 Senate File 1384 by the 93rd Legislature a provision substantially similar to the impact evaluation provision in 2023 S.F. No. 2995, the third engrossment, article 3, section 22. This is a onetime appropriation and is available until June 30, 2029.

(d) **Health care subcabinet.** \$551,000 in fiscal year 2024 and \$664,000 in fiscal year 2025 are to hire an executive director for the health care subcabinet and to provide staffing and administrative support for the health care subcabinet.

(e) **Base level adjustment.** The general fund base is \$1,114,000 in fiscal year 2026 and \$1,114,000 in fiscal year 2027.

Sec. 14. 2023 S.F. No. 2995, article 20, section 15, if enacted, is amended to read:

Sec. 15. COMMISSIONER OF LABOR AND INDUSTRY.	\$	68,000 -0-	\$	72,000
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~~This~~ The appropriation for fiscal year 2025 is contingent upon legislative enactment of 2023 Senate File 1384 by the 93rd Legislature of provisions substantially similar to 2023 S.F. No. 1561, the second engrossment, article 2, sections 6 and 9. This appropriation is available until June 30, 2025.

Base level adjustment. The general fund base is \$1,793,000 in fiscal year 2026 and \$1,790,000 in fiscal year 2027.

Sec. 15. **EFFECTIVE DATE.**

This act is effective July 1, 2023."

Delete the title and insert:

"A bill for an act relating to health; enacting the Nurse and Patient Safety Act; modifying requirements related to hospital preparedness and incident response action plans to acts of violence; modifying eligibility for nursing facility employee scholarships; modifying eligibility for the health professional education loan forgiveness program; requiring the commissioner of health to study hospital staffing; requiring a report; modifying appropriations; amending Minnesota Statutes 2022, sections 144.1501, subdivisions 1, 2, 3, 4; 144.566; 144.608, subdivision 1, as amended; 147A.08; 2023 S.F. 2995, article 20, sections 12, if enacted; 15, if enacted; 2, subdivision 31, if enacted."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Erin Murphy, Jim Abeler, Liz Boldon

House Conferees: Sandra Feist, Kaela Berg, Greg Davids

Senator Murphy moved the foregoing recommendations and Conference Committee report on S.F. No. 1384 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The roll was called, and there were yeas 39 and nays 26, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kreun	Mitchell	Pratt
Boldon	Frentz	Kunesh	Mohamed	Putnam
Carlson	Gustafson	Kupec	Morrison	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Coleman	Hawj	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hoffman	Marty	Pappas	Wiklund
Dibble	Housley	Maye Quade	Pha	Xiong
Dziedzic	Klein	McEwen	Port	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Klein, Mann, McEwen, Morrison, and Port.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Pratt.

Those who voted in the negative were:

Anderson	Duckworth	Johnson	Mathews	Weber
Bahr	Eichorn	Koran	Miller	Westrom
Dahms	Green	Lang	Nelson	
Dornink	Gruenhagen	Lieske	Rarick	
Draheim	Howe	Limmer	Rasmusson	
Drazkowski	Jasinski	Lucero	Utke	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Bahr and Duckworth.

The motion prevailed. So the recommendations and Conference Committee report were adopted.

S.F. No. 1384 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 40 and nays 25, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Klein	McEwen	Port
Boldon	Fateh	Kreun	Mitchell	Pratt
Carlson	Frentz	Kunesh	Mohamed	Putnam
Champion	Gustafson	Kupec	Morrison	Rest
Coleman	Hauschild	Latz	Murphy	Seeberger
Cwodzinski	Hawj	Mann	Oumou Verbeten	Westlin
Dibble	Hoffman	Marty	Pappas	Wiklund
Dornink	Housley	Maye Quade	Pha	Xiong

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Klein, Mann, McEwen, Morrison, and Port.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Pratt.

