

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 1367

(SENATE AUTHORS: HOUSLEY)

DATE	D-PG	OFFICIAL STATUS
02/18/2019	424	Introduction and first reading Referred to E-12 Finance and Policy
03/07/2019	654	Comm report: To pass and re-referred to Human Services Reform Finance and Policy
03/14/2019		Comm report: To pass as amended and re-refer to Judiciary and Public Safety Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to early childhood; modifying eligibility requirements for early learning
- 1.3 scholarships; permitting certain data to be accessed by the Department of Human
- 1.4 Services and shared with the Department of Education; classifying certain licensing
- 1.5 violation data as private and nonpublic data after seven years; expanding the
- 1.6 definition of child care assistance program payment data; requiring the
- 1.7 commissioner of human services to publicly display results of child care licensing
- 1.8 reports for longer than the minimum time required by federal law; amending
- 1.9 Minnesota Statutes 2018, sections 13.46, subdivisions 2, 4; 13.461, subdivision
- 1.10 28; 119B.02, subdivision 6; 124D.165, subdivisions 2, 4, by adding a subdivision;
- 1.11 245A.04, subdivision 4.
- 1.12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.13 Section 1. Minnesota Statutes 2018, section 13.46, subdivision 2, is amended to read:
- 1.14 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
- 1.15 by the welfare system are private data on individuals, and shall not be disclosed except:
- 1.16 (1) according to section 13.05;
- 1.17 (2) according to court order;
- 1.18 (3) according to a statute specifically authorizing access to the private data;
- 1.19 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
- 1.20 the state, or the federal government, including a law enforcement person or attorney in the
- 1.21 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
- 1.22 administration of a program;
- 1.23 (5) to personnel of the welfare system who require the data to verify an individual's
- 1.24 identity; determine eligibility, amount of assistance, and the need to provide services to an
- 1.25 individual or family across programs; coordinate services for an individual or family;

2.1 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
2.2 suspected fraud;

2.3 (6) to administer federal funds or programs;

2.4 (7) between personnel of the welfare system working in the same program;

2.5 (8) to the Department of Revenue to assess parental contribution amounts for purposes
2.6 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
2.7 and to identify individuals who may benefit from these programs. The following information
2.8 may be disclosed under this paragraph: an individual's and their dependent's names, dates
2.9 of birth, Social Security numbers, income, addresses, and other data as required, upon
2.10 request by the Department of Revenue. Disclosures by the commissioner of revenue to the
2.11 commissioner of human services for the purposes described in this clause are governed by
2.12 section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited
2.13 to, the dependent care credit under section 290.067, the Minnesota working family credit
2.14 under section 290.0671, the property tax refund and rental credit under section 290A.04,
2.15 and the Minnesota education credit under section 290.0674;

2.16 (9) between the Department of Human Services, the Department of Employment and
2.17 Economic Development, and when applicable, the Department of Education, for the following
2.18 purposes:

2.19 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
2.20 employment or training program administered, supervised, or certified by that agency;

2.21 (ii) to administer any rehabilitation program or child care assistance program, whether
2.22 alone or in conjunction with the welfare system;

2.23 (iii) to monitor and evaluate the Minnesota family investment program or the child care
2.24 assistance program by exchanging data on recipients and former recipients of food support,
2.25 cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter
2.26 119B, medical programs under chapter 256B or 256L, or a medical program formerly
2.27 codified under chapter 256D; and

2.28 (iv) to analyze public assistance employment services and program utilization, cost,
2.29 effectiveness, and outcomes as implemented under the authority established in Title II,
2.30 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
2.31 Health records governed by sections 144.291 to 144.298 and "protected health information"
2.32 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code

3.1 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
3.2 information, must not be exchanged under this clause;

3.3 (10) to appropriate parties in connection with an emergency if knowledge of the
3.4 information is necessary to protect the health or safety of the individual or other individuals
3.5 or persons;

3.6 (11) data maintained by residential programs as defined in section 245A.02 may be
3.7 disclosed to the protection and advocacy system established in this state according to Part
3.8 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
3.9 disabilities or other related conditions who live in residential facilities for these persons if
3.10 the protection and advocacy system receives a complaint by or on behalf of that person and
3.11 the person does not have a legal guardian or the state or a designee of the state is the legal
3.12 guardian of the person;

