

HOUSE OF REPRESENTATIVES Unofficial Engrossment

House Engrossment of a Senate File

EIGHTY-EIGHTH SESSION

S. F. No. 1340

Senate Author(s): Hayden

House Action

03/17/2013 Companion to House File No. 1114. (Authors:Abeler; Ward, J.A., and Lesch) Read First Time and Sent for Comparison

05/18/2013 R/S Substituted for H. F. No. 1114 and Read Second Time

05/20/2013 Pursuant to Rule 4.20, re-referred to the Committee on Health and Human Services Finance

03/03/2014 Adoption of Report: Amended and placed on the General Register Read Second Time

1.1 A bill for an act
1.2 relating to human services; modifying provisions related to licensing data, human
1.3 services licensing, child care programs, financial fraud and abuse investigations,
1.4 and vendors of chemical dependency treatment services; modifying background
1.5 studies; amending Minnesota Statutes 2012, sections 13.46, subdivisions 3, 4;
1.6 119B.125, subdivision 1b; 168.012, subdivision 1; 245A.02, subdivision 5a;
1.7 245A.04, subdivisions 1, 5, 11; 245A.06, subdivision 1; 245A.07, subdivision
1.8 2, by adding a subdivision; 245A.08, subdivision 5a; 245A.146, subdivisions
1.9 3, 4; 245A.65, subdivision 1; 245A.66, subdivision 1; 245C.04, as amended;
1.10 245C.05, subdivision 6; 245C.16, subdivision 1; 245C.20, subdivision 1;
1.11 245C.22, subdivision 1; 245C.23, subdivision 2; 245C.28, subdivisions 1, 3;
1.12 245C.29, subdivision 2; 254B.05, subdivision 5; 256.01, subdivision 18d;
1.13 471.346; Minnesota Statutes 2013 Supplement, sections 245A.07, subdivisions
1.14 2a, 3; 245A.08, subdivision 2a; 245A.50, subdivision 4; 245C.08, subdivision
1.15 1; 256.045, subdivision 3b; 268.19, subdivision 1.

1.16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.17 ARTICLE 1

1.18 DATA PRACTICES

1.19 Section 1. Minnesota Statutes 2012, section 13.46, subdivision 3, is amended to read:

1.20 Subd. 3. Investigative data. (a) Data on persons, including data on vendors of
1.21 services, licensees, and applicants that is collected, maintained, used, or disseminated
1.22 by the welfare system in an investigation, authorized by statute, and relating to the
1.23 enforcement of rules or law are confidential data on individuals pursuant to section 13.02,
1.24 subdivision 3, or protected nonpublic data not on individuals pursuant to section 13.02,
1.25 subdivision 13, and shall not be disclosed except:

- 1.26 (1) pursuant to section 13.05;
1.27 (2) pursuant to statute or valid court order;

2.1 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for  
2.2 preparation of defense; or

2.3 (4) to provide notices required or permitted by statute.

2.4 The data referred to in this subdivision shall be classified as public data upon  
2.5 submission to an administrative law judge or court in an administrative or judicial  
2.6 proceeding. Inactive welfare investigative data shall be treated as provided in section  
2.7 13.39, subdivision 3.

2.8 (b) Notwithstanding any other provision in law, the commissioner of human services  
2.9 shall provide all active and inactive investigative data, including the name of the reporter  
2.10 of alleged maltreatment under section 626.556 or 626.557, to the ombudsman for mental  
2.11 health and developmental disabilities upon the request of the ombudsman.

2.12 (c) Notwithstanding paragraph (a) and section 13.39, the existence of an  
2.13 investigation by the commissioner of possible overpayments of public funds to a service  
2.14 provider is public data during an investigation or recipient may be disclosed if the  
2.15 commissioner determines that it will not compromise the investigation.

2.16 Sec. 2. Minnesota Statutes 2012, section 13.46, subdivision 4, is amended to read:

2.17 Subd. 4. **Licensing data.** (a) As used in this subdivision:

2.18 (1) "licensing data" are all data collected, maintained, used, or disseminated by the  
2.19 welfare system pertaining to persons licensed or registered or who apply for licensure  
2.20 or registration or who formerly were licensed or registered under the authority of the  
2.21 commissioner of human services;

2.22 (2) "client" means a person who is receiving services from a licensee or from an  
2.23 applicant for licensure; and

2.24 (3) "personal and personal financial data" are Social Security numbers, identity  
2.25 of and letters of reference, insurance information, reports from the Bureau of Criminal  
2.26 Apprehension, health examination reports, and social/home studies.

2.27 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants,  
2.28 license holders, and former licensees are public: name, address, telephone number of  
2.29 licensees, date of receipt of a completed application, dates of licensure, licensed capacity,  
2.30 type of client preferred, variances granted, record of training and education in child care  
2.31 and child development, type of dwelling, name and relationship of other family members,  
2.32 previous license history, class of license, the existence and status of complaints, and the  
2.33 number of serious injuries to or deaths of individuals in the licensed program as reported  
2.34 to the commissioner of human services, the local social services agency, or any other

3.1 county welfare agency. For purposes of this clause, a serious injury is one that is treated  
3.2 by a physician.

3.3 (ii) When a correction order, an order to forfeit a fine, an order of license suspension,  
3.4 an order of temporary immediate suspension, an order of license revocation, an order of  
3.5 license denial, or an order of conditional license has been issued, or a complaint is resolved,  
3.6 the following data on current and former licensees and applicants are public: the general  
3.7 nature of the complaint or allegations leading to the temporary immediate suspension; the  
3.8 substance and investigative findings of the licensing or maltreatment complaint, licensing  
3.9 violation, or substantiated maltreatment; the existence of settlement negotiations; the  
3.10 record of informal resolution of a licensing violation; orders of hearing; findings of fact;  
3.11 conclusions of law; specifications of the final correction order, fine, suspension, temporary  
3.12 immediate suspension, revocation, denial, or conditional license contained in the record of  
3.13 licensing action; whether a fine has been paid; and the status of any appeal of these actions.

3.14 (iii) When a license denial under section 245A.05 or a sanction under section  
3.15 245A.07 is based on a determination that ~~the~~ a license holder or applicant, or controlling  
3.16 individual is responsible for maltreatment under section 626.556 or 626.557, the identity  
3.17 of the applicant or license holder, or controlling individual as the individual responsible  
3.18 for maltreatment is public data at the time of the issuance of the license denial or sanction.

3.19 (iv) When a license denial under section 245A.05 or a sanction under section  
3.20 245A.07 is based on a determination that ~~the~~ a license holder or applicant, or controlling  
3.21 individual is disqualified under chapter 245C, the identity of the license holder or  
3.22 applicant, or controlling individual as the disqualified individual and the reason for  
3.23 the disqualification are public data at the time of the issuance of the licensing sanction  
3.24 or denial. If the applicant or license holder, or controlling individual requests  
3.25 reconsideration of the disqualification and the disqualification is affirmed, the reason for  
3.26 the disqualification and the reason to not set aside the disqualification are public data.

3.27 (2) Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b,  
3.28 when any person subject to disqualification under section 245C.14 in connection with a  
3.29 license to provide family day care for children, child care center services, foster care for  
3.30 children in the provider's home, or foster care or day care services for adults in the provider's  
3.31 home is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is  
3.32 a reason for a licensing action, the identity of the substantiated perpetrator of maltreatment  
3.33 is public data. For purposes of this clause, a person is a substantiated perpetrator if the  
3.34 maltreatment determination has been upheld under section 256.045; 626.556, subdivision  
3.35 10i; 626.557, subdivision 9d; or chapter 14, or if an individual or facility has not timely  
3.36 exercised appeal rights under these sections, except as provided under clause (1).

4.1 (3) For applicants who withdraw their application prior to licensure or denial of a  
4.2 license, the following data are public: the name of the applicant, the city and county in  
4.3 which the applicant was seeking licensure, the dates of the commissioner's receipt of the  
4.4 initial application and completed application, the type of license sought, and the date  
4.5 of withdrawal of the application.

4.6 (4) For applicants who are denied a license, the following data are public: the  
4.7 name and address of the applicant, the city and county in which the applicant was  
4.8 seeking licensure, the dates of the commissioner's receipt of the initial application and  
4.9 completed application, the type of license sought, the date of denial of the application, the  
4.10 nature of the basis for the denial, the existence of settlement negotiations, the record of  
4.11 informal resolution of a denial, orders of hearings, findings of fact, conclusions of law,  
4.12 specifications of the final order of denial, and the status of any appeal of the denial.

4.13 (5) The following data on persons subject to disqualification under section 245C.14 in  
4.14 connection with a license to provide family day care for children, child care center services,  
4.15 foster care for children in the provider's home, or foster care or day care services for adults  
4.16 in the provider's home, are public: the nature of any disqualification set aside under section  
4.17 245C.22, subdivisions 2 and 4, and the reasons for setting aside the disqualification; the  
4.18 nature of any disqualification for which a variance was granted under sections 245A.04,  
4.19 subdivision 9; and 245C.30, and the reasons for granting any variance under section  
4.20 245A.04, subdivision 9; and, if applicable, the disclosure that any person subject to  
4.21 a background study under section 245C.03, subdivision 1, has successfully passed a  
4.22 background study. If a licensing sanction under section 245A.07, or a license denial under  
4.23 section 245A.05, is based on a determination that an individual subject to disqualification  
4.24 under chapter 245C is disqualified, the disqualification as a basis for the licensing sanction  
4.25 or denial is public data. As specified in clause (1), item (iv), if the disqualified individual  
4.26 is the license holder ~~or~~ applicant, or controlling individual, the identity of the license  
4.27 holder ~~or~~ applicant, or controlling individual and the reason for the disqualification are  
4.28 public data; and, if the license holder ~~or~~ applicant, or controlling individual requested  
4.29 reconsideration of the disqualification and the disqualification is affirmed, the reason for  
4.30 the disqualification and the reason to not set aside the disqualification are public data. If  
4.31 the disqualified individual is an individual other than the license holder ~~or~~ applicant, or  
4.32 controlling individual, the identity of the disqualified individual shall remain private data.

4.33 (6) When maltreatment is substantiated under section 626.556 or 626.557 and the  
4.34 victim and the substantiated perpetrator are affiliated with a program licensed under  
4.35 chapter 245A, the commissioner of human services, local social services agency, or

5.1 county welfare agency may inform the license holder where the maltreatment occurred of  
5.2 the identity of the substantiated perpetrator and the victim.

5.3 (7) Notwithstanding clause (1), for child foster care, only the name of the license  
5.4 holder and the status of the license are public if the county attorney has requested that data  
5.5 otherwise classified as public data under clause (1) be considered private data based on the  
5.6 best interests of a child in placement in a licensed program.

5.7 (c) The following are private data on individuals under section 13.02, subdivision  
5.8 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial  
5.9 data on family day care program and family foster care program applicants and licensees  
5.10 and their family members who provide services under the license.

5.11 (d) The following are private data on individuals: the identity of persons who have  
5.12 made reports concerning licensees or applicants that appear in inactive investigative data,  
5.13 and the records of clients or employees of the licensee or applicant for licensure whose  
5.14 records are received by the licensing agency for purposes of review or in anticipation of a  
5.15 contested matter. The names of reporters of complaints or alleged violations of licensing  
5.16 standards under chapters 245A, 245B, 245C, and applicable rules and alleged maltreatment  
5.17 under sections 626.556 and 626.557, are confidential data and may be disclosed only as  
5.18 provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

5.19 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under  
5.20 this subdivision become public data if submitted to a court or administrative law judge as  
5.21 part of a disciplinary proceeding in which there is a public hearing concerning a license  
5.22 which has been suspended, immediately suspended, revoked, or denied.

5.23 (f) Data generated in the course of licensing investigations that relate to an alleged  
5.24 violation of law are investigative data under subdivision 3.

5.25 (g) Data that are not public data collected, maintained, used, or disseminated under  
5.26 this subdivision that relate to or are derived from a report as defined in section 626.556,  
5.27 subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of  
5.28 sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

5.29 (h) Upon request, not public data collected, maintained, used, or disseminated under  
5.30 this subdivision that relate to or are derived from a report of substantiated maltreatment as  
5.31 defined in section 626.556 or 626.557 may be exchanged with the Department of Health  
5.32 for purposes of completing background studies pursuant to section 144.057 and with  
5.33 the Department of Corrections for purposes of completing background studies pursuant  
5.34 to section 241.021.

5.35 (i) Data on individuals collected according to licensing activities under chapters  
5.36 245A and 245C, data on individuals collected by the commissioner of human services

6.1 according to investigations under chapters 245A, 245B, and 245C, and sections 626.556  
6.2 and 626.557 may be shared with the Department of Human Rights, the Department  
6.3 of Health, the Department of Corrections, the ombudsman for mental health and  
6.4 developmental disabilities, and the individual's professional regulatory board when there  
6.5 is reason to believe that laws or standards under the jurisdiction of those agencies may  
6.6 have been violated or the information may otherwise be relevant to the board's regulatory  
6.7 jurisdiction. Background study data on an individual who is the subject of a background  
6.8 study under chapter 245C for a licensed service for which the commissioner of human  
6.9 services is the license holder may be shared with the commissioner and the commissioner's  
6.10 delegate by the licensing division. Unless otherwise specified in this chapter, the identity  
6.11 of a reporter of alleged maltreatment or licensing violations may not be disclosed.

