

STATE OF MINNESOTA

# Journal of the House

NINETY-THIRD SESSION — 2024

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ONE HUNDRED TENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 2, 2024

The House of Representatives convened at 11:00 a.m. and was called to order by, Heather Edelson, Speaker pro tempore.

Prayer was offered by Saurabh Gandhi, President and Hiral Shah, Vice President, Jain Center of Minnesota, Edina and Maple Grove, Minnesota.

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

The roll was called and the following members were present:

Acomb	Davis	Hassan	Koegel	Neu Brindley	Schultz
Agbaje	Demuth	Heintzeman	Kotyza-Witthuhn	Newton	Scott
Altendorf	Dotseth	Hemmingsen-Jaeger	Koznick	Niska	Sencer-Mura
Anderson, P. E.	Edelson	Her	Kraft	Noor	Skraba
Anderson, P. H.	Elkins	Hicks	Kresha	Norris	Smith
Backer	Engen	Hill	Lawrence	Novotny	Stephenson
Bahner	Feist	Hollins	Lee, F.	Olson, B.	Swedzinski
Bakeberg	Finke	Hornstein	Lee, K.	Olson, L.	Tabke
Baker	Fischer	Howard	Liebling	Pelowski	Torkelson
Becker-Finn	Fogelman	Hudella	Lillie	Pérez-Vega	Vang
Bennett	Franson	Hudson	Lislegard	Perryman	Virnig
Berg	Frazier	Huot	Long	Petersburg	West
Bierman	Frederick	Hussein	McDonald	Pfarr	Wiener
Bliss	Freiberg	Igo	Mekeland	Pinto	Wiens
Brand	Garofalo	Jacob	Moller	Pryor	Witte
Burkel	Gillman	Johnson	Mueller	Pursell	Wolgamott
Carroll	Gomez	Jordan	Murphy	Quam	Xiong
Cha	Greenman	Joy	Myers	Rarick	Youakim
Clardy	Grossell	Keeler	Nadeau	Rehm	Zeleznikar
Coulter	Hansen, R.	Kiel	Nash	Reyer	Spk. Hortman
Curran	Hanson, J.	Klevorn	Nelson, M.	Robbins	
Dauids	Harder	Knudsen	Nelson, N.	Schomacker	

A quorum was present.

Daniels and Kozlowski were excused.

O'Driscoll was excused until 1:45 p.m. Urdahl was excused until 2:45 p.m.

The Speaker assumed the Chair.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

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## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Gomez from the Committee on Taxes to which was referred:

H. F. No. 2000, A bill for an act relating to gambling; authorizing and providing for sports betting and fantasy contests; establishing licenses; prohibiting local restrictions; providing for taxation of sports betting and fantasy contests; providing civil and criminal penalties; providing for amateur sports grants; providing for charitable gambling; providing for pari-mutuel horse racing; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 240.01, subdivisions 1c, 8, 14, by adding a subdivision; 240.30, subdivision 8; 245.98, subdivision 2; 260B.007, subdivision 16; 349.12, by adding a subdivision; 609.75, subdivisions 3, 4, 7, by adding subdivisions; 609.755; 609.76, subdivision 2; Minnesota Statutes 2023 Supplement, sections 297E.02, subdivision 6; 349.12, subdivision 25; proposing coding for new law in Minnesota Statutes, chapters 240; 240A; 299L; 609; proposing coding for new law as Minnesota Statutes, chapters 297J; 297K; 349C.

Reported the same back with the following amendments:

Page 5, delete lines 9 to 13 and insert:

"Subd. 21. **Sports governing body.** "Sports governing body" means an organization that prescribes and enforces final rules and codes of conduct for a sporting event and participants engaged in the sport. For a sporting event sanctioned by a higher education institution, "sports governing body" means the athletic conference to which the institution belongs. For an esports event, "sports governing body" means the video game publisher of the title used in the esports competition."

Page 9, line 28, delete "as defined in section 270C.72" and insert "penalties, or interest, with delinquent taxes subject to the limitations under section 270C.72, subdivision 2"

Page 15, line 10, delete "A" and insert "For initial licensure and subsequent license renewal, a"

Page 15, line 27, delete "A" and insert "For initial licensure and subsequent license renewal, a"

Page 21, line 17, delete "trainer" and insert "health care provider"

Page 23, line 31, delete "three" and insert "3-1/2"

Page 25, line 2, delete ", the commissioner of revenue,"

Page 26, line 5, delete "fees" and insert "license fees or penalties"

Page 29, after line 9, insert:

"Section 1. Minnesota Statutes 2022, section 270B.07, is amended by adding a subdivision to read:

Subd. 6. **Disclosure to Department of Public Safety.** The commissioner may disclose return information to the commissioner of public safety for the purpose of verifying licensure requirements under sections 299L.25 and 349C.03.

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

Page 29, after line 12, insert:

"(1) "cash equivalent" means the cash value of any free bets, promotional credits, and any other noncash form of consideration, payment, or compensation;"

Renumber the clauses in sequence

Page 29, line 23, delete "cash equivalent" and insert "fair market value"

Page 30, delete lines 16 to 25

Renumber the subdivisions in sequence

Page 31, line 6, delete "under subdivision 5"

Page 32, line 3, delete "as it relates to financial reporting" and insert ", including failure to timely file returns or pay tax, or take corrective actions required by the commissioner"

Page 32, delete section 4 and insert:

"Sec. 5. **[297J.04] OTHER PROVISIONS APPLY.**

Except for those provisions specific to distributors, gambling products, or gambling equipment, sections 297E.02, subdivisions 9 and 10, and 297E.10 to 297E.14 apply to this chapter."

Page 36, after line 3, insert:

"(b) Rules for which notice is published in the State Register before January 1, 2025, may be adopted using the expedited rulemaking process in section 14.389."

Page 36, line 19, delete "as defined in section 270C.72" and insert "penalties, or interest, with delinquent taxes subject to the limitations under section 270C.72, subdivision 2"

Page 43, line 26, delete "trainer" and insert "health care provider"

Page 45, line 10, delete "three" and insert "3-1/2"

Page 46, line 16, delete "fees" and insert "license fees or penalties"

Page 48, delete lines 6 to 9 and insert:

"Subd. 2. **Adjusted gross fantasy contest receipts.** "Adjusted gross fantasy contest receipts" means the amount equal to the total of all entry fees that a fantasy contest operator receives from all participants minus the total of cash prizes and the fair market value of noncash prizes paid as winnings to all participants multiplied by the location percentage for this state.

Subd. 3. **Cash equivalent.** "Cash equivalent" means the cash value of any free bets, promotional credits, and any other noncash form of consideration, payment, or compensation."

Page 48, after line 10, insert:

"Subd. 5. **Entry fee.** "Entry fee" means cash or cash equivalent that is required to be paid by an authorized participant and set in advance by a fantasy contest operator to participate in a fantasy contest."

Page 48, lines 16 and 17, delete "collected" and insert "received"

Page 48, delete line 19 and insert:

"Subd. 9. **Wager.** "Wager" means a transaction between an authorized participant and a licensed fantasy contest operator in which an authorized participant pays, deposits, or risks cash or a cash equivalent as an entry fee into a fantasy contest."

Renumber the subdivisions in sequence

Page 49, delete lines 3 to 11

Renumber the subdivisions in sequence

Page 49, line 23, delete "the financial"

Page 49, line 24, delete "reporting requirements under this chapter" and insert "this chapter, including failure to timely file returns or pay tax, or take corrective actions required by the commissioner"

Page 49, after line 30, insert:

"Sec. 4. [297K.04] OTHER PROVISIONS APPLY.

Except for those provisions specific to distributors, gambling products, or gambling equipment, sections 297E.02, subdivisions 9 and 10, and 297E.10 to 297E.14 apply to this chapter.

**EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received after June 30, 2024."

Page 61, delete section 1 and insert:

"Section. 1. Minnesota Statutes 2023 Supplement, section 297E.02, subdivision 6, is amended to read:

Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under subdivision 1, a tax is imposed on the combined net receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for the fiscal year. The combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:

The tax is:

Not over \$87,500

eight percent

Over \$87,500, but not over \$122,500

\$7,000 plus 17 percent of the amount over \$87,500, but not over \$122,500

Over \$122,500, but not over \$157,500

\$12,950 plus 25 percent of the amount over \$122,500, but not over \$157,500

Over \$157,500

\$21,700 plus 33.5 percent of the amount over \$157,500

(b) On or before April 1, 2025, the commissioner shall estimate the total amount of revenue, including interest and penalties, that will be collected for fiscal year 2026 from taxes imposed under sections 297J.02 and 297K.02. If the amount estimated by the commissioner equals or exceeds \$6,900,000, the commissioner shall certify that effective July 1, 2025, the rates under this paragraph apply in lieu of the rates imposed under paragraph (a). If the rates under this paragraph apply, the combined net receipts of an organization are subject to a tax computed according to the following schedule:

<u>If the combined net receipts for the fiscal year are:</u>	<u>The tax is:</u>
<u>Not over \$87,500</u>	<u>5.5 percent</u>
<u>Over \$87,500, but not over \$122,500</u>	<u>\$4,813 plus 15 percent of the amount over \$87,500, but not over \$122,500</u>
<u>Over \$122,500, but not over \$157,500</u>	<u>\$5,250 plus 23 percent of the amount over \$122,500, but not over \$157,500</u>
<u>Over \$157,500</u>	<u>\$8,050 plus 32.5 percent of the amount over \$157,500</u>

(c) On or before April 1, 2026, the commissioner shall estimate the total amount of revenue, including interest and penalties, that will be collected for fiscal year 2027 from taxes imposed under sections 297J.02 and 297K.02. If the amount estimated by the commissioner equals or exceeds \$27,100,000, the commissioner shall certify that effective July 1, 2026, the rates under this paragraph apply in lieu of the rates imposed under paragraph (a) or (b) and shall publish a notice to the effect in the state registry and notify taxpayers by June 1, 2026. If the rates under this paragraph apply, the combined net receipts of an organization are subject to a tax computed according to the following schedule:

<u>If the combined net receipts for the fiscal year are:</u>	<u>The tax is:</u>
<u>Not over \$87,500</u>	<u>four percent</u>
<u>Over \$87,500, but not over \$122,500</u>	<u>\$3,500 plus 13 percent of the amount over \$87,500, but not over \$122,500</u>
<u>Over \$122,500, but not over \$157,500</u>	<u>\$4,550 plus 20 percent of the amount over \$122,500, but not over \$157,500</u>
<u>Over \$157,500</u>	<u>\$7,000 plus 28.5 percent of the amount over \$157,500</u>

(d) On or before April 1, 2027, the commissioner shall estimate the total amount of revenue, including interest and penalties, that will be collected for fiscal year 2028 from taxes imposed under sections 297J.02 and 297K.02. If the amount estimated by the commissioner equals or exceeds \$39,900,000, the commissioner shall certify that effective July 1, 2027, the rates under this paragraph apply in lieu of the rates imposed under paragraph (a), (b), or (c) and shall publish a notice to the effect in the state registry and notify taxpayers by June 1, 2027. If the rates under this paragraph apply, the combined net receipts of an organization are subject to a tax computed according to the following schedule:

<u>If the combined net receipts for the fiscal year are:</u>	<u>The tax is:</u>
<u>Not over \$87,500</u>	<u>three percent</u>
<u>Over \$87,500, but not over \$122,500</u>	<u>\$2,625 plus ten percent of the amount over \$87,500, but not over \$122,500</u>

<u>Over \$122,500, but not over</u>	<u>\$3,500 plus 18 percent of the amount over</u>
<u>\$157,500</u>	<u>\$122,500, but not over \$157,500</u>
<u>Over \$157,500</u>	<u>\$6,300 plus 26 percent of the amount over</u>
	<u>\$157,500</u>

~~(b)~~ (e) Gross receipts derived from sports-themed tipboards are exempt from taxation under this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning numbers are determined by the numerical outcome of a professional sporting event.

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

Page 63, delete section 2

Page 70, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2022, section 240.01, subdivision 14, is amended to read:

Subd. 14. **Pari-mutuel betting.** "Pari-mutuel betting" is the system of betting on horse races where those who bet on horses that finish in the position or positions for which bets are taken share in the total amounts bet, less deductions required or permitted by law. Pari-mutuel betting shall not include betting on a race that has occurred in the past or is considered historical horse racing or where bettors are not wagering on the same live or simulcast horse race or bettors do not share in the total amount of bets taken.

Sec. 5. **[240.071] PROHIBITED ACTS.**

A licensed racetrack shall only conduct horse racing and may be authorized to operate a card club in accordance with this chapter. A licensed racetrack shall not conduct or provide for play any other forms of gambling, including but not limited to historical horse racing, slot machines, video games of chance, and other gambling devices."

Page 71, delete section 6 and insert:

"Sec. 7. **[240.231] LIMITATIONS ON RULEMAKING AND OTHER AUTHORITY.**

The commission's rulemaking and other authority, whether derived from section 240.23 or other sections in this chapter, shall only pertain to horse racing and card games at a card club as expressly authorized in this chapter and shall not include the authority to expand gambling, nor the authority to approve or regulate historical horse racing, slot machines, video games of chance, and other gambling devices, by means of rulemaking, a contested case hearing, the review and approval of a plan of operation or proposed or amended plan of operation, the approval of any proposal or request, or any other commission or agency action.

Sec. 8. Minnesota Statutes 2022, section 240.30, subdivision 8, is amended to read:

Subd. 8. **Limitations.** The commission may not approve any plan of operation under subdivision 6 that exceeds any of the following limitations:

(1) the maximum number of tables used for card playing at the card club at any one time, other than tables used for instruction, demonstrations, or poker tournament play, may not exceed 80;

(2) except as provided in clause (3), no wager may exceed \$100;

(3) for games in which each player is allowed to make only one wager or has a limited opportunity to change that wager, no wager may exceed \$300-; and

(4) no inclusion of any historical horse racing or any other form of gambling that is not expressly authorized for racetracks under this chapter."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the second semicolon, insert "and modifying certain rates of tax on lawful gambling"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 4738, A bill for an act relating to health; establishing an Office of Emergency Medical Services to replace the Emergency Medical Services Regulatory Board; specifying duties for the office; transferring duties; establishing advisory councils; establishing alternative EMS response model pilot program; making conforming changes; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 62J.49, subdivision 1; 144E.001, by adding subdivisions; 144E.16, subdivision 5; 144E.19, subdivision 3; 144E.27, subdivision 5; 144E.28, subdivisions 5, 6; 144E.285, subdivision 6; 144E.287; 144E.305, subdivision 3; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; Minnesota Statutes 2023 Supplement, sections 15A.0815, subdivision 2; 43A.08, subdivision 1a; 152.126, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 144E; repealing Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.50, subdivision 3.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Gomez from the Committee on Taxes to which was referred:

H. F. No. 4822, A bill for an act relating to taxation; property; modifying distribution of excess proceeds from sales of tax-forfeited property; appropriating money; amending Minnesota Statutes 2022, sections 281.23, subdivision 2; 282.08; 282.241, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 282.

Reported the same back with the following amendments:

Page 3, line 4, delete "for" and insert "that"

Page 3, line 5, delete ", which must be disposed of" and insert "are reserved for the state" and before the period, insert ", and any parcel withdrawn from sale by the commissioner of natural resources under section 282.007 must be managed as provided in section 282.007"

Page 3, line 6, delete everything after the second "the"

Page 3, line 7, delete everything before "disposed" and insert "state is deemed to have purchased the property through a credit bid and the parcels may be"

Page 3, line 14, after "means" insert "the product of (i) 1.05, and (ii)"

Page 3, line 16, delete "Redemption" and insert "Repurchase"

Page 3, line 17, delete "redeem" and insert "repurchase"

Page 3, lines 19 and 21, delete "redeemed" and insert "repurchased"

Page 3, line 31, delete "sale may be canceled and the parcels" and insert "state is deemed to have purchased the property through a credit bid and the parcels may be"

Page 4, line 1, after "auditor" insert a period

Page 4, delete lines 2 to 4 and insert "The amount of the minimum bid shall be deposited into a county's forfeited tax sale fund. The proceeds in excess of the minimum bid shall be available for distribution pursuant to subdivision 6."