3.13 (12) to the county medical examiner or the county coroner for identifying or locating
3.14 relatives or friends of a deceased person;

3.15 (13) data on a child support obligor who makes payments to the public agency may be
3.16 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
3.17 eligibility under section 136A.121, subdivision 2, clause (5);

3.18 (14) participant Social Security numbers and names collected by the telephone assistance
3.19 program may be disclosed to the Department of Revenue to conduct an electronic data
3.20 match with the property tax refund database to determine eligibility under section 237.70,
3.21 subdivision 4a;

3.22 (15) the current address of a Minnesota family investment program participant may be
3.23 disclosed to law enforcement officers who provide the name of the participant and notify
3.24 the agency that:

3.25 (i) the participant:

3.26 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
3.27 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
3.28 jurisdiction from which the individual is fleeing; or

3.29 (B) is violating a condition of probation or parole imposed under state or federal law;

3.30 (ii) the location or apprehension of the felon is within the law enforcement officer's
3.31 official duties; and

3.32 (iii) the request is made in writing and in the proper exercise of those duties;

4.1 (16) the current address of a recipient of general assistance may be disclosed to probation
4.2 officers and corrections agents who are supervising the recipient and to law enforcement
4.3 officers who are investigating the recipient in connection with a felony level offense;

4.4 (17) information obtained from food support applicant or recipient households may be
4.5 disclosed to local, state, or federal law enforcement officials, upon their written request, for
4.6 the purpose of investigating an alleged violation of the Food Stamp Act, according to Code
4.7 of Federal Regulations, title 7, section 272.1(c);

4.8 (18) the address, Social Security number, and, if available, photograph of any member
4.9 of a household receiving food support shall be made available, on request, to a local, state,
4.10 or federal law enforcement officer if the officer furnishes the agency with the name of the
4.11 member and notifies the agency that:

4.12 (i) the member:

4.13 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
4.14 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

4.15 (B) is violating a condition of probation or parole imposed under state or federal law;
4.16 or

4.17 (C) has information that is necessary for the officer to conduct an official duty related
4.18 to conduct described in subitem (A) or (B);

4.19 (ii) locating or apprehending the member is within the officer's official duties; and

4.20 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

4.21 (19) the current address of a recipient of Minnesota family investment program, general
4.22 assistance, or food support may be disclosed to law enforcement officers who, in writing,
4.23 provide the name of the recipient and notify the agency that the recipient is a person required
4.24 to register under section 243.166, but is not residing at the address at which the recipient is
4.25 registered under section 243.166;

4.26 (20) certain information regarding child support obligors who are in arrears may be
4.27 made public according to section 518A.74;

4.28 (21) data on child support payments made by a child support obligor and data on the
4.29 distribution of those payments excluding identifying information on obligees may be
4.30 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
4.31 actions undertaken by the public authority, the status of those actions, and data on the income
4.32 of the obligor or obligee may be disclosed to the other party;

5.1 (22) data in the work reporting system may be disclosed under section 256.998,
5.2 subdivision 7;

5.3 (23) to the Department of Education for the purpose of matching Department of Education
5.4 student data with public assistance data to determine students eligible for free and
5.5 reduced-price meals, meal supplements, and free milk according to United States Code,
5.6 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
5.7 funds that are distributed based on income of the student's family; and to verify receipt of
5.8 energy assistance for the telephone assistance plan;

5.9 (24) the current address and telephone number of program recipients and emergency
5.10 contacts may be released to the commissioner of health or a community health board as
5.11 defined in section 145A.02, subdivision 5, when the commissioner or community health
5.12 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
5.13 or at risk of illness, and the data are necessary to locate the person;

5.14 (25) to other state agencies, statewide systems, and political subdivisions of this state,
5.15 including the attorney general, and agencies of other states, interstate information networks,
5.16 federal agencies, and other entities as required by federal regulation or law for the
5.17 administration of the child support enforcement program;