6.12 (j) In addition to the notice of determinations required under section 626.556,  
6.13 subdivision 10f, if the commissioner or the local social services agency has determined  
6.14 that an individual is a substantiated perpetrator of maltreatment of a child based on sexual  
6.15 abuse, as defined in section 626.556, subdivision 2, and the commissioner or local social  
6.16 services agency knows that the individual is a person responsible for a child's care in  
6.17 another facility, the commissioner or local social services agency shall notify the head  
6.18 of that facility of this determination. The notification must include an explanation of the  
6.19 individual's available appeal rights and the status of any appeal. If a notice is given under  
6.20 this paragraph, the government entity making the notification shall provide a copy of the  
6.21 notice to the individual who is the subject of the notice.

6.22 (k) All not public data collected, maintained, used, or disseminated under this  
6.23 subdivision and subdivision 3 may be exchanged between the Department of Human  
6.24 Services, Licensing Division, and the Department of Corrections for purposes of  
6.25 regulating services for which the Department of Human Services and the Department  
6.26 of Corrections have regulatory authority.

## 6.27 ARTICLE 2

## 6.28 LICENSING

6.29 Section 1. Minnesota Statutes 2012, section 119B.125, subdivision 1b, is amended to  
6.30 read:

6.31 Subd. 1b. **Training required.** (a) Effective November 1, 2011, prior to initial  
6.32 authorization as required in subdivision 1, a legal nonlicensed family child care provider  
6.33 must complete first aid and CPR training and provide the verification of first aid and CPR  
6.34 training to the county. The training documentation must have valid effective dates as of  
6.35 the date the registration request is submitted to the county ~~and~~. The training must have

7.1 been provided by an individual approved to provide first aid and CPR instruction and have  
7.2 included CPR techniques for infants and children.

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

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

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

7.12 Sec. 2. Minnesota Statutes 2012, section 245A.02, subdivision 5a, is amended to read:

7.13 Subd. 5a. **Controlling individual.** "Controlling individual" means a public body,  
7.14 governmental agency, business entity, officer, owner, or managerial official whose  
7.15 responsibilities include the direction of the management or policies of a program. For  
7.16 purposes of this subdivision, owner means an individual who has direct or indirect  
7.17 ownership interest in a corporation, partnership, or other business association issued a  
7.18 license under this chapter. For purposes of this subdivision, managerial official means  
7.19 those individuals who have the decision-making authority related to the operation of  
7.20 the program, and the responsibility for the ongoing management of or direction of the  
7.21 policies, services, or employees of the program. A site director who has no ownership  
7.22 interest in the program is not considered to be a managerial official for purposes of this  
7.23 definition. Controlling individual does not include:

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

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

7.32 (3) an individual who owns less than five percent of the outstanding common  
7.33 shares of a corporation:

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

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

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

8.6 Sec. 3. Minnesota Statutes 2012, section 245A.04, subdivision 1, is amended to read:

8.7 Subdivision 1. **Application for licensure.** (a) An individual, corporation,  
8.8 partnership, voluntary association, other organization or controlling individual that is  
8.9 subject to licensure under section 245A.03 must apply for a license. The application  
8.10 must be made on the forms and in the manner prescribed by the commissioner. The  
8.11 commissioner shall provide the applicant with instruction in completing the application  
8.12 and provide information about the rules and requirements of other state agencies that affect  
8.13 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of  
8.14 Minnesota must have a program office located within the state.

8.15 The commissioner shall act on the application within 90 working days after a  
8.16 complete application and any required reports have been received from other state  
8.17 agencies or departments, counties, municipalities, or other political subdivisions. The  
8.18 commissioner shall not consider an application to be complete until the commissioner  
8.19 receives all of the information required under section 245C.05.

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

8.29 (b) An application for licensure must identify all controlling individuals and must  
8.30 specify an agent who is responsible for dealing with the commissioner of human services  
8.31 on all matters provided for in this chapter and on whom service of all notices and orders  
8.32 must be made. The agent must be authorized to accept service on behalf of all of the  
8.33 controlling individuals of the program. Service on the agent is service on all of the  
8.34 controlling individuals of the program. It is not a defense to any action arising under this  
8.35 chapter that service was not made on each controlling individual of the program. The



9.1 designation of one or more controlling individuals as agents under this paragraph does not  
9.2 affect the legal responsibility of any other controlling individual under this chapter.

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

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

9.12 (e) The applicant must be able to demonstrate competent knowledge of the  
9.13 applicable requirements of this chapter and chapter 245C, and the requirements of  
9.14 other licensing statutes and rules applicable to the program or services for which the  
9.15 applicant is seeking to be licensed. Effective January 1, 2013, the commissioner may  
9.16 require the applicant, except for child foster care, to demonstrate competence in the  
9.17 applicable licensing requirements by successfully completing a written examination. The  
9.18 commissioner may develop a prescribed written examination format.

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

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

9.22 (2) the complete business name, if any, and if doing business under a different name,  
9.23 the doing business as (DBA) name, as registered with the secretary of state; and

9.24 (3) a notarized signature of the applicant.

9.25 (g) When an applicant is a nonindividual, the applicant must provide the:

9.26 (1) applicant's taxpayer identification numbers including the Minnesota tax  
9.27 identification number, the and federal employer identification number;

9.28 (2) complete business name, and if doing business under a different name, the doing  
9.29 business as (DBA) name, as registered with the secretary of state;

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

9.34 (4) first, middle, and last name, mailing address, and notarized signature of the agent  
9.35 authorized by the applicant to accept service on behalf of the controlling individuals.

10.1 (h) At the time of application for licensure or renewal of a license, the applicant  
10.2 or license holder must acknowledge on the form provided by the commissioner if the  
10.3 applicant or license holder elects to receive any public funding reimbursement from the  
10.4 commissioner for services provided under the license that:

10.5 (1) the applicant's or license holder's compliance with the provider enrollment  
10.6 agreement or registration requirements for receipt of public funding may be monitored by  
10.7 the commissioner as part of a licensing investigation or licensing inspection; and

10.8 (2) noncompliance with the provider enrollment agreement or registration  
10.9 requirements for receipt of public funding that is identified through a licensing  
10.10 investigation or licensing inspection, or noncompliance with a licensing requirement that  
10.11 is a basis of enrollment for reimbursement for a service, may result in:

10.12 (i) a correction order or a conditional license under section 245A.06, or sanctions  
10.13 under section 245A.07;

10.14 (ii) nonpayment of claims submitted by the license holder for public program  
10.15 reimbursement;

10.16 (iii) recovery of payments made for the service;

10.17 (iv) disenrollment in the public payment program; or

10.18 (v) other administrative, civil, or criminal penalties as provided by law.

10.19 Sec. 4. Minnesota Statutes 2012, section 245A.04, subdivision 5, is amended to read:

10.20 Subd. 5. **Commissioner's right of access.** (a) When the commissioner is exercising  
10.21 the powers conferred by this chapter and sections 245.69, 626.556, and 626.557, the  
10.22 commissioner must be given access to:

10.23 (1) the physical plant and grounds where the program is provided;<sub>2</sub>

10.24 (2) documents and records, including records maintained in electronic format;<sub>2</sub>

10.25 (3) persons served by the program;<sub>2</sub> and

10.26 (4) staff and personnel records of current and former staff whenever the program is in  
10.27 operation and the information is relevant to inspections or investigations conducted by the  
10.28 commissioner. Upon request, the license holder must provide the commissioner verification  
10.29 of documentation of staff work experience, training, or educational requirements.

10.30 The commissioner must be given access without prior notice and as often as  
10.31 the commissioner considers necessary if the commissioner is investigating alleged  
10.32 maltreatment, conducting a licensing inspection, or investigating an alleged violation of  
10.33 applicable laws or rules. In conducting inspections, the commissioner may request and  
10.34 shall receive assistance from other state, county, and municipal governmental agencies and  
10.35 departments. The applicant or license holder shall allow the commissioner to photocopy,

11.1 photograph, and make audio and video tape recordings during the inspection of the  
11.2 program at the commissioner's expense. The commissioner shall obtain a court order or  
11.3 the consent of the subject of the records or the parents or legal guardian of the subject  
11.4 before photocopying hospital medical records.

11.5 (b) Persons served by the program have the right to refuse to consent to be  
11.6 interviewed, photographed, or audio or videotaped. Failure or refusal of an applicant  
11.7 or license holder to fully comply with this subdivision is reasonable cause for the  
11.8 commissioner to deny the application or immediately suspend or revoke the license.

11.9 Sec. 5. Minnesota Statutes 2012, section 245A.04, subdivision 11, is amended to read:

11.10 Subd. 11. **Education program; permitted ages, additional requirement.** (a)  
11.11 Except for foster care, the commissioner of human services may not grant a license to a  
11.12 residential facility for the placement of children before the commissioner has received  
11.13 documentation of approval of the on-site educational program from the commissioner of  
11.14 education according to section 125A.515.

11.15 (b) A program licensed by the commissioner under Minnesota Rules, chapter 2960,  
11.16 may serve persons who are over the age of 18 but under the age of 21 when the person is:

11.17 (1) completing secondary education or a program leading to an equivalent credential;

11.18 (2) enrolled in an institution which provides postsecondary or vocational education;

11.19 (3) participating in a program or activity designed to promote, or remove barriers to,  
11.20 employment;

11.21 (4) employed for at least 80 hours per month; or

11.22 (5) incapable of doing any of the activities described in clauses (1) to (4) due to a  
11.23 medical condition, which incapability is supported by regularly updated information in the  
11.24 case plan of the person.

11.25 (c) In addition to the requirements in paragraph (b), a residential program licensed  
11.26 by the commissioner of human services under Minnesota Rules, parts 2960.0010 to  
11.27 2960.0710, may serve persons under the age of 21 provided the facility complies with the  
11.28 following requirements:

11.29 (1) for each person age 18 and older served at the program, the program must assess  
11.30 and document the person's risk of victimizing other residents residing in the facility, and  
11.31 based on the assessment, the facility must develop and implement necessary measures  
11.32 to minimize any risk of harm to other residents, including making arrangements for  
11.33 appropriate sleeping arrangements; and

12.1 (2) the program must assure that the services and living arrangements provided to all  
12.2 residents are suitable to the age and functioning of the residents, including separation of  
12.3 services, staff supervision, and other program operations as appropriate.

12.4 (d) Nothing in this subdivision precludes the license holder from seeking other  
12.5 variances under subdivision 9.

12.6 Sec. 6. Minnesota Statutes 2012, section 245A.06, subdivision 1, is amended to read:

12.7 Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If  
12.8 the commissioner finds that the applicant or license holder has failed to comply with an  
12.9 applicable law or rule and this failure does not imminently endanger the health, safety,  
12.10 or rights of the persons served by the program, the commissioner may issue a correction  
12.11 order and an order of conditional license to the applicant or license holder. When issuing a  
12.12 conditional license, the commissioner shall consider the nature, chronicity, or severity of  
12.13 the violation of law or rule and the effect of the violation on the health, safety, or rights of  
12.14 persons served by the program. The correction order or conditional license must state:

12.15 (1) the conditions that constitute a violation of the law or rule;

12.16 (2) the specific law or rule violated;

12.17 (3) the time allowed to correct each violation; and

12.18 (4) if a license is made conditional, the length and terms of the conditional license.

12.19 (b) Nothing in this section prohibits the commissioner from proposing a sanction as  
12.20 specified in section 245A.07, prior to issuing a correction order or conditional license.

12.21 (c) If a license holder reports that an individual with a disqualification that has not  
12.22 been set aside has moved out of the home where services are provided or reports that other  
12.23 arrangements have been made so a disqualified person does not have direct contact or  
12.24 access to persons receiving services, the commissioner may issue an order of conditional  
12.25 license that makes licensure contingent on the individual's continuous absence from the  
12.26 home during the hours of operation when:

12.27 (1) the disqualified individual is a "family or household member" of the license  
12.28 holder, as defined in section 518B.01, subdivision 2; or

12.29 (2) the disqualified individual has a record of having had direct contact or access to  
12.30 people receiving services.

12.31 Sec. 7. Minnesota Statutes 2012, section 245A.07, subdivision 2, is amended to read:

12.32 Subd. 2. **Temporary immediate suspension.** If the license holder's actions or  
12.33 failure to comply with applicable law or rule, or the actions of other individuals or  
12.34 conditions in the program pose an imminent risk of harm to the health, safety, or rights of

13.1 persons served by the program, or if while the program continues to operate pending an  
13.2 appeal of an order of revocation the commissioner identifies one or more new violations  
13.3 of law or rule which may adversely affect the health or safety of persons served by the  
13.4 program, the commissioner shall act immediately to temporarily suspend the license.  
13.5 No state funds shall be made available or be expended by any agency or department of  
13.6 state, county, or municipal government for use by a license holder regulated under this  
13.7 chapter while a license is under immediate suspension. A notice stating the reasons for  
13.8 the immediate suspension and informing the license holder of the right to an expedited  
13.9 hearing under chapter 14 and specifically Minnesota Rules, parts 1400.8505 to 1400.8612,  
13.10 must be delivered by personal service to the address shown on the application or the last  
13.11 known address of the license holder. The license holder may appeal an order immediately  
13.12 suspending a license. The appeal of an order immediately suspending a license must  
13.13 be made in writing by certified mail or personal service. If mailed, the appeal must be  
13.14 postmarked and sent to the commissioner within five calendar days after the license holder  
13.15 receives notice that the license has been immediately suspended. If a request is made by  
13.16 personal service, it must be received by the commissioner within five calendar days after  
13.17 the license holder received the order. A license holder and any controlling individual  
13.18 shall discontinue operation of the program upon receipt of the commissioner's order to  
13.19 immediately suspend the license.