Those who voted in the negative were:

Anderson	Duckworth	Jasinski	Limmer	Rarick
Bahr	Eichorn	Johnson	Lucero	Rasmusson
Dahms	Green	Koran	Mathews	Utke
Draheim	Gruenhagen	Lang	Miller	Weber
Drazkowski	Howe	Lieske	Nelson	Westrom

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Bahr and Duckworth.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2995, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2995: A bill for an act relating to state government; modifying provisions governing child care, child safety and permanency, child support, economic assistance, deep poverty, housing and homelessness, behavioral health, the medical education and research cost account, MinnesotaCare, medical assistance, background studies, and human services licensing; establishing the Department of Children, Youth, and Families; making technical and conforming changes; establishing requirements for hospital nurse staffing committees and hospital nurse workload committees; modifying requirements of hospital core staffing plans; modifying requirements related to hospital preparedness and incident response action plans to acts of violence; modifying eligibility for the health professional education loan forgiveness program; establishing the Health Care Affordability Board and Health Care Affordability Advisory Council; establishing prescription contraceptive supply requirement; requiring health plan coverage of prescription contraceptives, certain services provided by a pharmacist, infertility treatment, treatment of rare diseases and conditions, and biomarker testing; modifying managed care withhold requirements; establishing filing requirements for a health plan's prescription drug formulary and for items and services provided by medical and dental practices; establishing notice and disclosure requirements for certain health care transactions; extending moratorium on certain conversion transactions; requiring disclosure of facility fees for telehealth; modifying provisions relating to the eligibility of undocumented children for MinnesotaCare and of children for medical assistance; prohibiting a medical assistance benefit plan from including cost-sharing provisions; authorizing a MinnesotaCare buy-in option; assessing alternative payment methods in rural health care; assessing feasibility for a health care provider directory; requiring compliance with the No Surprises Act in billing; modifying prescription drug price provisions and continuity of care provisions; compiling health encounter data; modifying all-payer claims data provisions; establishing certain advisory councils, committees, public awareness campaigns, apprenticeship programs, and grant programs; modifying lead testing and remediation requirements; establishing Minnesota One Health Microbial Stewardship Collaborative and cultural communications program; providing for clinical health care training; establishing a climate resiliency program; changing assisted living provisions; establishing a program to monitor long COVID, a 988 suicide crisis lifeline, school-based health centers, Healthy Beginnings, Healthy Families Act, and Comprehensive and Collaborative Resource and Referral System for Children; establishing a moratorium on green burials; regulating submerged closed-loop exchanger systems; establishing a tobacco use prevention account; amending provisions relating to adoptee birth records access; establishing Office of African American Health; establishing Office of American Indian Health; changing certain health board fees; establishing easy enrollment health insurance outreach program; establishing a state-funded cost-sharing reduction program for eligible persons enrolled in certain qualified health plans; setting certain fees; requiring reports; authorizing attorney general and commissioner of health review and enforcement of certain health care transactions; authorizing rulemaking; transferring money; allocating funds for a specific purpose; making forecast adjustments; appropriating money for the Department of Human Services, Department of Health, health-related boards, emergency medical services regulatory board, ombudsperson for families, ombudsperson for American Indian families, Office of the Foster Youth Ombudsperson, Rare Disease Advisory Council, Department of Revenue, Department of Management and Budget, Department of Children, Youth and Families, Department of Commerce, and Health Care Affordability Board; amending Minnesota Statutes 2022, sections 4.045; 10.65, subdivision 2; 13.10, subdivision 5; 13.46, subdivision 4; 13.465, subdivision 8; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16A.151, subdivision 2; 43A.08, subdivision 1a; 62A.02, subdivision 1; 62A.045; 62A.15, subdivision 4, by adding a subdivision; 62A.30, by adding subdivisions; 62A.673, subdivision 2; 62J.497, subdivisions 1, 3; 62J.692, subdivisions 1, 3, 4, 5, 8; 62J.824; 62J.84, subdivisions 2, 3, 4, 6, 7, 8, 9, by adding