5.18 (26) to personnel of public assistance programs as defined in section 256.741, for access
5.19 to the child support system database for the purpose of administration, including monitoring
5.20 and evaluation of those public assistance programs;

5.21 (27) to monitor and evaluate the Minnesota family investment program by exchanging
5.22 data between the Departments of Human Services and Education, on recipients and former
5.23 recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child
5.24 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a
5.25 medical program formerly codified under chapter 256D;

5.26 (28) to evaluate child support program performance and to identify and prevent fraud
5.27 in the child support program by exchanging data between the Department of Human Services,
5.28 Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b),
5.29 without regard to the limitation of use in paragraph (c), Department of Health, Department
5.30 of Employment and Economic Development, and other state agencies as is reasonably
5.31 necessary to perform these functions;

5.32 (29) counties and the Department of Human Services operating child care assistance
5.33 programs under chapter 119B may disseminate data on program participants, applicants,
5.34 and providers to the commissioner of education;

6.1 (30) child support data on the child, the parents, and relatives of the child may be
6.2 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
6.3 Security Act, as authorized by federal law;

6.4 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
6.5 necessary to coordinate services;

6.6 (32) to the chief administrative officer of a school to coordinate services for a student
6.7 and family; data that may be disclosed under this clause are limited to name, date of birth,
6.8 gender, and address; or

6.9 (33) to county correctional agencies to the extent necessary to coordinate services and
6.10 diversion programs; data that may be disclosed under this clause are limited to name, client
6.11 demographics, program, case status, and county worker information.

6.12 (b) Information on persons who have been treated for drug or alcohol abuse may only
6.13 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
6.14 2.1 to 2.67.

6.15 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
6.16 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
6.17 nonpublic while the investigation is active. The data are private after the investigation
6.18 becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

6.19 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
6.20 not subject to the access provisions of subdivision 10, paragraph (b).

6.21 For the purposes of this subdivision, a request will be deemed to be made in writing if
6.22 made through a computer interface system.

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

6.24 Sec. 2. Minnesota Statutes 2018, section 13.46, subdivision 4, is amended to read:

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

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

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

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

7.4 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license
7.5 holders, and former licensees are public: name, address, telephone number of licensees,
7.6 date of receipt of a completed application, dates of licensure, licensed capacity, type of
7.7 client preferred, variances granted, record of training and education in child care and child
7.8 development, type of dwelling, name and relationship of other family members, previous
7.9 license history, class of license, the existence and status of complaints, and the number of
7.10 serious injuries to or deaths of individuals in the licensed program as reported to the
7.11 commissioner of human services, the local social services agency, or any other county
7.12 welfare agency. For purposes of this clause, a serious injury is one that is treated by a
7.13 physician.

7.14 (ii) Except as provided in clause (v), when a correction order, an order to forfeit a fine,
7.15 an order of license suspension, an order of temporary immediate suspension, an order of
7.16 license revocation, an order of license denial, or an order of conditional license has been
7.17 issued, or a complaint is resolved, the following data on current and former licensees and
7.18 applicants are public: the general nature of the complaint or allegations leading to the
7.19 temporary immediate suspension; the substance and investigative findings of the licensing
7.20 or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence
7.21 of settlement negotiations; the record of informal resolution of a licensing violation; orders
7.22 of hearing; findings of fact; conclusions of law; specifications of the final correction order,
7.23 fine, suspension, temporary immediate suspension, revocation, denial, or conditional license
7.24 contained in the record of licensing action; whether a fine has been paid; and the status of
7.25 any appeal of these actions.

7.26 (iii) When a license denial under section 245A.05 or a sanction under section 245A.07
7.27 is based on a determination that a license holder, applicant, or controlling individual is
7.28 responsible for maltreatment under section 626.556 or 626.557, the identity of the applicant,
7.29 license holder, or controlling individual as the individual responsible for maltreatment is
7.30 public data at the time of the issuance of the license denial or sanction.