13.20 Sec. 8. Minnesota Statutes 2013 Supplement, section 245A.07, subdivision 2a, is  
13.21 amended to read:

13.22 Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days  
13.23 of receipt of the license holder's timely appeal, the commissioner shall request assignment  
13.24 of an administrative law judge. The request must include a proposed date, time, and place  
13.25 of a hearing. A hearing must be conducted by an administrative law judge within 30  
13.26 calendar days of the request for assignment, unless an extension is requested by either  
13.27 party and granted by the administrative law judge for good cause. The commissioner shall  
13.28 issue a notice of hearing by certified mail or personal service at least ten working days  
13.29 before the hearing. The scope of the hearing shall be limited solely to the issue of whether  
13.30 the temporary immediate suspension should remain in effect pending the commissioner's  
13.31 final order under section 245A.08, regarding a licensing sanction issued under subdivision  
13.32 3 following the immediate suspension. The burden of proof in expedited hearings under  
13.33 this subdivision shall be limited to the commissioner's demonstration that reasonable  
13.34 cause exists to believe that the license holder's actions or failure to comply with applicable  
13.35 law or rule poses, or if the actions of other individuals or conditions in the program

14.1 poses an imminent risk of harm to the health, safety, or rights of persons served by the  
14.2 program. "Reasonable cause" means there exist specific articulable facts or circumstances  
14.3 which provide the commissioner with a reasonable suspicion that there is an imminent  
14.4 risk of harm to the health, safety, or rights of persons served by the program. When the  
14.5 commissioner has determined there is reasonable cause to order the temporary immediate  
14.6 suspension of a license based on a violation of safe sleep requirements, as defined in  
14.7 section 245A.1435, the commissioner is not required to demonstrate that an infant died or  
14.8 was injured as a result of the safe sleep violations.

14.9 (b) The administrative law judge shall issue findings of fact, conclusions, and a  
14.10 recommendation within ten working days from the date of hearing. The parties shall  
14.11 have ten calendar days to submit exceptions to the administrative law judge's report.  
14.12 The record shall close at the end of the ten-day period for submission of exceptions.  
14.13 The commissioner's final order shall be issued within ten working days from the close  
14.14 of the record. When an appeal of a temporary immediate suspension is withdrawn or  
14.15 dismissed, the commissioner shall issue a final order affirming the temporary immediate  
14.16 suspension within ten calendar days of the commissioner's receipt of the withdrawal or  
14.17 dismissal. Within 90 calendar days after a final order affirming an immediate suspension,  
14.18 the commissioner shall make a determination regarding whether a final licensing sanction  
14.19 shall be issued under subdivision 3. The license holder shall continue to be prohibited  
14.20 from operation of the program during this 90-day period.

14.21 (c) When the final order under paragraph (b) affirms an immediate suspension, and a  
14.22 final licensing sanction is issued under subdivision 3 and the license holder appeals that  
14.23 sanction, the license holder continues to be prohibited from operation of the program  
14.24 pending a final commissioner's order under section 245A.08, subdivision 5, regarding the  
14.25 final licensing sanction.

14.26 Sec. 9. Minnesota Statutes 2013 Supplement, section 245A.07, subdivision 3, is  
14.27 amended to read:

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

14.30 (1) a license holder fails to comply fully with applicable laws or rules;

14.31 (2) a license holder, a controlling individual, or an individual living in the household  
14.32 where the licensed services are provided or is otherwise subject to a background study has  
14.33 a disqualification which has not been set aside under section 245C.22;

14.34 (3) a license holder knowingly withholds relevant information from or gives false  
14.35 or misleading information to the commissioner in connection with an application for

15.1 a license, in connection with the background study status of an individual, during an  
15.2 investigation, or regarding compliance with applicable laws or rules; or

15.3 (4) after July 1, 2012, and upon request by the commissioner, a license holder fails  
15.4 to submit the information required of an applicant under section 245A.04, subdivision 1,  
15.5 paragraph (f) or (g).

15.6 A license holder who has had a license suspended, revoked, or has been ordered  
15.7 to pay a fine must be given notice of the action by certified mail or personal service. If  
15.8 mailed, the notice must be mailed to the address shown on the application or the last  
15.9 known address of the license holder. The notice must state the reasons the license was  
15.10 suspended, revoked, or a fine was ordered.

15.11 (b) If the license was suspended or revoked, the notice must inform the license  
15.12 holder of the right to a contested case hearing under chapter 14 and specifically Minnesota  
15.13 Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending  
15.14 or revoking a license. The appeal of an order suspending or revoking a license must  
15.15 be made in writing by certified mail or personal service. If mailed, the appeal must be  
15.16 postmarked and sent to the commissioner within ten calendar days after the license holder  
15.17 receives notice that the license has been suspended or revoked. If a request is made by  
15.18 personal service, it must be received by the commissioner within ten calendar days after  
15.19 the license holder received the order. Except as provided in subdivision 2a, paragraph  
15.20 (c), if a license holder submits a timely appeal of an order suspending or revoking a  
15.21 license, the license holder may continue to operate the program as provided in section  
15.22 245A.04, subdivision 7, paragraphs (g) and (h), until the commissioner issues a final order  
15.23 on the suspension or revocation.

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

15.32 (2) The license holder shall pay the fines assessed on or before the payment date  
15.33 specified. If the license holder fails to fully comply with the order, the commissioner  
15.34 may issue a second fine or suspend the license until the license holder complies. If the  
15.35 license holder receives state funds, the state, county, or municipal agencies or departments  
15.36 responsible for administering the funds shall withhold payments and recover any payments

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

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

16.10 (4) Fines shall be assessed as follows: the license holder shall forfeit \$1,000 for  
16.11 each determination of maltreatment of a child under section 626.556 or the maltreatment  
16.12 of a vulnerable adult under section 626.557 for which the license holder is determined  
16.13 responsible for the maltreatment under section 626.556, subdivision 10e, paragraph (i),  
16.14 or 626.557, subdivision 9c, paragraph (c); the license holder shall forfeit \$200 for each  
16.15 occurrence of a violation of law or rule governing matters of health, safety, or supervision,  
16.16 including but not limited to the provision of adequate staff-to-child or adult ratios, and  
16.17 failure to comply with background study requirements under chapter 245C; and the license  
16.18 holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those  
16.19 subject to a \$1,000 or \$200 fine above. For purposes of this section, "occurrence" means  
16.20 each violation identified in the commissioner's fine order. Fines assessed against a license  
16.21 holder that holds a license to provide home and community-based services, as identified  
16.22 in section 245D.03, subdivision 1, and a community residential setting or day services  
16.23 facility license under chapter 245D where the services are provided, may be assessed  
16.24 against both licenses for the same occurrence, but the combined amount of the fines shall  
16.25 not exceed the amount specified in this clause for that occurrence.

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

16.30 (d) Except for background study violations involving the failure to comply with an  
16.31 order to immediately remove an individual or an order to provide continuous, direct  
16.32 supervision, the commissioner shall not issue a fine under paragraph (c) relating to a  
16.33 background study violation to a license holder who self-corrects a background study  
16.34 violation before the commissioner discovers the violation. A license holder who has  
16.35 previously exercised the provisions of this paragraph to avoid a fine for a background  
16.36 study violation may not avoid a fine for a subsequent background study violation unless at



17.1 least 365 days have passed since the license holder self-corrected the earlier background  
17.2 study violation.

17.3 Sec. 10. Minnesota Statutes 2012, section 245A.07, is amended by adding a  
17.4 subdivision to read:

17.5 Subd. 7. **Time frame for conducting hearing.** Within 15 working days of receipt  
17.6 of the license holder's timely appeal of a sanction under this section other than a temporary  
17.7 immediate suspension, the commissioner shall request assignment of an administrative  
17.8 law judge. The commissioner's request must include a proposed date, time, and place of a  
17.9 hearing. A hearing must be conducted by an administrative law judge within 90 calendar  
17.10 days of the request for assignment, unless an extension is requested by either party and  
17.11 granted by the administrative law judge for good cause or for purposes of discussing  
17.12 settlement. In no case shall one or more extensions be granted for a total of more than 90  
17.13 calendar days unless there is a criminal or juvenile court action pending against the license  
17.14 holder or another individual subject to a background study.

17.15 Sec. 11. Minnesota Statutes 2013 Supplement, section 245A.08, subdivision 2a,  
17.16 is amended to read:

17.17 Subd. 2a. **Consolidated contested case hearings.** (a) When a denial of a license  
17.18 under section 245A.05 or a licensing sanction under section 245A.07, subdivision 3, is  
17.19 based on a disqualification for which reconsideration was timely requested and which was  
17.20 not set aside under section 245C.22, the scope of the contested case hearing shall include  
17.21 the disqualification and the licensing sanction or denial of a license, unless otherwise  
17.22 specified in this subdivision. When the licensing sanction or denial of a license is based on  
17.23 a determination of maltreatment under section 626.556 or 626.557, or a disqualification  
17.24 for serious or recurring maltreatment which was not set aside, the scope of the contested  
17.25 case hearing shall include the maltreatment determination, disqualification, and the  
17.26 licensing sanction or denial of a license, unless otherwise specified in this subdivision. In  
17.27 such cases, a fair hearing under section 256.045 shall not be conducted as provided for in  
17.28 sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d.

17.29 (b) Except for family child care and child foster care, reconsideration of a  
17.30 maltreatment determination under sections 626.556, subdivision 10i, and 626.557,  
17.31 subdivision 9d, and reconsideration of a disqualification under section 245C.22, shall  
17.32 not be conducted when:

18.1 (1) a denial of a license under section 245A.05, or a licensing sanction under section  
18.2 245A.07, is based on a determination that the license holder is responsible for maltreatment  
18.3 or the disqualification of a license holder is based on serious or recurring maltreatment;

18.4 (2) the denial of a license or licensing sanction is issued at the same time as the  
18.5 maltreatment determination or disqualification; and

18.6 (3) the license holder appeals the maltreatment determination or disqualification,  
18.7 and denial of a license or licensing sanction. In these cases, a fair hearing shall not be  
18.8 conducted under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision  
18.9 9d. The scope of the contested case hearing must include the maltreatment determination,  
18.10 disqualification, and denial of a license or licensing sanction.

18.11 Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment  
18.12 determination or disqualification, but does not appeal the denial of a license or a licensing  
18.13 sanction, reconsideration of the maltreatment determination shall be conducted under  
18.14 sections 626.556, subdivision 10i, and 626.557, subdivision 9d, and reconsideration of the  
18.15 disqualification shall be conducted under section 245C.22. In such cases, a fair hearing  
18.16 shall also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and  
18.17 626.557, subdivision 9d.

18.18 (c) In consolidated contested case hearings regarding sanctions issued in family  
18.19 child care, child foster care, family adult day services, adult foster care, and community  
18.20 residential settings, the county attorney shall defend the commissioner's orders in  
18.21 accordance with section 245A.16, subdivision 4.

18.22 (d) The commissioner's final order under subdivision 5 is the final agency action  
18.23 on the issue of maltreatment and disqualification, including for purposes of subsequent  
18.24 background studies under chapter 245C and is the only administrative appeal of the final  
18.25 agency determination, specifically, including a challenge to the accuracy and completeness  
18.26 of data under section 13.04.

18.27 (e) When consolidated hearings under this subdivision involve a licensing sanction  
18.28 based on a previous maltreatment determination for which the commissioner has issued  
18.29 a final order in an appeal of that determination under section 256.045, or the individual  
18.30 failed to exercise the right to appeal the previous maltreatment determination under  
18.31 section 626.556, subdivision 10i, or 626.557, subdivision 9d, the commissioner's order is  
18.32 conclusive on the issue of maltreatment. In such cases, the scope of the administrative  
18.33 law judge's review shall be limited to the disqualification and the licensing sanction or  
18.34 denial of a license. In the case of a denial of a license or a licensing sanction issued to  
18.35 a facility based on a maltreatment determination regarding an individual who is not the

19.1 license holder or a household member, the scope of the administrative law judge's review  
19.2 includes the maltreatment determination.

19.3 (f) The hearings of all parties may be consolidated into a single contested case  
19.4 hearing upon consent of all parties and the administrative law judge, if:

19.5 (1) a maltreatment determination or disqualification, which was not set aside under  
19.6 section 245C.22, is the basis for a denial of a license under section 245A.05 or a licensing  
19.7 sanction under section 245A.07;

19.8 (2) the disqualified subject is an individual other than the license holder and upon  
19.9 whom a background study must be conducted under section 245C.03; and

19.10 (3) the individual has a hearing right under section 245C.27.