subdivisions; 62K.10, subdivision 4; 62K.15; 62U.04, subdivisions 4, 5, 5a, 11, by adding subdivisions; 62U.10, subdivision 7; 103I.005, subdivisions 17a, 20a, by adding a subdivision; 103I.208, subdivision 2; 119B.011, subdivisions 2, 5, 13, 19a; 119B.025, subdivision 4; 119B.03, subdivision 4a; 119B.125, subdivisions 1, 1a, 1b, 2, 3, 4, 6, 7; 119B.13, subdivisions 1, 6; 119B.16, subdivisions 1a, 1c, 3; 119B.161, subdivisions 2, 3; 119B.19, subdivision 7; 121A.335, subdivisions 3, 5, by adding a subdivision; 144.05, by adding a subdivision; 144.122; 144.1501, subdivisions 1, 2, 3, 4, 5; 144.1506, subdivision 4; 144.218, subdivisions 1, 2; 144.225, subdivision 2; 144.2252; 144.226, subdivisions 3, 4; 144.566; 144.608, subdivision 1; 144.651, by adding a subdivision; 144.653, subdivision 5; 144.7055; 144.7067, subdivision 1; 144.9501, subdivision 9; 144E.001, subdivision 1, by adding a subdivision; 144E.35; 145.4716, subdivision 3; 145.87, subdivision 4; 145.924; 145A.131, subdivisions 1, 2, 5; 145A.14, by adding a subdivision; 147A.08; 148.56, subdivision 1; 148B.392, subdivision 2; 150A.08, subdivisions 1, 5; 150A.091, by adding a subdivision; 150A.13, subdivision 10; 151.065, subdivisions 1, 2, 3, 4, 6; 151.071, subdivision 2; 151.555; 151.74, subdivisions 3, 4; 152.126, subdivisions 4, 5, 6, 9; 245.095; 245.4663, subdivision 4; 245.4889, subdivision 1; 245.735, subdivisions 3, 6, by adding a subdivision; 245A.02, subdivision 2c; 245A.04, subdivisions 1, 7a; 245A.05; 245A.055, subdivision 2; 245A.06, subdivisions 1, 2, 4; 245A.07, subdivision 3; 245A.16, by adding a subdivision; 245A.50, subdivisions 3, 4, 5, 6, 9; 245C.02, subdivision 13e, by adding subdivisions; 245C.03, subdivisions 1, 1a; 245C.031, subdivision 1; 245C.04, subdivision 1; 245C.05, subdivisions 1, 2c, 4; 245C.08, subdivision 1; 245C.10, subdivisions 2, 2a, 3, 4, 5, 6, 8, 9, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21; 245C.15, subdivision 2, by adding a subdivision; 245C.17, subdivisions 2, 3, 6; 245C.21, subdivisions 1a, 2; 245C.22, subdivision 7; 245C.23, subdivisions 1, 2; 245C.24, subdivision 2; 245C.30, subdivision 2; 245C.32, subdivision 2; 245E.06, subdivision 3; 245G.03, subdivision 1; 245H.01, subdivision 3, by adding a subdivision; 245H.03, subdivisions 2, 4; 245H.06, subdivisions 1, 2; 245H.07, subdivisions 1, 2; 245I.011, subdivision 3; 245I.20, subdivisions 10, 13, 14, 16; 254B.02, subdivision 5; 256.01, by adding a subdivision; 256.014, subdivisions 1, 2; 256.046, subdivision 3; 256.0471, subdivision 1; 256.962, subdivision 5; 256.9655, by adding a subdivision; 256.969, subdivisions 2b, 9, 25, by adding a subdivision; 256.983, subdivision 5; 256B.04, by adding a subdivision; 256B.055, subdivision 17; 256B.056, subdivision 7; 256B.0625, subdivisions 9, 13, 13c, 13f, 13g, 28b, 30, 31, 34, 49, by adding subdivisions; 256B.0631, subdivision 2, by adding a subdivision; 256B.0941, by adding a subdivision; 256B.196, subdivision 2; 256B.69, subdivisions 4, 5a, 6d, 28, 36, by adding subdivisions; 256B.692, subdivision 1; 256B.75; 256B.758; 256B.76, as amended; 256B.761; 256B.764; 256D.01, subdivision 1a; 256D.024, subdivision 1; 256D.03, by adding a subdivision; 256D.06, subdivision 5; 256D.44, subdivision 5; 256D.63, subdivision 2; 256E.34, subdivision 4; 256E.35, subdivisions 1, 2, 3, 4a, 6, 7; 256I.03, subdivisions 7, 13; 256I.04, subdivision 1; 256I.06, subdivisions 6, 8, by adding a subdivision; 256J.08, subdivisions 71, 79; 256J.11, subdivision 1; 256J.21, subdivisions 3, 4; 256J.26, subdivision 1; 256J.33, subdivisions 1, 2; 256J.35; 256J.37, subdivisions 3, 3a; 256J.425, subdivisions 1, 4, 5, 7; 256J.46, subdivisions 1, 2, 2a; 256J.95, subdivision 19; 256L.03, subdivision 5; 256L.04, subdivisions 7a, 10, by adding a subdivision; 256L.07, subdivision 1; 256L.15, subdivision 2; 256N.26, subdivision 12; 256P.01, by adding subdivisions; 256P.02, subdivision 2, by adding subdivisions; 256P.04, subdivisions 4, 8; 256P.06, subdivision 3, by adding a subdivision; 256P.07, subdivisions 1, 2, 3, 4, 6, 7, by adding subdivisions; 259.83, subdivisions 1, 1a, 1b, by adding a subdivision; 260.761, subdivision 2, as amended; 260C.007, subdivisions 6, 14; 260C.317, subdivision 4; 260C.80, subdivision 1; 260E.01; 260E.02, subdivision 1; 260E.03, subdivision 22, by adding subdivisions; 260E.09; 260E.14, subdivisions 2, 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; 270B.14, subdivision 1, by adding a subdivision; 297F.10,