7.31 (iv) When a license denial under section 245A.05 or a sanction under section 245A.07
7.32 is based on a determination that a license holder, applicant, or controlling individual is
7.33 disqualified under chapter 245C, the identity of the license holder, applicant, or controlling
7.34 individual as the disqualified individual and the reason for the disqualification are public
7.35 data at the time of the issuance of the licensing sanction or denial. If the applicant, license

8.1 holder, or controlling individual requests reconsideration of the disqualification and the
8.2 disqualification is affirmed, the reason for the disqualification and the reason to not set aside
8.3 the disqualification are public data.

8.4 (v) A child care provider licensing violation is private data on individuals under section
8.5 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, if the violation
8.6 is seven years old or older, the violation was not based on causing harm to a child or exposing
8.7 a child to a risk of harm, and the child care provider was not cited for violating the same
8.8 rule or statutory provision in the seven years following the date of the initial violation.

8.9 (2) For applicants who withdraw their application prior to licensure or denial of a license,
8.10 the following data are public: the name of the applicant, the city and county in which the
8.11 applicant was seeking licensure, the dates of the commissioner's receipt of the initial
8.12 application and completed application, the type of license sought, and the date of withdrawal
8.13 of the application.

8.14 (3) For applicants who are denied a license, the following data are public: the name and
8.15 address of the applicant, the city and county in which the applicant was seeking licensure,
8.16 the dates of the commissioner's receipt of the initial application and completed application,
8.17 the type of license sought, the date of denial of the application, the nature of the basis for
8.18 the denial, the existence of settlement negotiations, the record of informal resolution of a
8.19 denial, orders of hearings, findings of fact, conclusions of law, specifications of the final
8.20 order of denial, and the status of any appeal of the denial.

8.21 (4) When maltreatment is substantiated under section 626.556 or 626.557 and the victim
8.22 and the substantiated perpetrator are affiliated with a program licensed under chapter 245A,
8.23 the commissioner of human services, local social services agency, or county welfare agency
8.24 may inform the license holder where the maltreatment occurred of the identity of the
8.25 substantiated perpetrator and the victim.

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

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

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

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

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

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

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

9.25 (i) Data on individuals collected according to licensing activities under chapters 245A
9.26 and 245C, data on individuals collected by the commissioner of human services according
9.27 to investigations under chapters 245A, 245B, 245C, and 245D, and sections 626.556 and
9.28 626.557 may be shared with the Department of Human Rights, the Department of Health,
9.29 the Department of Corrections, the ombudsman for mental health and developmental
9.30 disabilities, and the individual's professional regulatory board when there is reason to believe
9.31 that laws or standards under the jurisdiction of those agencies may have been violated or
9.32 the information may otherwise be relevant to the board's regulatory jurisdiction. Background
9.33 study data on an individual who is the subject of a background study under chapter 245C
9.34 for a licensed service for which the commissioner of human services is the license holder

10.1 may be shared with the commissioner and the commissioner's delegate by the licensing
10.2 division. Unless otherwise specified in this chapter, the identity of a reporter of alleged
10.3 maltreatment or licensing violations may not be disclosed.

10.4 (j) In addition to the notice of determinations required under section 626.556, subdivision
10.5 10f, if the commissioner or the local social services agency has determined that an individual
10.6 is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined
10.7 in section 626.556, subdivision 2, and the commissioner or local social services agency
10.8 knows that the individual is a person responsible for a child's care in another facility, the
10.9 commissioner or local social services agency shall notify the head of that facility of this
10.10 determination. The notification must include an explanation of the individual's available
10.11 appeal rights and the status of any appeal. If a notice is given under this paragraph, the
10.12 government entity making the notification shall provide a copy of the notice to the individual
10.13 who is the subject of the notice.

10.14 (k) All not public data collected, maintained, used, or disseminated under this subdivision
10.15 and subdivision 3 may be exchanged between the Department of Human Services, Licensing
10.16 Division, and the Department of Corrections for purposes of regulating services for which
10.17 the Department of Human Services and the Department of Corrections have regulatory
10.18 authority.

10.19 Sec. 3. Minnesota Statutes 2018, section 13.461, subdivision 28, is amended to read:

10.20 Subd. 28. **Child care assistance program.** (a) Data collected, maintained, used, or
10.21 disseminated by the welfare system pertaining to persons selected as legal nonlicensed child
10.22 care providers by families receiving child care assistance are classified under section 119B.02,
10.23 subdivision 6, paragraph (a). Child care assistance program payment data is classified under
10.24 section 119B.02, subdivision 6, paragraph (b).

10.25 (b) Data relating to child care assistance program disqualification is governed by section
10.26 124D.165, subdivision 4a.

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

10.28 Sec. 4. Minnesota Statutes 2018, section 119B.02, subdivision 6, is amended to read:

10.29 Subd. 6. **Data.** (a) Data collected, maintained, used, or disseminated by the welfare
10.30 system pertaining to persons selected as legal nonlicensed child care providers by families
10.31 receiving child care assistance shall be treated as licensing data as provided in section 13.46,
10.32 subdivision 4.

11.1 (b) For purposes of this paragraph, "child care assistance program payment data" means
 11.2 data for a specified time period showing (1) that a child care assistance program payment
 11.3 under this chapter was made, and (2) the amount of child care assistance payments made
 11.4 to a child care center. Child care assistance program payment data may include the number
 11.5 of families and children on whose behalf payments were made for the specified time period.
 11.6 Any child care assistance program payment data that may identify a specific child care
 11.7 assistance recipient or benefit paid on behalf of a specific child care assistance recipient,
 11.8 as determined by the commissioner, is private data on individuals as defined in section
 11.9 13.02, subdivision 12. Data related to a child care assistance payment is public if the data
 11.10 relates to a child care assistance payment made to a licensed child care center or a child
 11.11 care center exempt from licensure and:

11.12 (1) the child care center receives payment of more than \$100,000 from the child care
 11.13 assistance program under this chapter in a period of one year or less; or

11.14 (2) when the commissioner or county agency either:

11.15 (i) disqualified the center from receipt of a payment from the child care assistance
 11.16 program under this chapter for wrongfully obtaining child care assistance under section
 11.17 256.98, subdivision 8, paragraph (c);

11.18 (ii) refused a child care authorization, revoked a child care authorization, stopped
 11.19 payment, or denied payment for a bill for the center under section 119B.13, subdivision 6,
 11.20 paragraph (d); or

11.21 (iii) made a finding of financial misconduct under section 245E.02.

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

11.23 Sec. 5. Minnesota Statutes 2018, section 124D.165, subdivision 2, is amended to read:

11.24 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
 11.25 parents or guardians must meet the following eligibility requirements:

11.26 (1) have an eligible child; ~~and~~

11.27 (2) have income equal to or less than 185 percent of federal poverty level income in the
 11.28 current calendar year, or be able to document their child's current participation in the free
 11.29 and reduced-price lunch program or Child and Adult Care Food Program, National School
 11.30 Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution
 11.31 Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections
 11.32 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act

12.1 of 2007; Minnesota family investment program under chapter 256J; child care assistance
 12.2 programs under chapter 119B; the supplemental nutrition assistance program; or placement
 12.3 in foster care under section 260C.212; and

12.4 (3) must not currently be disqualified from the child care assistance program under
 12.5 chapter 119B, as provided under section 256.98, subdivision 8, paragraph (b).

12.6 (b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

12.7 (1) at least three but not yet five years of age on September 1 of the current school year;

12.8 (2) a sibling from birth to age five of a child who has been awarded a scholarship under
 12.9 this section provided the sibling attends the same program as long as funds are available;

12.10 (3) the child of a parent under age 21 who is pursuing a high school degree or a course
 12.11 of study for a high school equivalency test; or

12.12 (4) homeless, in foster care, or in need of child protective services.

12.13 (c) A child who has received a scholarship under this section must continue to receive
 12.14 a scholarship each year until that child is eligible for kindergarten under section 120A.20
 12.15 and as long as funds are available.

12.16 (d) Early learning scholarships may not be counted as earned income for the purposes
 12.17 of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota
 12.18 family investment program under chapter 256J, child care assistance programs under chapter
 12.19 119B, or Head Start under the federal Improving Head Start for School Readiness Act of
 12.20 2007.

12.21 (e) A child from an adjoining state whose family resides at a Minnesota address as
 12.22 assigned by the United States Postal Service, who has received developmental screening
 12.23 under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,
 12.24 and whose family meets the criteria of paragraph (a) is eligible for an early learning
 12.25 scholarship under this section.

12.26 **EFFECTIVE DATE.** This section is effective July 1, 2019.

12.27 Sec. 6. Minnesota Statutes 2018, section 124D.165, subdivision 4, is amended to read:

12.28 Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an
 12.29 for early learning scholarship funds, a program must:

12.30 (1) participate in the quality rating and improvement system under section 124D.142;
 12.31 and

13.1 (2) beginning July 1, 2020, have a three- or four-star rating in the quality rating and
13.2 improvement system.

13.3 (b) Any program accepting scholarships must use the revenue to supplement and not
13.4 supplant federal funding.

13.5 (c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship
13.6 program pilot sites are eligible to accept an early learning scholarship under this section.

13.7 (d) A program is not eligible for early learning scholarship funds if:

13.8 (1) it is disqualified from receiving payment for child care services from the child care
13.9 assistance program under chapter 119B, as provided under section 256.98, subdivision 8,
13.10 paragraph (c); or

13.11 (2) the commissioner of human services or county agency refuses to issue a child care
13.12 authorization, revokes an existing child care authorization, stops payment issued to a program,
13.13 or refuses to pay a bill under section 119B.13, subdivision 6, paragraph (d), clause (2).

13.14 **EFFECTIVE DATE.** This section is effective July 1, 2019.

13.15 Sec. 7. Minnesota Statutes 2018, section 124D.165, is amended by adding a subdivision
13.16 to read:

13.17 Subd. 4a. **Data sharing.** The commissioner of human services may disseminate to the
13.18 commissioner of education data on child care assistance program disqualification for purposes
13.19 of determining family eligibility under subdivision 2, paragraph (a), clause (3), and program
13.20 eligibility under subdivision 4, paragraph (d). The commissioner of education may
13.21 disseminate the data to an early learning scholarship area administrator.

13.22 **EFFECTIVE DATE.** This section is effective July 1, 2019.

13.23 Sec. 8. Minnesota Statutes 2018, section 245A.04, subdivision 4, is amended to read:

13.24 Subd. 4. **Inspections; waiver.** (a) Before issuing an initial license, the commissioner
13.25 shall conduct an inspection of the program. The inspection must include but is not limited
13.26 to:

13.27 (1) an inspection of the physical plant;

13.28 (2) an inspection of records and documents;

13.29 (3) an evaluation of the program by consumers of the program;

13.30 (4) observation of the program in operation; and

14.1 (5) an inspection for the health, safety, and fire standards in licensing requirements for
14.2 a child care license holder.

14.3 For the purposes of this subdivision, "consumer" means a person who receives the
14.4 services of a licensed program, the person's legal guardian, or the parent or individual having
14.5 legal custody of a child who receives the services of a licensed program.

14.6 (b) The evaluation required in paragraph (a), clause (3), or the observation in paragraph
14.7 (a), clause (4), is not required prior to issuing an initial license under subdivision 7. If the
14.8 commissioner issues an initial license under subdivision 7, these requirements must be
14.9 completed within one year after the issuance of an initial license.

14.10 (c) Before completing a licensing inspection in a family child care program or child care
14.11 center, the licensing agency must offer the license holder an exit interview to discuss
14.12 violations of law or rule observed during the inspection and offer technical assistance on
14.13 how to comply with applicable laws and rules. Nothing in this paragraph limits the ability
14.14 of the commissioner to issue a correction order or negative action for violations of law or
14.15 rule not discussed in an exit interview or in the event that a license holder chooses not to
14.16 participate in an exit interview.

14.17 (d) The commissioner or the county shall inspect at least annually a child care provider
14.18 licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance
14.19 with applicable licensing standards.

14.20 (e) ~~No later than November 19, 2017,~~ The commissioner shall make publicly available
14.21 on the department's website the results of inspection reports of all child care providers
14.22 licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the
14.23 number of deaths, serious injuries, and instances of substantiated child maltreatment that
14.24 occurred in licensed child care settings each year. The results of inspection reports shall not
14.25 be displayed on the department's website for longer than the minimum required time under
14.26 federal law.