19.11 (g) When a denial of a license under section 245A.05 or a licensing sanction under  
19.12 section 245A.07 is based on a disqualification for which reconsideration was requested  
19.13 and was not set aside under section 245C.22, and the individual otherwise has no hearing  
19.14 right under section 245C.27, the scope of the administrative law judge's review shall  
19.15 include the denial or sanction and a determination whether the disqualification should  
19.16 be set aside, unless section 245C.24 prohibits the set-aside of the disqualification. In  
19.17 determining whether the disqualification should be set aside, the administrative law judge  
19.18 shall consider the factors under section 245C.22, subdivision 4, to determine whether the  
19.19 individual poses a risk of harm to any person receiving services from the license holder.

19.20 (h) Notwithstanding section 245C.30, subdivision 5, when a licensing sanction  
19.21 under section 245A.07 is based on the termination of a variance under section 245C.30,  
19.22 subdivision 4, the scope of the administrative law judge's review shall include the sanction  
19.23 and a determination whether the disqualification should be set aside, unless section  
19.24 245C.24 prohibits the set-aside of the disqualification. In determining whether the  
19.25 disqualification should be set aside, the administrative law judge shall consider the factors  
19.26 under section 245C.22, subdivision 4, to determine whether the individual poses a risk of  
19.27 harm to any person receiving services from the license holder.

19.28 Sec. 12. Minnesota Statutes 2012, section 245A.08, subdivision 5a, is amended to read:

19.29 Subd. 5a. **Granting subsequent license.** (a) A license holder and each controlling  
19.30 individual of a license holder whose license has been revoked because of noncompliance  
19.31 with applicable law or rule must not be granted a license for five years following the  
19.32 revocation. Notwithstanding the five-year restriction, when a license is revoked because a  
19.33 person, other than the license holder, resides in the home where services are provided and  
19.34 that person has a disqualification that is not set aside and no variance has been granted,  
19.35 the former license holder may reapply for a license when:

20.1 (1) the person with a disqualification, who is not a minor child, is no longer residing  
20.2 in the home and is prohibited from residing in or returning to the home; or

20.3 (2) the person with the disqualification is a minor child, the restriction applies until  
20.4 the minor child becomes an adult and permanently moves away from the home or five  
20.5 years, whichever is less.

20.6 (b) An applicant or controlling individual whose application was denied must not  
20.7 be granted a license for two years following a denial, unless the applicant's subsequent  
20.8 application contains new information which constitutes a substantial change in the  
20.9 conditions that caused the previous denial. The addition of a new co-applicant in a  
20.10 subsequent application does not constitute a substantial change. If an applicant or  
20.11 controlling individual whose application was denied is affiliated with a subsequent  
20.12 application, and two years have not passed since the denial, the subsequent application  
20.13 must be denied.

20.14 Sec. 13. Minnesota Statutes 2012, section 245A.146, subdivision 3, is amended to read:

20.15 Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date  
20.16 printed on the license, all license holders shall check all their cribs' brand names and  
20.17 model numbers against the United States Consumer Product Safety Commission Web  
20.18 site listing of unsafe cribs.

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

20.22 (1) the crib was not identified as unsafe on the United States Consumer Product  
20.23 Safety Commission Web site;

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

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

20.30 (c) Documentation of the review completed under this subdivision shall be  
20.31 maintained by the license holder on site and made available to parents or guardians of  
20.32 children in care and the commissioner.

20.33 (d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider  
20.34 that complies with this section may use a mesh-sided or fabric-sided play yard, pack

21.1 and play, or playpen or crib that has not been identified as unsafe on the United States  
 21.2 Consumer Product Safety Commission Web site for the care or sleeping of infants.

21.3 (e) On at least a monthly basis, the family child care license holder shall perform  
 21.4 safety inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen  
 21.5 used by or that is accessible to any child in care, and must document the following:

21.6 (1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of  
 21.7 crib;

21.8 (2) the weave of the mesh on the crib is no larger than 1/4 of an inch;

21.9 (3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

21.10 (4) no tears or holes to top rail of crib;

21.11 (5) the mattress floor board is not soft and does not exceed one-inch thick;

21.12 (6) the mattress floor board has no rips or tears in covering;

21.13 (7) the mattress floor board in use is a waterproof original mattress or replacement  
 21.14 mattress provided by the manufacturer of the crib;

21.15 (8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;

21.16 (9) there are no knobs or wing nuts on outside crib legs;

21.17 (10) there are no missing, loose, or exposed staples; and

21.18 (11) the latches on top and side rails used to collapse crib are secure, they lock  
 21.19 properly, and are not loose.

21.20 Sec. 14. Minnesota Statutes 2012, section 245A.146, subdivision 4, is amended to read:

21.21 Subd. 4. **Crib safety standards and inspection.** (a) On at least a monthly basis,  
 21.22 the license holder shall perform safety inspections of every crib or portable crib of rigid  
 21.23 construction including full size and non-full size cribs used by or that is accessible to any  
 21.24 child in care, and must document the following:

21.25 ~~(1) no corner posts extend more than 1/16 of an inch;~~

21.26 ~~(2) no spaces between side slats exceed 2.375 inches;~~

21.27 (3) no mattress supports can be easily dislodged from any point of the crib;

21.28 (4) no cutout designs are present on end panels;

21.29 ~~(5) no heights of the rail and end panel are less than 26 inches when measured from~~  
 21.30 ~~the top of the rail or panel in the highest position to the top of the mattress support in~~  
 21.31 ~~its lowest position;~~

21.32 (6) no heights of the rail and end panel are less than nine inches when measured  
 21.33 from the top of the rail or panel in its lowest position to the top of the mattress support in  
 21.34 its highest position;

22.1 ~~(7)~~ (2) no screws, bolts, or hardware are loose or not secured, and there is no use  
22.2 of woodscrews in components that are designed to be assembled and disassembled by  
22.3 the crib owner;

22.4 ~~(8)~~ (3) no sharp edges, points, or rough surfaces are present;

22.5 ~~(9)~~ (4) no wood surfaces are rough, splintered, split, or cracked; and

22.6 ~~(10) no tears in mesh of fabric sides in non-full-size cribs;~~

22.7 ~~(11) no mattress pads in non-full-size mesh or fabric cribs exceed one inch; and~~

22.8 ~~(12)~~ (5) no unacceptable gaps between the mattress and any sides of the crib are  
22.9 present as follows:

22.10 (i) when the noncompressed mattress is centered in the non-full-size crib, at any of  
22.11 the adjustable mattress support positions, the gap between the perimeter of the mattress  
22.12 and the perimeter of the crib cannot be greater than one-half inch at any point. When the  
22.13 mattress is placed against the perimeter of the crib, the resulting gap cannot be greater  
22.14 than one inch at any point; and

22.15 (ii) when the noncompressed mattress is centered in the full-size crib, at any of  
22.16 the adjustable mattress support positions, the gap between the perimeter of the mattress  
22.17 and the perimeter of the crib cannot be greater than 11/16 inch at any point. When the  
22.18 mattress is placed against the perimeter of the crib, the resulting gap cannot be greater  
22.19 than 1-3/8 inch at any point.

22.20 (b) Upon discovery of any unsafe condition identified by the license holder during  
22.21 the safety inspection required under paragraph (a) or subdivision 3, paragraph (e), the  
22.22 license holder shall immediately remove the crib from use and ensure that the crib is not  
22.23 accessible to children in care, and as soon as practicable, but not more than two business  
22.24 days after the inspection, remove the crib from the area where child care services are  
22.25 routinely provided for necessary repairs or to destroy the crib.

22.26 (c) Documentation of the inspections and actions taken with unsafe cribs required in  
22.27 paragraphs (a) and (b), and subdivision 3, paragraph (e), shall be maintained on site by the  
22.28 license holder and made available to parents of children in care and the commissioner.

22.29 Sec. 15. Minnesota Statutes 2013 Supplement, section 245A.50, subdivision 4, is  
22.30 amended to read:

22.31 Subd. 4. **Cardiopulmonary resuscitation.** (a) When children are present in a  
22.32 family child care home governed by Minnesota Rules, parts 9502.0315 to 9502.0445, at  
22.33 least one ~~staff person~~ caregiver must be present in the home who has been trained in  
22.34 cardiopulmonary resuscitation (CPR), including CPR techniques for infants and children,  
22.35 and in the treatment of obstructed airways that includes CPR techniques for infants and

23.1 children. The CPR training must have been provided by an individual approved to provide  
23.2 CPR instruction, must be repeated at least once every two years, and must be documented  
23.3 in the staff person's records.

23.4 (b) A family child care provider is exempt from the CPR training requirement in  
23.5 this subdivision related to any substitute caregiver who provides less than 30 hours of  
23.6 care during any 12-month period.

23.7 (c) Persons providing CPR training must use CPR training that has been developed:

23.8 (1) by the American Heart Association or the American Red Cross and incorporates  
23.9 psychomotor skills to support the instruction; or

23.10 (2) using nationally recognized, evidence-based guidelines for CPR training and  
23.11 incorporates psychomotor skills to support the instruction.

23.12 Sec. 16. Minnesota Statutes 2012, section 245A.65, subdivision 1, is amended to read:

23.13 Subdivision 1. **License holder requirements.** All license holders serving vulnerable  
23.14 adults shall establish and enforce written policies and procedures related to suspected or  
23.15 alleged maltreatment, and shall orient clients and mandated reporters who are under  
23.16 the control of the license holder to these procedures, as defined in section 626.5572,  
23.17 subdivision 16.

23.18 (a) License holders must establish policies and procedures allowing but not  
23.19 mandating the internal reporting of alleged or suspected maltreatment. License holders  
23.20 shall ensure that the policies and procedures on internal reporting:

23.21 (1) meet all the requirements identified for the optional internal reporting policies  
23.22 and procedures in section 626.557, subdivision 4a; and

23.23 (2) identify the primary and secondary person or position to whom internal reports  
23.24 may be made and the primary and secondary person or position responsible for forwarding  
23.25 internal reports to the common entry point as defined in section 626.5572, subdivision 5.

23.26 The secondary person must be involved when there is reason to believe that the primary  
23.27 person was involved in the alleged or suspected maltreatment.

23.28 (b) The license holder shall:

23.29 (1) establish and maintain policies and procedures to ensure that an internal review  
23.30 is completed within 30 calendar days and that corrective action is taken as necessary to  
23.31 protect the health and safety of vulnerable adults when the facility has reason to know  
23.32 that an internal or external report of alleged or suspected maltreatment has been made.

23.33 The review must include an evaluation of whether related policies and procedures were  
23.34 followed, whether the policies and procedures were adequate, whether there is a need for  
23.35 additional staff training, whether the reported event is similar to past events with the

24.1 vulnerable adults or the services involved, and whether there is a need for corrective  
24.2 action by the license holder to protect the health and safety of vulnerable adults. Based on  
24.3 the results of this review, the license holder must develop, document, and implement a  
24.4 corrective action plan designed to correct current lapses and prevent future lapses in  
24.5 performance by individuals or the license holder, if any.

24.6 (2) identify the primary and secondary person or position who will ensure that, when  
24.7 required, internal reviews are completed. The secondary person shall be involved when  
24.8 there is reason to believe that the primary person was involved in the alleged or suspected  
24.9 maltreatment; and

24.10 (3) document and make internal reviews accessible to the commissioner immediately  
24.11 upon the commissioner's request. For the purposes of this section, the documentation  
24.12 provided to the commissioner by the license holder may consist of a completed checklist  
24.13 that verifies completion of each of the requirements of the review.

24.14 (c) The license holder shall provide an orientation to the internal and external  
24.15 reporting procedures to all persons receiving services. The orientation shall include the  
24.16 telephone number for the license holder's common entry point as defined in section  
24.17 626.5572, subdivision 5. If applicable, the person's legal representative must be notified of  
24.18 the orientation. The program shall provide this orientation for each new person within 24  
24.19 hours of admission, or for persons who would benefit more from a later orientation, the  
24.20 orientation may take place within 72 hours.

24.21 (d) The license holder shall post a copy of the internal and external reporting policies  
24.22 and procedures, including the telephone number of the common entry point as defined  
24.23 in section 626.5572, subdivision 5, in a prominent location in the program and have it  
24.24 available upon request to mandated reporters, persons receiving services, and the person's  
24.25 legal representatives.

24.26 Sec. 17. Minnesota Statutes 2012, section 245A.66, subdivision 1, is amended to read:

24.27 Subdivision 1. **Internal review.** Except for family child care settings and foster care  
24.28 for children in the license holder's residence, license holders serving children shall:

24.29 (1) establish and maintain policies and procedures to ensure that an internal review  
24.30 is completed within 30 calendar days and that corrective action is taken if necessary to  
24.31 protect the health and safety of children in care when the facility has reason to know that  
24.32 an internal or external report of alleged or suspected maltreatment has been made. The  
24.33 review must include an evaluation of whether:

24.34 (i) related policies and procedures were followed;

24.35 (ii) the policies and procedures were adequate;



25.1 (iii) there is a need for additional staff training;

25.2 (iv) the reported event is similar to past events with the children or the services  
25.3 involved; and

25.4 (v) there is a need for corrective action by the license holder to protect the health and  
25.5 safety of children in care.

25.6 Based on the results of this review, the license holder must develop, document, and  
25.7 implement a corrective action plan designed to correct current lapses and prevent future  
25.8 lapses in performance by individuals or the license holder, if any;

25.9 (2) identify the primary and secondary person or position who will ensure that, when  
25.10 required, internal reviews are completed. The secondary person shall be involved when  
25.11 there is reason to believe that the primary person was involved in the alleged or suspected  
25.12 maltreatment; and

25.13 (3) document ~~that the~~ and make internal review ~~has been completed and provide~~  
25.14 ~~documentation showing the review was completed~~ reviews accessible to the commissioner  
25.15 immediately upon the commissioner's request. For the purposes of this section, the  
25.16 documentation provided to the commissioner by the license holder may consist of a  
25.17 completed checklist that verifies completion of each of the requirements of the review.

### 25.18 ARTICLE 3

#### 25.19 FINANCIAL FRAUD AND ABUSE INVESTIGATION

25.20 Section 1. Minnesota Statutes 2012, section 168.012, subdivision 1, is amended to read:

25.21 Subdivision 1. **Vehicles exempt from tax, fees, or plate display.** (a) The following  
25.22 vehicles are exempt from the provisions of this chapter requiring payment of tax and  
25.23 registration fees, except as provided in subdivision 1c:

25.24 (1) vehicles owned and used solely in the transaction of official business by the  
25.25 federal government, the state, or any political subdivision;

25.26 (2) vehicles owned and used exclusively by educational institutions and used solely  
25.27 in the transportation of pupils to and from those institutions;

25.28 (3) vehicles used solely in driver education programs at nonpublic high schools;

25.29 (4) vehicles owned by nonprofit charities and used exclusively to transport disabled  
25.30 persons for charitable, religious, or educational purposes;

25.31 (5) vehicles owned by nonprofit charities and used exclusively for disaster response  
25.32 and related activities;

25.33 (6) vehicles owned by ambulance services licensed under section 144E.10 that  
25.34 are equipped and specifically intended for emergency response or providing ambulance  
25.35 services; and

26.1 (7) vehicles owned by a commercial driving school licensed under section 171.34,  
26.2 or an employee of a commercial driving school licensed under section 171.34, and the  
26.3 vehicle is used exclusively for driver education and training.

26.4 (b) Provided the general appearance of the vehicle is unmistakable, the following  
26.5 vehicles are not required to register or display number plates:

26.6 (1) vehicles owned by the federal government;

26.7 (2) fire apparatuses, including fire-suppression support vehicles, owned or leased by  
26.8 the state or a political subdivision;

26.9 (3) police patrols owned or leased by the state or a political subdivision; and

26.10 (4) ambulances owned or leased by the state or a political subdivision.

26.11 (c) Unmarked vehicles used in general police work, liquor investigations, or arson  
26.12 investigations, and passenger automobiles, pickup trucks, and buses owned or operated by  
26.13 the Department of Corrections or by conservation officers of the Division of Enforcement  
26.14 and Field Service of the Department of Natural Resources, must be registered and must  
26.15 display appropriate license number plates, furnished by the registrar at cost. Original and  
26.16 renewal applications for these license plates authorized for use in general police work and  
26.17 for use by the Department of Corrections or by conservation officers must be accompanied  
26.18 by a certification signed by the appropriate chief of police if issued to a police vehicle,  
26.19 the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if  
26.20 issued to a Department of Corrections vehicle, or the appropriate officer in charge if  
26.21 issued to a vehicle of any other law enforcement agency. The certification must be on a  
26.22 form prescribed by the commissioner and state that the vehicle will be used exclusively  
26.23 for a purpose authorized by this section.

26.24 (d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry,  
26.25 fraud unit, in conducting seizures or criminal investigations must be registered and must  
26.26 display passenger vehicle classification license number plates, furnished at cost by the  
26.27 registrar. Original and renewal applications for these passenger vehicle license plates  
26.28 must be accompanied by a certification signed by the commissioner of revenue or the  
26.29 commissioner of labor and industry. The certification must be on a form prescribed by  
26.30 the commissioner and state that the vehicles will be used exclusively for the purposes  
26.31 authorized by this section.

26.32 (e) Unmarked vehicles used by the Division of Disease Prevention and Control of the  
26.33 Department of Health must be registered and must display passenger vehicle classification  
26.34 license number plates. These plates must be furnished at cost by the registrar. Original  
26.35 and renewal applications for these passenger vehicle license plates must be accompanied  
26.36 by a certification signed by the commissioner of health. The certification must be on a

27.1 form prescribed by the commissioner and state that the vehicles will be used exclusively  
27.2 for the official duties of the Division of Disease Prevention and Control.

27.3 (f) Unmarked vehicles used by staff of the Gambling Control Board in gambling  
27.4 investigations and reviews must be registered and must display passenger vehicle  
27.5 classification license number plates. These plates must be furnished at cost by the  
27.6 registrar. Original and renewal applications for these passenger vehicle license plates must  
27.7 be accompanied by a certification signed by the board chair. The certification must be on a  
27.8 form prescribed by the commissioner and state that the vehicles will be used exclusively  
27.9 for the official duties of the Gambling Control Board.

27.10 (g) Unmarked vehicles used in general investigation, surveillance, supervision, and  
27.11 monitoring by the ~~staff of the Department of Human Services~~ Services' Office of Special  
27.12 ~~Investigations and the executive director of Investigations' staff;~~ the Minnesota sex  
27.13 offender ~~program~~ program's executive director and the executive director's staff; and the  
27.14 Office of Inspector General's staff, including, but not limited to, county fraud prevention  
27.15 investigators, must be registered and must display passenger vehicle classification license  
27.16 number plates, furnished by the registrar at cost. Original and renewal applications for  
27.17 passenger vehicle license plates must be accompanied by a certification signed by the  
27.18 commissioner of human services. The certification must be on a form prescribed by the  
27.19 commissioner and state that the vehicles must be used exclusively for the official duties of  
27.20 the Office of Special ~~Investigations and Investigations' staff;~~ Investigations' staff; the ~~executive director of the~~  
27.21 Minnesota sex offender program ~~program's executive director and the executive director's~~  
27.22 staff; and the Office of the Inspector General's staff, including, but not limited to, contract  
27.23 and county fraud prevention investigators.

27.24 (h) Each state hospital and institution for persons who are mentally ill and  
27.25 developmentally disabled may have one vehicle without the required identification on  
27.26 the sides of the vehicle. The vehicle must be registered and must display passenger  
27.27 vehicle classification license number plates. These plates must be furnished at cost by the  
27.28 registrar. Original and renewal applications for these passenger vehicle license plates must  
27.29 be accompanied by a certification signed by the hospital administrator. The certification  
27.30 must be on a form prescribed by the commissioner and state that the vehicles will be used  
27.31 exclusively for the official duties of the state hospital or institution.

27.32 (i) Each county social service agency may have vehicles used for child and  
27.33 vulnerable adult protective services without the required identification on the sides of the  
27.34 vehicle. The vehicles must be registered and must display passenger vehicle classification  
27.35 license number plates. These plates must be furnished at cost by the registrar. Original  
27.36 and renewal applications for these passenger vehicle license plates must be accompanied

28.1 by a certification signed by the agency administrator. The certification must be on a form  
28.2 prescribed by the commissioner and state that the vehicles will be used exclusively for the  
28.3 official duties of the social service agency.

28.4 (j) All other motor vehicles must be registered and display tax-exempt number  
28.5 plates, furnished by the registrar at cost, except as provided in subdivision 1c. All  
28.6 vehicles required to display tax-exempt number plates must have the name of the state  
28.7 department or political subdivision, nonpublic high school operating a driver education  
28.8 program, licensed commercial driving school, or other qualifying organization or entity,  
28.9 plainly displayed on both sides of the vehicle. This identification must be in a color  
28.10 giving contrast with that of the part of the vehicle on which it is placed and must endure  
28.11 throughout the term of the registration. The identification must not be on a removable  
28.12 plate or placard and must be kept clean and visible at all times; except that a removable  
28.13 plate or placard may be utilized on vehicles leased or loaned to a political subdivision or  
28.14 to a nonpublic high school driver education program.

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

28.16 Sec. 2. Minnesota Statutes 2012, section 256.01, subdivision 18d, is amended to read:

28.17 Subd. 18d. **Data sharing with the Department of Human Services; multiple**  
28.18 **identification cards.** (a) The commissioner of public safety shall, on a monthly basis,  
28.19 provide the commissioner of human services with the first, middle, and last name, ~~and~~  
28.20 the address, date of birth, ~~and~~ driver's license or state identification card number, and  
28.21 all photographs or electronically produced images of all applicants and holders whose  
28.22 drivers' licenses and state identification cards have been canceled under section 171.14,  
28.23 paragraph (a), clause (2) or (3), by the commissioner of public safety. After the initial data  
28.24 report has been provided by the commissioner of public safety to the commissioner of  
28.25 human services under this paragraph, subsequent reports shall only include cancellations  
28.26 that occurred after the end date of the cancellations represented in the previous data report.

28.27 (b) The commissioner of human services shall compare the information provided  
28.28 under paragraph (a) with the commissioner's data regarding recipients of all public  
28.29 assistance programs managed by the Department of Human Services to determine whether  
28.30 any individual with multiple identification cards issued by the Department of Public  
28.31 Safety has illegally or improperly enrolled in any public assistance program managed by  
28.32 the Department of Human Services.

28.33 (c) If the commissioner of human services determines that an applicant or recipient  
28.34 has illegally or improperly enrolled in any public assistance program, the commissioner

29.1 shall provide all due process protections to the individual before terminating the individual  
29.2 from the program according to applicable statute and notifying the county attorney.

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

29.4 Sec. 3. Minnesota Statutes 2013 Supplement, section 268.19, subdivision 1, is  
29.5 amended to read:

29.6 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered  
29.7 from any person under the administration of the Minnesota Unemployment Insurance Law  
29.8 are private data on individuals or nonpublic data not on individuals as defined in section  
29.9 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court  
29.10 order or section 13.05. A subpoena is not considered a district court order. These data  
29.11 may be disseminated to and used by the following agencies without the consent of the  
29.12 subject of the data:

29.13 (1) state and federal agencies specifically authorized access to the data by state  
29.14 or federal law;

29.15 (2) any agency of any other state or any federal agency charged with the  
29.16 administration of an unemployment insurance program;

29.17 (3) any agency responsible for the maintenance of a system of public employment  
29.18 offices for the purpose of assisting individuals in obtaining employment;

29.19 (4) the public authority responsible for child support in Minnesota or any other  
29.20 state in accordance with section 256.978;

29.21 (5) human rights agencies within Minnesota that have enforcement powers;

29.22 (6) the Department of Revenue to the extent necessary for its duties under Minnesota  
29.23 laws;

29.24 (7) public and private agencies responsible for administering publicly financed  
29.25 assistance programs for the purpose of monitoring the eligibility of the program's recipients;

29.26 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the  
29.27 Department of Commerce for uses consistent with the administration of their duties under  
29.28 Minnesota law;

29.29 (9) the Department of Human Services and the Office of Inspector General and its  
29.30 agents within the Department of Human Services, including county fraud investigators,  
29.31 for investigations related to recipient or provider fraud and employees of providers when  
29.32 the provider is suspected of committing public assistance fraud;

29.33 ~~(9)~~ (10) local and state welfare agencies for monitoring the eligibility of the data  
29.34 subject for assistance programs, or for any employment or training program administered  
29.35 by those agencies, whether alone, in combination with another welfare agency, or in

30.1 conjunction with the department or to monitor and evaluate the statewide Minnesota  
30.2 family investment program by providing data on recipients and former recipients of food  
30.3 stamps or food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care  
30.4 assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

30.5 ~~(10)~~ (11) local and state welfare agencies for the purpose of identifying employment,  
30.6 wages, and other information to assist in the collection of an overpayment debt in an  
30.7 assistance program;

30.8 ~~(11)~~ (12) local, state, and federal law enforcement agencies for the purpose of  
30.9 ascertaining the last known address and employment location of an individual who is the  
30.10 subject of a criminal investigation;

30.11 ~~(12)~~ (13) the United States Immigration and Customs Enforcement has access to  
30.12 data on specific individuals and specific employers provided the specific individual or  
30.13 specific employer is the subject of an investigation by that agency;

30.14 ~~(13)~~ (14) the Department of Health for the purposes of epidemiologic investigations;

30.15 ~~(14)~~ (15) the Department of Corrections for the purpose of case planning for  
30.16 preprobation and postprobation employment tracking of offenders sentenced to probation  
30.17 and preconfinement and postconfinement employment tracking of committed offenders;

30.18 ~~(15)~~ (16) the state auditor to the extent necessary to conduct audits of job opportunity  
30.19 building zones as required under section 469.3201; and

30.20 ~~(16)~~ (17) the Office of Higher Education for purposes of supporting program  
30.21 improvement, system evaluation, and research initiatives including the Statewide  
30.22 Longitudinal Education Data System.

30.23 (b) Data on individuals and employers that are collected, maintained, or used by  
30.24 the department in an investigation under section 268.182 are confidential as to data  
30.25 on individuals and protected nonpublic data not on individuals as defined in section  
30.26 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district  
30.27 court order or to a party named in a criminal proceeding, administrative or judicial, for  
30.28 preparation of a defense.

30.29 (c) Data gathered by the department in the administration of the Minnesota  
30.30 unemployment insurance program must not be made the subject or the basis for any  
30.31 suit in any civil proceedings, administrative or judicial, unless the action is initiated by  
30.32 the department.

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

31.1 Sec. 4. Minnesota Statutes 2012, section 471.346, is amended to read:

31.2 **471.346 PUBLICLY OWNED AND LEASED VEHICLES IDENTIFIED.**

31.3 All motor vehicles owned or leased by a statutory or home rule charter city, county,  
31.4 town, school district, metropolitan or regional agency, or other political subdivision, except  
31.5 for unmarked vehicles used in general police and fire work ~~and~~, arson investigations,  
31.6 and Department of Human Services investigations including county fraud prevention  
31.7 investigations, shall have the name of the political subdivision plainly displayed on both  
31.8 sides of the vehicle in letters not less than 2-1/2 inches high and one-half inch wide. The  
31.9 identification must be in a color that contrasts with the color of the part of the vehicle on  
31.10 which it is placed and must remain on and be clean and visible throughout the period of  
31.11 which the vehicle is owned or leased by the political subdivision. The identification must  
31.12 not be on a removable plate or placard except on leased vehicles but the plate or placard  
31.13 must not be removed from a leased vehicle at any time during the term of the lease.

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

31.15 **ARTICLE 4**

31.16 **CHEMICAL AND MENTAL HEALTH**

31.17 Section 1. Minnesota Statutes 2012, section 254B.05, subdivision 5, is amended to read:

31.18 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for  
31.19 chemical dependency services and service enhancements funded under this chapter.

31.20 (b) Eligible chemical dependency treatment services include:

31.21 (1) outpatient treatment services that are licensed according to Minnesota Rules,  
31.22 parts 9530.6405 to 9530.6480, or applicable tribal license;

31.23 (2) medication-assisted therapy services that are licensed according to Minnesota  
31.24 Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

31.25 (3) medication-assisted therapy plus enhanced treatment services that meet the  
31.26 requirements of clause (2) and provide nine hours of clinical services each week;

31.27 (4) high, medium, and low intensity residential treatment services that are licensed  
31.28 according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable  
31.29 tribal license which provide, respectively, 30, 15, and five hours of clinical services each  
31.30 week;

31.31 (5) hospital-based treatment services that are licensed according to Minnesota Rules,  
31.32 parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under  
31.33 sections 144.50 to 144.56;

32.1 (6) adolescent treatment programs that are licensed as outpatient treatment programs  
32.2 according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment  
32.3 programs according to Minnesota Rules, ~~chapter 2960~~ parts 2960.0010 to 2960.0220, and  
32.4 2960.0430 to 2960.0490, or applicable tribal license; and

32.5 (7) room and board facilities that meet the requirements of section 254B.05,  
32.6 subdivision 1a.

32.7 (c) The commissioner shall establish higher rates for programs that meet the  
32.8 requirements of paragraph (b) and the following additional requirements:

32.9 (1) programs that serve parents with their children if the program:

32.10 (i) provides on-site child care during hours of treatment activity that meets the  
32.11 additional licensing requirement requirements in Minnesota Rules, part 9530.6490, ~~and~~  
32.12 ~~provides child care that meets the requirements of~~ or section 245A.03, subdivision 2;  
32.13 ~~during hours of treatment activity; or~~

32.14 (ii) arranges for off-site child care during hours of treatment activity at a facility that  
32.15 is licensed under chapter 245A as:

32.16 (A) a child care center under Minnesota Rules, chapter 9503; or

32.17 (B) a family child care home under Minnesota Rules, chapter 9502;

32.18 (2) programs serving special populations if the program meets the requirements in  
32.19 Minnesota Rules, part 9530.6605, subpart 13;

32.20 (3) programs that offer medical services delivered by appropriately credentialed  
32.21 health care staff in an amount equal to two hours per client per week if the medical  
32.22 needs of the client and the nature and provision of any medical services provided are  
32.23 documented in the client file; and

32.24 (4) programs that offer services to individuals with co-occurring mental health and  
32.25 chemical dependency problems if:

32.26 (i) the program meets the co-occurring requirements in Minnesota Rules, part  
32.27 9530.6495;

32.28 (ii) 25 percent of the counseling staff are licensed mental health professionals, as  
32.29 defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing  
32.30 candidates under the supervision of a licensed alcohol and drug counselor supervisor and  
32.31 licensed mental health professional, except that no more than 50 percent of the mental  
32.32 health staff may be students or licensing candidates with time documented to be directly  
32.33 related to provisions of co-occurring services;

32.34 (iii) clients scoring positive on a standardized mental health screen receive a mental  
32.35 health diagnostic assessment within ten days of admission;



33.1 (iv) the program has standards for multidisciplinary case review that include a  
 33.2 monthly review for each client that, at a minimum, includes a licensed mental health  
 33.3 professional and licensed alcohol and drug counselor, and their involvement in the review  
 33.4 is documented;

33.5 (v) family education is offered that addresses mental health and substance abuse  
 33.6 disorders and the interaction between the two; and

33.7 (vi) co-occurring counseling staff will receive eight hours of co-occurring disorder  
 33.8 training annually.

33.9 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program  
 33.10 that provides arrangements for off-site child care must maintain current documentation at  
 33.11 the chemical dependency facility of the child care provider's current licensure to provide  
 33.12 child care services. Programs that provide child care according to paragraph (c), clause  
 33.13 (1), must be deemed in compliance with the licensing requirements in Minnesota Rules,  
 33.14 part 9530.6490.

33.15 (e) Adolescent residential programs that meet the requirements of Minnesota Rules,  
 33.16 parts ~~2960.0580 to 2960.0700~~ 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are  
 33.17 exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

## 33.18 ARTICLE 5

### 33.19 BACKGROUND STUDIES

33.20 Section 1. Minnesota Statutes 2012, section 245C.04, as amended by Laws 2013,  
 33.21 chapter 108, article 5, section 3, is amended to read:

#### 33.22 **245C.04 WHEN BACKGROUND STUDY MUST OCCUR.**

33.23 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a  
 33.24 background study of an individual required to be studied under section 245C.03,  
 33.25 subdivision 1, at least upon application for initial license for all license types.

33.26 (b) The commissioner shall conduct a background study of an individual required  
 33.27 to be studied under section 245C.03, subdivision 1, at reapplication for a license for  
 33.28 family child care.

33.29 (c) The commissioner is not required to conduct a study of an individual at the time  
 33.30 of reapplication for a license if the individual's background study was completed by the  
 33.31 commissioner of human services for an adult foster care license holder that is also:

33.32 (1) registered under chapter 144D; or

34.1 (2) licensed to provide home and community-based services to people with  
34.2 disabilities at the foster care location and the license holder does not reside in the foster  
34.3 care residence; and

34.4 (3) the following conditions are met:

34.5 (i) a study of the individual was conducted either at the time of initial licensure or  
34.6 when the individual became affiliated with the license holder;

34.7 (ii) the individual has been continuously affiliated with the license holder since  
34.8 the last study was conducted; and

34.9 (iii) the last study of the individual was conducted on or after October 1, 1995.

34.10 (d) From July 1, 2007, to June 30, 2009, the commissioner of human services shall  
34.11 conduct a study of an individual required to be studied under section 245C.03, at the  
34.12 time of reapplication for a child foster care license. The county or private agency shall  
34.13 collect and forward to the commissioner the information required under section 245C.05,  
34.14 subdivisions 1, paragraphs (a) and (b), and 5, paragraphs (a) and (b). The background  
34.15 study conducted by the commissioner of human services under this paragraph must  
34.16 include a review of the information required under section 245C.08, subdivisions 1,  
34.17 paragraph (a), clauses (1) to (5), 3, and 4.

34.18 (e) The commissioner of human services shall conduct a background study of an  
34.19 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2)  
34.20 to (6), who is newly affiliated with a child foster care license holder. The county or  
34.21 private agency shall collect and forward to the commissioner the information required  
34.22 under section 245C.05, subdivisions 1 and 5. The background study conducted by the  
34.23 commissioner of human services under this paragraph must include a review of the  
34.24 information required under section 245C.08, subdivisions 1, 3, and 4.

34.25 (f) From January 1, 2010, to December 31, 2012, unless otherwise specified in  
34.26 paragraph (c), the commissioner shall conduct a study of an individual required to  
34.27 be studied under section 245C.03 at the time of reapplication for an adult foster care  
34.28 or family adult day services license: (1) the county shall collect and forward to the  
34.29 commissioner the information required under section 245C.05, subdivision 1, paragraphs  
34.30 (a) and (b), and subdivision 5, paragraphs (a) and (b), for background studies conducted  
34.31 by the commissioner for all family adult day services and for adult foster care when  
34.32 the adult foster care license holder resides in the adult foster care or family adult day  
34.33 services residence; (2) the license holder shall collect and forward to the commissioner  
34.34 the information required under section 245C.05, subdivisions 1, paragraphs (a) and (b);  
34.35 and 5, paragraphs (a) and (b), for background studies conducted by the commissioner for  
34.36 adult foster care when the license holder does not reside in the adult foster care residence;

35.1 and (3) the background study conducted by the commissioner under this paragraph must  
35.2 include a review of the information required under section 245C.08, subdivision 1,  
35.3 paragraph (a), clauses (1) to (5), and subdivisions 3 and 4.

35.4 (g) The commissioner shall conduct a background study of an individual specified  
35.5 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly  
35.6 affiliated with an adult foster care or family adult day services license holder: (1) the  
35.7 county shall collect and forward to the commissioner the information required under  
35.8 section 245C.05, subdivision 1, paragraphs (a) and (b), and subdivision 5, paragraphs (a)  
35.9 and (b), for background studies conducted by the commissioner for all family adult day  
35.10 services and for adult foster care when the adult foster care license holder resides in  
35.11 the adult foster care residence; (2) the license holder shall collect and forward to the  
35.12 commissioner the information required under section 245C.05, subdivisions 1, paragraphs  
35.13 (a) and (b); and 5, paragraphs (a) and (b), for background studies conducted by the  
35.14 commissioner for adult foster care when the license holder does not reside in the adult  
35.15 foster care residence; and (3) the background study conducted by the commissioner under  
35.16 this paragraph must include a review of the information required under section 245C.08,  
35.17 subdivision 1, paragraph (a), and subdivisions 3 and 4.

35.18 (h) Applicants for licensure, license holders, and other entities as provided in this  
35.19 chapter must submit completed background study ~~forms~~ requests to the commissioner  
35.20 using the electronic system known as NETStudy before individuals specified in section  
35.21 245C.03, subdivision 1, begin positions allowing direct contact in any licensed program.

35.22 (i) A license holder must initiate a new background study through ~~the commissioner's~~  
35.23 ~~online background study system~~ NETStudy when:

35.24 (1) an individual returns to a position requiring a background study following an  
35.25 absence of ~~90~~ 120 or more consecutive days; or

35.26 (2) a program that discontinued providing licensed direct contact services for ~~90~~ 120  
35.27 or more consecutive days begins to provide direct contact licensed services again.

35.28 The license holder shall maintain a copy of the notification provided to  
35.29 the commissioner under this paragraph in the program's files. If the individual's  
35.30 disqualification was previously set aside for the license holder's program and the new  
35.31 background study results in no new information that indicates the individual may pose a  
35.32 risk of harm to persons receiving services from the license holder, the previous set-aside  
35.33 shall remain in effect.

35.34 (j) For purposes of this section, a physician licensed under chapter 147 is considered  
35.35 to be continuously affiliated upon the license holder's receipt from the commissioner of  
35.36 health or human services of the physician's background study results.

36.1 (k) For purposes of family child care, a substitute caregiver must receive repeat  
36.2 background studies at the time of each license renewal.

36.3 Subd. 2. **Other state agencies.** Applicants and license holders under the jurisdiction  
36.4 of other state agencies who are required in other statutory sections to initiate background  
36.5 studies under this chapter must submit completed background study forms to the  
36.6 commissioner before the background study subject begins in a position allowing direct  
36.7 contact in the licensed program or, where applicable, prior to being employed.

36.8 Subd. 3. **Personal care provider organizations.** (a) The commissioner shall  
36.9 conduct a background study of an individual required to be studied under section 245C.03,  
36.10 subdivision 2, at least upon application for initial enrollment under sections 256B.0651 to  
36.11 256B.0656 and 256B.0659.

36.12 (b) Organizations required to initiate background studies under sections 256B.0651  
36.13 to 256B.0656 and 256B.0659 for individuals described in section 245C.03, subdivision 2,  
36.14 must submit a completed background study ~~form~~ request to the commissioner using the  
36.15 electronic system known as NETStudy before those individuals begin a position allowing  
36.16 direct contact with persons served by the organization.

36.17 (c) Organizations required to initiate background studies under sections 256B.0651  
36.18 to 256B.0656 and 256B.0659 for individuals described in section 245C.03, subdivision 2,  
36.19 must initiate a new background study through NETStudy when an individual returns to a  
36.20 position requiring a background study following an absence of 120 or more consecutive  
36.21 days.

36.22 Subd. 4. **Supplemental nursing services agencies.** (a) The commissioner shall  
36.23 conduct a background study of an individual required to be studied under section 245C.03,  
36.24 subdivision 3, at least upon application for registration under section 144A.71, subdivision  
36.25 1.