subdivision 1; 403.161, subdivisions 1, 3, 5, 6, 7; 403.162, subdivisions 1, 2, 5; 518A.31; 518A.32, subdivisions 3, 4; 518A.34; 518A.41; 518A.42, subdivisions 1, 3; 518A.65; 518A.77; 524.5-118; 609B.425, subdivision 2; 609B.435, subdivision 2; Laws 2017, First Special Session chapter 6, article 5, section 11, as amended; Laws 2021, First Special Session chapter 7, article 6, section 26; article 16, sections 2, subdivision 32, as amended; 3, subdivision 2, as amended; article 17, section 5, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 62D; 62J; 62Q; 62V; 103I; 119B; 144; 144E; 145; 148; 245; 245C; 256B; 256E; 256K; 256N; 256P; 260; 290; proposing coding for new law as Minnesota Statutes, chapter 143; repealing Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, 7a; 119B.03, subdivision 4; 137.38, subdivision 1; 144.059, subdivision 10; 144.212, subdivision 11; 245C.02, subdivision 14b; 245C.031, subdivisions 5, 6, 7; 245C.032; 245C.11, subdivision 3; 245C.30, subdivision 1a; 256.8799; 256.9864; 256B.0631, subdivisions 1, 2, 3; 256B.69, subdivision 5c; 256J.08, subdivisions 10, 53, 61, 62, 81, 83; 256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10; 256J.425, subdivision 6; 259.83, subdivision 3; 259.89; 260C.637.

Senate File No. 2995 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 22, 2023

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 7: A Senate concurrent resolution relating to adjournment of the House of Representatives and Senate until 2024.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 22, 2023

MOTIONS AND RESOLUTIONS

Senator Boldon moved that the name of Senator Nelson be added as a co-author to S.F. No. 1482. The motion prevailed.

Senator Boldon moved that the name of Senator Nelson be added as a co-author to S.F. No. 1487. The motion prevailed.

MEMBERS EXCUSED

Senator Pratt was excused from the Session of today from 10:30 a.m. to 4:30 p.m. Senators Coleman, Dahms, Dornink, Draheim, Farnsworth, Housley, Howe, Jasinski, Koran, Kreun, Lang, Limmer, Miller, Nelson, Utke, Weber, and Westrom were excused from the Session of today from 4:10 to 4:20 p.m. Senators Farnsworth and Wesenberg were excused from the Session of today at 8:40 p.m.

ADJOURNMENT

Senator Dziejic moved that the Senate do now adjourn until 12:00 noon, Monday, February 12, 2024. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate