



## **S.F. No. 2669 – Health & Human Services Omnibus Bill (2nd Engrossment)**

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### **ARTICLE 1 DEPARTMENT OF HEALTH FINANCE**

**Section 1 (amends Minn. Stat. § 62D.21; Fees)** Existing law provides that the commissioner of health may prescribe filing fees for health maintenance organizations. This section removes that authority and instead establishes the fee amounts in statute. As a result, the fee amount for certificate of authority application filings would increase from \$3,000 to \$10,000.

**Section 2 (amends Minn. Stat. § 62D.211; Renewal Fee)** This section increases the fee amount for a health maintenance organization’s annual certificate of authority renewal filing from \$10,000 (plus \$.20 per enrollee) to \$30,000 (plus \$.88 per enrollee).

### **Section 3 (adds Minn. Stat. § 62J.8241; Facility Fees Prohibited)**

**Subdivision 1. Definitions.** This subdivision defines key terms, including “facility fee,” “health care provider,” and “provider-based clinic.” A “facility fee” is a separate charge (in addition to a professional fee) that covers building, administrative, and operational expenses. “Provider-based clinic” refers to certain off-campus clinics or offices owned by a hospital or health system, located at least 250 yards from the main hospital buildings (or as determined by the Centers for Medicare and Medicaid Services), and primarily engaged in providing diagnostic and therapeutic care. Notably, critical access hospitals are excluded from the definition of “health care provider.”

**Subdivision 2. Provider-based clinic prohibition.** This subdivision prohibits health care providers from charging, billing, or collecting a facility fee for nonemergency services delivered at a provider-based clinic, including services delivered via telehealth.

**Section 4 (Family Supportive Housing Grant Program)** This section creates the family supportive housing grant program.

**Subdivision 1.** This subdivision establishes the family support housing grant program to award competitive grants to applicants who operate supportive housing for families.

**Subdivision 2.** This subdivision defines applicable terms, such as “family,” “family permanent supportive housing,” and “resident.”

**Subdivision 3.** This subdivision provides that eligible applicants must be currently operating family permanent supportive housing and are nonprofit organizations or Tribal governments.

**Subdivision 4.** This subdivision requires applicants to include the number of families they estimate to serve in their application and requires that each grantee provide a report to the commissioner of human services on how many families the grantee served and what services were provided. Requires the commissioner to use best efforts to ensure that 60 percent of the families served are within the seven-county metropolitan area and 40 percent are outside the seven-county metropolitan area. Also requires the commissioner to use best efforts to ensure that ten percent of the overall families served are members of Minnesota’s Tribal Nations.

**Subdivision 5.** This subdivision requires grant funds to be used for the services described in subdivision 6.

**Subdivision 6.** This subdivision describes the specialized family support services that grantees must provide to families.

## **ARTICLE 17 CHILD PROTECTION AND WELFARE**

**Section 1 (amends Minn. Stat. § 142A.03, subdivision 2; Duties of the commissioner)** This section allows the commissioner of children, youth, and families to contract with a child-placing agency or a Minnesota Tribal social services agency to provide permanency services for children in out-of-home care whose interests would be best served by a transfer of permanent legal and physical custody to a relative.

**Section 2 (amends Minn. Stat. § 260.810, subdivision 1; Payments)** This section modifies grant payment timelines under the Minnesota Indian Family Preservation Act (MIFPA) from waiting on the receipt of a quarterly report, to quarterly.

**Section 3 (amends Minn. Stat. § 260.810, subdivision 2; Reporting)** This section modifies MIFPA grant reporting requirements from quarterly reports to a requirement that the commissioner of children, youth, and families work with Tribal and urban Indian organizations to establish report requirements and timelines.

**Section 4 (amends Minn. Stat. § 260.821, subdivision 2; Special focus grants)** This section removes the maximum award amount from MIFPA special focus grants.

**Section 5 (Direction to Commissioner of Children, Youth, and Families; Child Welfare Fiscal Analysis)** directs the commissioner of children, youth, and families to contract with a third-party consultant to conduct a child welfare fiscal analysis.

**Subdivision 1.** This subdivision requires the commissioner to contract with a third-party consultant to conduct a fiscal analysis to identify and make recommendations on how to best utilize all available child welfare funding streams and federal resources.

**Subdivision 2.** This subdivision requires the commissioner to select an independent third-party consultant with input from stakeholders and requires the consultant to have expertise in and experience with child welfare systems and conducting fiscal analyses.

**Subdivision 3.** This subdivision provides what the consultant must evaluate when conducting the fiscal analysis.

**Subdivision 4.** This subdivision requires the consultant to engage with stakeholders as the consultant deems appropriate.

**Subdivision 5.** This subdivision requires the consultant to submit a report to the commissioner and legislature by June 30, 2027, that makes recommendations and provides the results of the fiscal analysis.

**Subdivision 6.** This subdivision allows Minnesota’s Tribal Nations to elect to participate in the fiscal analysis and provides that the Tribal Nations that choose to participate have control over the data they choose to share.

**Section 6 (Scan of and Report on Out-of-School and Youth Programming)** This section requires the commissioner of children, youth, and families to conduct a scan of out-of-school and youth programming for youth under 21 years of age and provides what the scan must include. Requires the commissioner to collaborate with community organizations and programming providers when conducting the scan and to provide a report to the legislature that includes the commissioner’s findings and finance and policy recommendations.

## **ARTICLE 18**

### **CHILD PROTECTION AND WELFARE POLICY**

**Section 1 (amends Minn. Stat. § 142B.01, subdivision 15; Individual who is related)** This section amends the definition of “individual who is related” within the children, youth, and families licensing chapter to include an individual who, prior to the child’s placement in the individual’s home, is an important friend of the child or the child’s parent or custodian for the purposes of family child foster care. Defines an important individual as an individual with whom the child has resided or had significant contact or who has a significant relationship to the child or the child’s parent or custodian.

**Section 2 (amends Minn. Stat. § 142B.05, subdivision 3; Foster care by an individual who is related to a child; license required)** This section allows an individual who is related to the child to obtain foster care licensure through a county agency or private agency licensed by the commissioner of children, youth, and families. Provides who must be licensed within a household and that background studies must be conducted on household members according to section 245C.03, subdivision 1 (background study; individuals to be studied).

**Section 3 (amends Minn. Stat. § 142B.47; Training on Risk of Sudden Unexpected Infant Death and Abusive Head Trauma for Child Foster Care Providers)** This section allows licensed child foster care providers who are individuals related to the child and who only care for a relative child to document completion of the training on reducing the risk of sudden unexpected infant death and abusive head trauma within 30 days of licensure, rather than before they assist in the care of infants or children.

**Section 4 (amends Minn. Stat. § 142B.51, subdivision 2; Child passenger restraint systems; training requirement)** This section allows licensed child foster care providers who are individuals related to the child, and who only serves a relative child, to document completion of the training on the proper use and installation of child restraint systems in motor vehicles within 30 days of licensure, rather than before they transport a child in a motor vehicle.

**Section 5 (amends Minn. Stat. § 142B.80; Child Foster Care Training Requirement; Mental Health Training; Fetal Alcohol Spectrum Disorders Training)** This section exempts child foster care license holders who are individuals related to the child who only serve a relative child who does not have fetal alcohol spectrum disorder from the requirement that one hour of training on fetal alcohol spectrum disorders must be included in annual training.

**Section 6 (adds Minn. Stat. § 142B.81; Child Foster Care Training; Relative Caregivers)** This section requires a child foster care license holder who is an individual related to the child to complete a minimum of six hours of in-service training per year in specific areas.

**Section 7 (adds Minn. Stat. § 245C.02, subdivision 16b; Relative)** This section adds the definition of “relative” into the background studies chapter and provides that for purposes of background studies for child foster care licensure, a person is a relative if the person was known to the child or the child’s parent before the child is placed in foster care.

**Section 8 (amends Minn. Stat. § 245C.15, subdivision 4a; Licensed family foster setting disqualifications)** This section removes assault in the first degree from the list of permanent licensed family foster setting disqualifications and moves it to a five-year disqualification. Provides that when an individual is a relative of the child in foster care, that individual is disqualified for seven years for a termination of parental rights, rather than 20 years. Provides that for five-year disqualifications, the disqualification begins from the date of the alleged violation when the individual is a relative of the child in foster care.

**Section 9 (amends Minn. Stat. § 260.65; Noncustodial Parents; Relative Placement)** This section makes clarifying changes.

**Section 10 (amends Minn. Stat. § 260.66, subdivision 1; Emergency removal or placement permitted)** This section makes a technical correction.

**Section 11 (amends Minn. Stat. § 260.691, subdivision 1; Establishment and duties)** This section provides for the establishment of the African American Child and Family Well-Being Advisory Council within the Department of Children, Youth, and Families and removes the duty of the Council to assist the Cultural and Ethnic Communities Leadership Council.

**Section 12 (amends Minn. Stat. § 260.692; African American Child and Family Well-Being Unit)** This section updates the African American Child Well-Being Unit terminology to include “family.”

**Section 13 (amends Minn. Stat. § 260C.001, subdivision 2; Juvenile protection proceedings)** This section adds inquiring about a child’s heritage, including the child’s Tribal lineage and the child’s race, culture, and ethnicity, to the list of activities that ensure appropriate permanency planning for children in foster care.

**Section 14 (amends Minn. Stat. § 260C.007, subdivision 19; Habitual truant)** This section provides that for the purposes of educational neglect, “habitual truant” means a child under 12 years of age who has been absent from school for seven school days without lawful excuse and where the presumption of educational neglect is rebutted based on a showing of clear and convincing evidence that the child’s absence is not due to the failure of the child’s parent, guardian, or custodian.

**Section 15 (amends Minn. Stat. §260C.150, subdivision 3; Identifying parents of child; diligent efforts; data)** This section requires a responsible social services agency to make diligent efforts to inquire about a child’s heritage, including the child’s Tribal lineage and the child’s race, culture, and ethnicity.

**Section 16 (amends Minn. Stat. § 260C.202, subdivision 2; Court review for a child placed in foster care)** This section removes the requirement for the court to conduct an annual review for a child in extended foster care and moves the language to a new subdivision.

**Section 17 (amends Minn. Stat. § 260C.204; Permanency Progress Review for Children in Foster Care for Six Months)** This section prohibits a responsible social services agency from defining a foster family as the permanent home for a child until:

- (1) the inquiry and Tribal notice requirements are satisfied;
- (2) the inquiry about the child’s heritage, including their race, culture, and ethnicity, has been completed; and
- (3) the court has determined that reasonable or active efforts toward completing the relative search requirements have been made.

**Section 18 (amends Minn. Stat. § 260C.212, subdivision 1; Out-of-home placement plan)** This section removes the requirement that an out-of-home placement plan must be prepared within 30 days after a child is placed in foster care. Requires the out-of-home placement plan to be on a form developed by the commissioner of children, youth, and families. Moves the

language from paragraph (e) regarding the out-of-home placement plan summary to a new paragraph (b). Adds the requirement that an out-of-home placement plan summary must be prepared within 30 days after a child is placed in foster care and an out-of-home placement plan must be prepared within 60 days of placement. Makes additional clarifying changes, including what must be included in the out-of-home placement plan.

**Section 19 (amends Minn. Stat. § 260C.212, subdivision 1a; Out-of-home placement plan update)** This section makes conforming changes related to the out-of-home placement plan summary and placement plan timeline changes made in section 18.

**Section 20 (amends Minn. Stat. § 260C.221, subdivision 2; Relative notice requirements)** This section modifies the required notifications provided by the responsible social services agency to relatives of a child in need of protection or services, including how to access respite care, strategies for leveraging natural supports, and ways to include resource and substitute caregivers in the child’s case plan; that the relative has a choice between county or private agencies; and information on access to legal services and support.

**Section 21 (amends Minn. Stat. § 260C.223, subdivision 1; Program; goals)** This section modifies the goals of concurrent permanency planning to include the establishment of a foster parent for a child, rather than developing a group of families who will work towards reunification and serve as a permanent family for children.

**Section 22 (amends Minn. Stat. § 260C.223, subdivision 2; Development of guidelines and protocols)** This section prohibits a responsible social services agency from making a foster family the permanent home for a child until:

- (1) the inquiry and Tribal notice requirements are satisfied;
- (2) the inquiry about the child’s heritage, including their race, culture, and ethnicity, has been completed; and
- (3) the court has determined that reasonable or active efforts toward completing the relative search requirements have been made.

**Section 23 (amends Minn. Stat. § 260C.329, subdivision 8; Hearing)** This section modifies language to allow a petition for the reestablishment of the legal parent and child relationship to be granted when a child is not currently adopted, rather than “has not been adopted.”

**Section 24 (amends Minn. Stat. § 260C.452, subdivision 4; Administrative or court review of placements)** This section replaces “green card” with “permanent resident card.”

**Section 25 (amends Minn. Stat. § 260E.03, subdivision 15; Neglect)** This section modifies the definition of “neglect” within the reporting maltreatment of minors chapter to clarify that a child who has a mental, physical, or emotional condition is not considered neglected solely because the child remains in an emergency department or hospital setting due to a lack of access to necessary services and the child cannot be safely discharged to their family.

**Section 26 (amends Minn. Stat. § 260E.09; Reporting Requirements)** This section requires a local welfare agency or the agency responsible for assessing or investigating a maltreatment

report to ask the maltreatment reporter if the reporter is aware of the child's heritage, including the child's Tribal lineage and the child's race, culture, and ethnicity.

**Section 27 (amends Minn. Stat. § 260E.20, subdivision 1; General duties)** This section adds a noncaregiver human trafficking assessment into the local welfare agency maltreatment response paths. Requires the agency to ask the child, if age appropriate, the child's parents, extended family, and maltreatment reporter about the child's heritage, including the child's Tribal lineage and the child's race, culture, and ethnicity.

**Section 28 (amends Minn. Stat. § 260E.24, subdivision 1; Timing)** This section adds a noncaregiver human trafficking assessment into the local welfare agency maltreatment response paths.

**Section 29 (amends Minn. Stat. § 260E.24, subdivision 2; Determination after family assessment or a noncaregiver human trafficking assessment)** This section adds a noncaregiver human trafficking assessment into the local welfare agency maltreatment response paths.

**Section 30 (adds Minn. Stat. § 260E.291; Reporting of School Attendance Concerns)** This section requires the reporting of school attendance concerns.

**Subdivision 1.** This subdivision provides when reports are required.

**Paragraph (a)** This paragraph requires mandated reporters to immediately report to the local welfare agency, the Tribal social services agency, or designated partner if a child required to be enrolled in school has at least seven unexcused absences in the current school year and is at risk of educational neglect.

**Paragraph (b)** This paragraph allows any person to voluntarily report if a child required to be enrolled in school has at least seven unexcused absences in the current school year and is at risk of educational neglect.

**Paragraph (c)** This paragraph requires an oral report to be made immediately by telephone or otherwise, and if made by a mandated reporter, to be followed up with a report in writing within 72 hours. Provides what the report must contain and allows a voluntary reporter to refuse to provide their name and address if the report is otherwise sufficient.

**Subdivision 2.** This subdivision requires a local welfare agency or designated partner to provide a child welfare response for a report that alleges a child enrolled in school has seven or more unexcused absences. Requires the agency or designated partner to offer services to the child and the child's family to address school attendance concerns and requires the services to be culturally and linguistically appropriate. Requires a report of educational neglect to be made if the family has not engaged in the services and the child's unexcused absences continue.

**Section 31 (Revisor Instruction)** This section requires the revisor of statutes to make technical corrections in sections 260C.203 and 260C.204, by changing paragraphs to subdivisions, clauses to paragraphs, and items to clauses.

## **ARTICLE 19 EARLY CARE AND LEARNING**

**Section 1 (amends Minn. Stat. § 142A.76, subdivision 2; Establishment)** This section provides that the Office of Restorative Practices is established within the Department of Children, Youth, and Families rather than the Department of Public Safety.

**Section 2 (amends Minn. Stat. § 142A.76, subdivision 3; Director; other staff)** This section replaces a reference to the commissioner of public safety with the commissioner of children, youth, and families for the Office of Restorative Practices.

**Section 3 (amends Minn. Stat. § 142D.31, subdivision 2; Program components)** This section changes the maximum amount for a TEACH scholarship from \$10,000 to an amount per year consistent with national TEACH requirements. Expands eligibility for TEACH scholarships to individuals employed by a certified child care program or a Head Start program and modifies the matching requirements for family child care providers.

**Section 4 (amends Minn. Stat. § 142E.03, subdivision 3; Redeterminations)** This section requires that, beginning May 25, 2026, child care assistance program (CCAP) redetermination of eligibility must be extended 12 months from the eligible child's arrival date when a new eligible child is added to the family.

**Section 5 (amends Minn. Stat. § 142E.11, subdivision 1; General authorization requirements)** This section, beginning March 2, 2026, eliminates the "scheduled reporter" designation by prohibiting county agencies from requiring certain families to report information related to CCAP eligibility more frequently than every 12 months.

**Section 6 (amends Minn. Stat. § 142E.11, subdivision 2; Maintain steady child care authorizations)** This section makes conforming changes related to the elimination of the scheduled reporter designation.

**Section 7 (amends Minn. Stat. § 142E.13, subdivision 2; Extended eligibility and redetermination)** This section makes conforming changes related to extending the CCAP redetermination of eligibility when a new child is added to the family.

**Section 8 (amends Minn. Stat. § 142E.15, subdivision 1; Fee schedule)** This section modifies CCAP co-payments by capping the highest co-payment at 6.9% of a family's adjusted gross income.

**Section 9 (amends Minn. Stat. § 142E.16, subdivision 3; Training required)** This section requires a legal, nonlicensed family child care provider who is unrelated to the child they care for to complete two hours of training in caring for children every 12 months.