36.26 (b) Each supplemental nursing services agency must initiate background studies  
36.27 using the electronic system known as NETStudy before an individual begins a position  
36.28 allowing direct contact with persons served by the agency and annually thereafter.

36.29 Subd. 4a. **Agency background studies.** (a) The commissioner shall develop and  
36.30 implement an electronic process for the regular transfer of new criminal case information  
36.31 that is added to the Minnesota court information system. The commissioner's system  
36.32 must include for review only information that relates to individuals who have been the  
36.33 subject of a background study under this chapter that remain affiliated with the agency  
36.34 that initiated the background study. For purposes of this paragraph, an individual remains  
36.35 affiliated with an agency that initiated the background study until the agency informs the  
36.36 commissioner that the individual is no longer affiliated. When any individual no longer

37.1 affiliated according to this paragraph returns to a position requiring a background study  
37.2 under this chapter, the agency with whom the individual is again affiliated shall initiate  
37.3 a new background study regardless of the length of time the individual was no longer  
37.4 affiliated with the agency.

37.5 (b) The commissioner shall develop and implement an online system for agencies that  
37.6 initiate background studies under this chapter to access and maintain records of background  
37.7 studies initiated by that agency. The system must show all active background study subjects  
37.8 affiliated with that agency and the status of each individual's background study. Each  
37.9 agency that initiates background studies must use this system to notify the commissioner  
37.10 of discontinued affiliation for purposes of the processes required under paragraph (a).

37.11 Subd. 5. **Personnel agencies; educational programs; professional services**  
37.12 **agencies.** Agencies, programs, and individuals who initiate background studies under  
37.13 section 245C.03, subdivision 4, must initiate the studies annually using the electronic  
37.14 system known as NETStudy.

37.15 Subd. 6. **Unlicensed home and community-based waiver providers of service to**  
37.16 **seniors and individuals with disabilities.** (a) Providers required to initiate background  
37.17 studies under section 256B.4912 must initiate a study using the electronic system known  
37.18 as NETStudy before the individual begins in a position allowing direct contact with  
37.19 persons served by the provider.

37.20 (b) Except as provided in paragraph (c), the providers must initiate a background  
37.21 study annually of an individual required to be studied under section 245C.03, subdivision 6.

37.22 (c) After an initial background study under this subdivision is initiated on an  
37.23 individual by a provider of both services licensed by the commissioner and the unlicensed  
37.24 services under this subdivision, a repeat annual background study is not required if:

37.25 (1) the provider maintains compliance with the requirements of section 245C.07,  
37.26 paragraph (a), regarding one individual with one address and telephone number as the  
37.27 person to receive sensitive background study information for the multiple programs that  
37.28 depend on the same background study, and that the individual who is designated to receive  
37.29 the sensitive background information is capable of determining, upon the request of the  
37.30 commissioner, whether a background study subject is providing direct contact services  
37.31 in one or more of the provider's programs or services and, if so, at which location or  
37.32 locations; and

37.33 (2) the individual who is the subject of the background study provides direct  
37.34 contact services under the provider's licensed program for at least 40 hours per year so  
37.35 the individual will be recognized by a probation officer or corrections agent to prompt

38.1 a report to the commissioner regarding criminal convictions as required under section  
38.2 245C.05, subdivision 7.

38.3 Subd. 7. **New study required with legal name change.** (a) For a background study  
38.4 completed on an individual required to be studied under section 245C.03, the license  
38.5 holder or other entity that initiated the background study must initiate a new background  
38.6 study using the electronic system known as NETStudy when an individual who is affiliated  
38.7 with the license holder or other entity undergoes a legal name change.

38.8 (b) For background studies subject to a fee paid through the NETStudy system, the  
38.9 entity that initiated the study may initiate a new study under paragraph (a) or notify the  
38.10 commissioner of the name change through a notice to the commissioner.

38.11 Sec. 2. Minnesota Statutes 2012, section 245C.05, subdivision 6, is amended to read:

38.12 Subd. 6. **Applicant, license holder, other entities, and agencies.** (a) The applicant,  
38.13 license holder, other entities as provided in this chapter, Bureau of Criminal Apprehension,  
38.14 law enforcement agencies, commissioner of health, and county agencies shall help with  
38.15 the study by giving the commissioner criminal conviction data and reports about the  
38.16 maltreatment of adults substantiated under section 626.557 and the maltreatment of  
38.17 minors substantiated under section 626.556.

38.18 (b) If a background study is initiated by an applicant, license holder, or other entities  
38.19 as provided in this chapter, and the applicant, license holder, or other entity receives  
38.20 information about the possible criminal or maltreatment history of an individual who is  
38.21 the subject of the background study, the applicant, license holder, or other entity must  
38.22 immediately provide the information to the commissioner.

38.23 (c) The program or county or other agency must provide written notice to the  
38.24 individual who is the subject of the background study of the requirements under this  
38.25 subdivision.

38.26 Sec. 3. Minnesota Statutes 2013 Supplement, section 245C.08, subdivision 1, is  
38.27 amended to read:

38.28 Subdivision 1. **Background studies conducted by Department of Human**  
38.29 **Services.** (a) For a background study conducted by the Department of Human Services,  
38.30 the commissioner shall review:

38.31 (1) information related to names of substantiated perpetrators of maltreatment of  
38.32 vulnerable adults that has been received by the commissioner as required under section  
38.33 626.557, subdivision 9c, paragraph (j);

39.1 (2) the commissioner's records relating to the maltreatment of minors in licensed  
39.2 programs, and from findings of maltreatment of minors as indicated through the social  
39.3 service information system;

39.4 (3) information from juvenile courts as required in subdivision 4 for individuals  
39.5 listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

39.6 (4) information from the Bureau of Criminal Apprehension, including information  
39.7 regarding a background study subject's registration in Minnesota as a predatory offender  
39.8 under section 243.166;

39.9 (5) except as provided in clause (6), information from the national crime information  
39.10 system when the commissioner has reasonable cause as defined under section 245C.05,  
39.11 subdivision 5; and

39.12 (6) for a background study related to a child foster care application for licensure or  
39.13 adoptions, the commissioner shall also review:

39.14 (i) information from the child abuse and neglect registry for any state in which the  
39.15 background study subject has resided for the past five years; and

39.16 (ii) information from national crime information databases, when the background  
39.17 study subject is 18 years of age or older.

39.18 (b) Notwithstanding expungement by a court, the commissioner may consider  
39.19 information obtained under paragraph (a), clauses (3) and (4), unless the commissioner  
39.20 received notice of the petition for expungement and the court order for expungement is  
39.21 directed specifically to the commissioner.

39.22 (c) The commissioner shall also review criminal case information received according  
39.23 to section 245C.04, subdivision 4a, from the Minnesota court information system that  
39.24 relates to individuals who have already been studied under this chapter and who remain  
39.25 affiliated with the agency that initiated the background study.

39.26 (d) When the commissioner has reasonable cause to believe that the identity of  
39.27 a background study subject is uncertain, the commissioner may require the subject to  
39.28 provide a set of classifiable fingerprints for purposes of completing a fingerprint-based  
39.29 record check with the Bureau of Criminal Apprehension. Fingerprints collected under this  
39.30 paragraph shall not be saved by the commissioner after they have been used to verify the  
39.31 identity of the background study subject against the particular criminal record in question.

39.32 Sec. 4. Minnesota Statutes 2012, section 245C.16, subdivision 1, is amended to read:

39.33 Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner  
39.34 determines that the individual studied has a disqualifying characteristic, the commissioner  
39.35 shall review the information immediately available and make a determination as to the

40.1 subject's immediate risk of harm to persons served by the program where the individual  
40.2 studied will have direct contact with, or access to, people receiving services.

40.3 (b) The commissioner shall consider all relevant information available, including the  
40.4 following factors in determining the immediate risk of harm:

40.5 (1) the recency of the disqualifying characteristic;

40.6 (2) the recency of discharge from probation for the crimes;

40.7 (3) the number of disqualifying characteristics;

40.8 (4) the intrusiveness or violence of the disqualifying characteristic;

40.9 (5) the vulnerability of the victim involved in the disqualifying characteristic;

40.10 (6) the similarity of the victim to the persons served by the program where the  
40.11 individual studied will have direct contact;

40.12 (7) whether the individual has a disqualification from a previous background study  
40.13 that has not been set aside; and

40.14 (8) if the individual has a disqualification which may not be set aside because it is  
40.15 a permanent bar under section 245C.24, subdivision 1, the commissioner may order the  
40.16 immediate removal of the individual from any position allowing direct contact with, or  
40.17 access to, persons receiving services from the program.

40.18 (c) This section does not apply when the subject of a background study is regulated  
40.19 by a health-related licensing board as defined in chapter 214, and the subject is determined  
40.20 to be responsible for substantiated maltreatment under section 626.556 or 626.557.

40.21 (d) This section does not apply to a background study related to an initial application  
40.22 for a child foster care license.

40.23 (e) Except for paragraph (f), this section does not apply to a background study that  
40.24 is also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for  
40.25 a personal care assistant or a qualified professional as defined in section 256B.0659,  
40.26 subdivision 1.

40.27 (f) If the commissioner has reason to believe, based on arrest information or an  
40.28 active maltreatment investigation, that an individual poses an imminent risk of harm to  
40.29 persons receiving services, the commissioner may order that the person be continuously  
40.30 supervised or immediately removed pending the conclusion of the maltreatment  
40.31 investigation or criminal proceedings.

40.32 Sec. 5. Minnesota Statutes 2012, section 245C.20, subdivision 1, is amended to read:

40.33 Subdivision 1. **Background studies initiated by program.** A licensed program  
40.34 shall document the date the program initiates a background study under this chapter  
40.35 and the date the subject of the study first has direct contact with persons served by the



41.1 program in the program's personnel files. When a background study is completed under  
41.2 this chapter, a licensed program shall maintain a notice that the study was undertaken and  
41.3 completed in the program's personnel files. Except when background studies are initiated  
41.4 through the commissioner's online system, if a licensed program has not received a  
41.5 response from the commissioner under section 245C.17 within 45 days of initiation of the  
41.6 background study request, the licensed program must contact the human services licensing  
41.7 division to inquire about the status of the study. If a license holder initiates a background  
41.8 study under the commissioner's online system, but the background study subject's name  
41.9 does not appear in the list of active or recent studies initiated by that license holder, the  
41.10 license holder must either contact the human services licensing division or resubmit the  
41.11 background study information online for that individual.

41.12 Sec. 6. Minnesota Statutes 2012, section 245C.22, subdivision 1, is amended to read:

41.13 Subdivision 1. **Time frame; response to disqualification reconsideration**  
41.14 **requests.** (a) The commissioner shall respond in writing or by electronic transmission to  
41.15 all reconsideration requests for which the basis for the request is that the information the  
41.16 commissioner relied upon to disqualify is incorrect or inaccurate within 30 working days  
41.17 of receipt of a complete request and all required relevant information.

41.18 (b) If the basis for a disqualified individual's reconsideration request is that the  
41.19 individual does not pose a risk of harm, the commissioner shall respond to the request  
41.20 within 15 working days after receiving ~~the~~ a complete request for reconsideration and  
41.21 all required relevant information.

41.22 (c) If the disqualified individual's reconsideration request is based on both the  
41.23 correctness or accuracy of the information the commissioner relied upon to disqualify the  
41.24 individual and the individual's risk of harm, the commissioner shall respond to the request  
41.25 within 45 working days after receiving ~~the~~ a complete request for reconsideration and  
41.26 all required relevant information.

41.27 Sec. 7. Minnesota Statutes 2012, section 245C.23, subdivision 2, is amended to read:

41.28 Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The  
41.29 commissioner shall notify the license holder of the disqualification and order the license  
41.30 holder to immediately remove the individual from any position allowing direct contact  
41.31 with persons receiving services from the license holder if:

41.32 (1) the individual studied does not submit a timely request for reconsideration  
41.33 under section 245C.21;

42.1 (2) the individual submits a timely request for reconsideration, but the commissioner  
42.2 does not set aside the disqualification for that license holder under section 245C.22, unless  
42.3 the individual has a right to request a hearing under section 245C.27, 245C.28, or 256.045;

42.4 (3) an individual who has a right to request a hearing under sections 245C.27 and  
42.5 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does  
42.6 not request a hearing within the specified time; or

42.7 (4) an individual submitted a timely request for a hearing under sections 245C.27  
42.8 and 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the  
42.9 disqualification under section 245A.08, subdivision 5, or 256.045.

42.10 (b) If the commissioner does not set aside the disqualification under section 245C.22,  
42.11 and the license holder was previously ordered under section 245C.17 to immediately  
42.12 remove the disqualified individual from direct contact with persons receiving services or  
42.13 to ensure that the individual is under continuous, direct supervision when providing direct  
42.14 contact services, the order remains in effect pending the outcome of a hearing under  
42.15 sections 245C.27 and 256.045, or 245C.28 and chapter 14.

42.16 (c) If the commissioner does not set aside the disqualification under section 245C.22,  
42.17 and the license holder was not previously ordered under section 245C.17 to immediately  
42.18 remove the disqualified individual from direct contact with persons receiving services or  
42.19 to ensure that the individual is under continuous direct supervision when providing direct  
42.20 contact services, the commissioner shall order the individual to remain under continuous  
42.21 direct supervision pending the outcome of a hearing under sections 245C.27 and 256.045,  
42.22 or 245C.28 and chapter 14.

42.23 ~~(e)~~ (d) For background studies related to child foster care, the commissioner shall  
42.24 also notify the county or private agency that initiated the study of the results of the  
42.25 reconsideration.

42.26 ~~(d)~~ (e) For background studies related to adult foster care and family adult day  
42.27 services, the commissioner shall also notify the county that initiated the study of the  
42.28 results of the reconsideration.

42.29 Sec. 8. Minnesota Statutes 2012, section 245C.28, subdivision 1, is amended to read:

42.30 Subdivision 1. **License holder.** (a) If a maltreatment determination or a  
42.31 disqualification for which reconsideration was timely requested and which was not set  
42.32 aside is the basis for a denial of a license under section 245A.05 or a licensing sanction  
42.33 under section 245A.07, the license holder has the right to a contested case hearing under  
42.34 chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder must  
42.35 submit the appeal under section 245A.05 or 245A.07, subdivision 3.

43.1 (b) As provided under section 245A.08, subdivision 2a, if the denial of a license  
43.2 or licensing sanction is based on a disqualification for which reconsideration was timely  
43.3 requested and was not set aside, the scope of the consolidated contested case hearing  
43.4 must include:

43.5 (1) the disqualification, to the extent the license holder otherwise has a hearing right  
43.6 on the disqualification under this chapter; and

43.7 (2) the licensing sanction or denial of a license.

43.8 (c) As provided for under section 245A.08, subdivision 2a, if the denial of a license  
43.9 or licensing sanction is based on a determination of maltreatment under section 626.556  
43.10 or 626.557, or a disqualification for serious or recurring maltreatment which was not set  
43.11 aside, the scope of the contested case hearing must include:

43.12 (1) the maltreatment determination, if the maltreatment is not conclusive under  
43.13 section 245C.29;

43.14 (2) the disqualification, if the disqualification is not conclusive under section  
43.15 245C.29; and

43.16 (3) the licensing sanction or denial of a license. In such cases, a fair hearing must not  
43.17 be conducted under section 256.045. If the disqualification was based on a determination  
43.18 of substantiated serious or recurring maltreatment under section 626.556 or 626.557, the  
43.19 appeal must be submitted under sections 245A.07, subdivision 3, and 626.556, subdivision  
43.20 10i, or 626.557, subdivision 9d.

43.21 (d) Except for family child care and child foster care, reconsideration of a  
43.22 maltreatment determination under sections 626.556, subdivision 10i, and 626.557,  
43.23 subdivision 9d, and reconsideration of a disqualification under section 245C.22, must  
43.24 not be conducted when:

43.25 (1) a denial of a license under section 245A.05, or a licensing sanction under section  
43.26 245A.07, is based on a determination that the license holder is responsible for maltreatment  
43.27 or the disqualification of a license holder based on serious or recurring maltreatment;

43.28 (2) the denial of a license or licensing sanction is issued at the same time as the  
43.29 maltreatment determination or disqualification; and

43.30 (3) the license holder appeals the maltreatment determination, disqualification, and  
43.31 denial of a license or licensing sanction. In such cases a fair hearing under section 256.045  
43.32 must not be conducted under sections 245C.27, 626.556, subdivision 10i, and 626.557,  
43.33 subdivision 9d. Under section 245A.08, subdivision 2a, the scope of the consolidated  
43.34 contested case hearing must include the maltreatment determination, disqualification, and  
43.35 denial of a license or licensing sanction.

44.1 Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment  
44.2 determination or disqualification, but does not appeal the denial of a license or a licensing  
44.3 sanction, reconsideration of the maltreatment determination shall be conducted under  
44.4 sections 626.556, subdivision 10i, and 626.557, subdivision 9d, and reconsideration of the  
44.5 disqualification shall be conducted under section 245C.22. In such cases, a fair hearing  
44.6 shall also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and  
44.7 626.557, subdivision 9d.

44.8 Sec. 9. Minnesota Statutes 2012, section 245C.28, subdivision 3, is amended to read:

44.9 Subd. 3. **Employees of public employer.** (a) A disqualified individual who is an  
44.10 employee of an employer, as defined in section 179A.03, subdivision 15, may request  
44.11 a contested case hearing under chapter 14, and specifically Minnesota Rules, parts  
44.12 1400.8505 to 1400.8612, following a reconsideration decision under section 245C.23,  
44.13 unless the disqualification is deemed conclusive under section 245C.29. The request for a  
44.14 contested case hearing must be made in writing and must be postmarked and sent within  
44.15 30 calendar days after the employee receives notice of the reconsideration decision. If  
44.16 the individual was disqualified based on a conviction or admission to any crimes listed in  
44.17 section 245C.15, the scope of the contested case hearing shall be limited solely to whether  
44.18 the individual poses a risk of harm pursuant to section 245C.22.

44.19 (b) When an individual is disqualified based on a maltreatment determination, the  
44.20 scope of the contested case hearing under paragraph (a), must include the maltreatment  
44.21 determination and the disqualification. In such cases, a fair hearing must not be conducted  
44.22 under section 256.045.

44.23 (c) Rules adopted under this chapter may not preclude an employee in a contested  
44.24 case hearing for a disqualification from submitting evidence concerning information  
44.25 gathered under this chapter.

44.26 (d) When an individual has been disqualified from multiple licensed programs, if  
44.27 at least one of the disqualifications entitles the person to a contested case hearing under  
44.28 this subdivision, the scope of the contested case hearing shall include all disqualifications  
44.29 from licensed programs.

44.30 (e) In determining whether the disqualification should be set aside, the administrative  
44.31 law judge shall consider all of the characteristics that cause the individual to be disqualified,  
44.32 as well as all the factors set forth in section 245C.22, in order to determine whether the  
44.33 individual poses has met the burden of demonstrating that the individual does not pose  
44.34 a risk of harm. The administrative law judge's recommendation and the commissioner's  
44.35 order to set aside a disqualification that is the subject of the hearing constitutes a

45.1 determination that the individual does not pose a risk of harm and that the individual may  
45.2 provide direct contact services in the individual program specified in the set aside.

45.3 (f) An individual may not request a contested case hearing under this section if a  
45.4 contested case hearing has previously been held regarding the individual's disqualification  
45.5 on the same basis.

45.6 Sec. 10. Minnesota Statutes 2012, section 245C.29, subdivision 2, is amended to read:

45.7 Subd. 2. **Conclusive disqualification determination.** (a) ~~Unless otherwise~~  
45.8 ~~specified in statute, a determination that:~~

45.9 ~~(1) the information the commissioner relied upon to disqualify an individual under~~  
45.10 ~~section 245C.14 was correct based on serious or recurring maltreatment;~~

45.11 ~~(2) a preponderance of the evidence shows that the individual committed an act or~~  
45.12 ~~acts that meet the definition of any of the crimes listed in section 245C.15; or~~

45.13 ~~(3) the individual failed to make required reports under section 626.556, subdivision~~  
45.14 ~~3, or 626.557, subdivision 3, is conclusive if: A disqualification is conclusive for purposes~~  
45.15 ~~of current and future background studies if:~~

45.16 ~~(i) (1) the commissioner has issued a final order in an appeal of that determination~~  
45.17 ~~the disqualification under section 245A.08, subdivision 5, 245C.28, subdivision 3, or~~  
45.18 ~~256.045, or a court has issued a final decision;~~

45.19 ~~(ii) (2) the individual did not request reconsideration of the disqualification under~~  
45.20 ~~section 245C.21 on the basis that the information relied upon to disqualify the individual~~  
45.21 ~~was incorrect; or~~

45.22 ~~(iii) (3) the individual did not timely request a hearing on the disqualification under~~  
45.23 ~~section 256.045 or this chapter, chapter 14, or section 256.045 after previously being~~  
45.24 ~~given the right to do so.~~

45.25 (b) When a licensing action under section 245A.05, 245A.06, or 245A.07 is based  
45.26 on the disqualification of an individual in connection with a license to provide family child  
45.27 care, foster care for children in the provider's own home, or foster care services for adults  
45.28 in the provider's own home, that disqualification shall be conclusive for purposes of the  
45.29 licensing action if a request for reconsideration was not submitted within 30 calendar days  
45.30 of the individual's receipt of the notice of disqualification.

45.31 (c) ~~If a determination that the information relied upon to disqualify an individual~~  
45.32 ~~was correct and disqualification is conclusive under this section, and the individual is~~  
45.33 ~~subsequently disqualified under section 245C.15, the individual has a right to request~~  
45.34 ~~reconsideration on the risk of harm under section 245C.21 unless the commissioner~~  
45.35 ~~is barred from setting aside the disqualification under section 245C.24. Subsequent~~

46.1 ~~determinations~~ The commissioner's decision regarding the risk of harm shall be made  
46.2 ~~according to section 245C.22 and are not subject to another~~ the final agency decision and  
46.3 ~~is not subject to a hearing under this chapter, section 256.045 or chapter 14, or section~~  
46.4 256.045.

46.5 Sec. 11. Minnesota Statutes 2013 Supplement, section 256.045, subdivision 3b,  
46.6 is amended to read:

46.7 Subd. 3b. **Standard of evidence for maltreatment and disqualification hearings.**

46.8 (a) The state human services judge shall determine that maltreatment has occurred if a  
46.9 preponderance of evidence exists to support the final disposition under sections 626.556  
46.10 and 626.557. For purposes of hearings regarding disqualification, the state human  
46.11 services judge shall affirm the proposed disqualification in an appeal under subdivision 3,  
46.12 paragraph (a), clause (9), if a preponderance of the evidence shows the individual has:

46.13 (1) committed maltreatment under section 626.556 or 626.557, which is serious or  
46.14 recurring;

46.15 (2) committed an act or acts meeting the definition of any of the crimes listed in  
46.16 section 245C.15, subdivisions 1 to 4; or

46.17 (3) failed to make required reports under section 626.556 or 626.557, for incidents  
46.18 in which the final disposition under section 626.556 or 626.557 was substantiated  
46.19 maltreatment that was serious or recurring.

46.20 (b) If the disqualification is affirmed, the state human services judge shall determine  
46.21 whether the individual poses a risk of harm in accordance with the requirements of  
46.22 section 245C.22, and whether the disqualification should be set aside or not set aside. In  
46.23 determining whether the disqualification should be set aside, the human services judge shall  
46.24 consider all of the characteristics that cause the individual to be disqualified, including those  
46.25 characteristics that were not subject to review under paragraph (a), in order to determine  
46.26 whether the individual poses a risk of harm. A decision to set aside a disqualification that  
46.27 is the subject of the hearing constitutes a determination that the individual does not pose a  
46.28 risk of harm and that the individual may provide direct contact services in the individual  
46.29 program specified in the set aside. ~~If a determination that the information relied upon to~~  
46.30 ~~disqualify an individual was correct and is conclusive under section 245C.29, and the~~  
46.31 ~~individual is subsequently disqualified under section 245C.14, the individual has a right~~  
46.32 ~~to again request reconsideration on the risk of harm under section 245C.21. Subsequent~~  
46.33 ~~determinations regarding risk of harm are not subject to another hearing under this section.~~

47.1 (c) If a disqualification is based solely on a conviction or is conclusive for any  
47.2 reason under section 245C.29, the disqualified individual does not have a right to a  
47.3 hearing under this section.

47.4 (e) (d) The state human services judge shall recommend an order to the  
47.5 commissioner of health, education, or human services, as applicable, who shall issue a  
47.6 final order. The commissioner shall affirm, reverse, or modify the final disposition. Any  
47.7 order of the commissioner issued in accordance with this subdivision is conclusive upon  
47.8 the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing  
47.9 appeal under chapters 245A and 245C and sections 144.50 to 144.58 and 144A.02 to  
47.10 144A.46, the commissioner's determination as to maltreatment is conclusive, as provided  
47.11 under section 245C.29.

47.12 Sec. 12. **BACKGROUND STUDY REVIEW.**

47.13 (a) The Office of the Legislative Auditor is requested to conduct a review of the  
47.14 background study provisions contained in Minnesota Statutes, chapter 245C. The review  
47.15 should include:

47.16 (1) the appropriateness of the statutory list of disqualifying crimes and their various  
47.17 lookback periods;

47.18 (2) the agency authority to disqualify an individual who has no conviction, but for  
47.19 whom the commissioner has determined there is a preponderance of the evidence that the  
47.20 individual committed the disqualifying offense;

47.21 (3) the role of expungement in the agency's access to criminal records;

47.22 (4) the impact and justification for the lifetime bar of some disqualified individuals  
47.23 based on certain criminal offenses or alleged offenses;

47.24 (5) the available and relevant data on the demographics of applicants and those  
47.25 disqualified, such as race and gender; and

47.26 (6) set-aside and variance policies.

47.27 (b) As part of the review process, the auditor shall collect information from impacted  
47.28 stakeholders, including individuals who have been disqualified and those who represent  
47.29 individuals in the background study process. The legislative auditor is requested to submit  
47.30 the results of the review to the Legislative Audit Commission and the chairs of the senate  
47.31 and house of representatives policy committees having jurisdiction over the Department  
47.32 of Human Services background studies activities by January 1, 2015.

APPENDIX  
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