Page 4, line 8, after the period, insert "The commissioner of revenue must prescribe the form and manner of the claim form."

Page 4, line 13, delete everything after "parties" and insert a period

Page 4, delete lines 14 to 19

Reletter the paragraphs in sequence

Page 4, line 23, before "payments" insert "the county must divide"

Page 4, line 24, delete "must be divided" and delete "ownership"

Page 4, line 25, delete "ownership"

Page 5, line 6, after "parties" insert "of record"

Page 5, line 7, after "party" insert "of record" and delete "certified" and insert "first class"

Page 5, line 18, after the period, insert "The commissioner of revenue must prescribe the form and manner of the claim form."

Page 5, line 20, delete "\$50" and insert "the minimum bid"

Page 5, line 22, delete everything after "parties" and insert a period

Page 5, delete lines 23 to 27

Reletter the paragraphs in sequence



Page 6, line 3, before "payments" insert "the county must divide" and delete "must be divided"

Page 6, line 29, before "purchased" insert "deemed to be"

Page 6, line 30, delete "chapter" and insert "section"

Page 7, delete section 3 and insert:

"Sec. 3. **[282.007] LAND WITHDRAWN FROM INITIAL SALE.**

Subdivision 1. **Property withdrawn from sale.** The commissioner of natural resources may withhold or withdraw from the sale required under section 282.005 any property allowed to be withheld or withdrawn from sale in section 85.012, 85.013, 282.01, subdivision 8, or 282.018. The commissioner of natural resources must condemn parcels withheld or withdrawn from sale under this section according to procedures set forth in chapter 117. Notwithstanding section 282.005, subdivision 1, any interests in iron-bearing stockpiles, minerals, or mineral interests in property withheld or withdrawn from sale under this section are not severed from the property and are not subject to section 282.005, subdivision 8.

Subd. 2. **Notice.** The county auditor must provide notice to the commissioner of natural resources of the forfeiture of any lands eligible to be withheld or withdrawn from sale under this section. Notice must be provided within 30 days of either the filing of the certificate of the expiration of redemption pursuant to section 281.23, subdivision 9, or the date the property is vacated by the occupant, whichever is later. Within 30 days of this notice, the commissioner of natural resources must notify the county auditor of a decision to withhold or withdraw a property from the sale under section 282.005. If no such notice is given, the county auditor must sell the property pursuant to section 282.005.

Subd. 3. **Repurchase.** Prior to the initiation of the condemnation proceedings of a property withheld or withdrawn from sale under this section, an interested party may repurchase the property by payment of the sum of all delinquent taxes and assessments computed under section 282.251, together with penalties, interest, and costs that accrued or would have accrued if the parcel of land had not forfeited. The county auditor must notify the commissioner of natural resources if a property is repurchased under this subdivision. A property repurchased under this subdivision is no longer subject to the requirements of this section or section 282.005. All rights and interests of all interested parties remain unaffected if a property is repurchased under this subdivision. For the purposes of this section, "interested party" has the meaning given in section 282.005, subdivision 2.

Subd. 4. **Proceeds.** Notwithstanding any law to the contrary in chapter 117, all proceeds from the condemnation proceedings of a property withheld or withdrawn from sale under this section must be transferred from the commissioner of natural resources to the county auditor. Any proceeds up to the value of the minimum bid are transferred to the county's forfeited tax sale fund. Any proceeds in excess of the minimum bid must be made available for claims pursuant to section 282.005, subdivision 6. For the purposes of this section, "minimum bid" has the meaning given in section 282.005, subdivision 2."

Page 8, lines 14 and 15, delete the new language

Page 9, line 2, after the period, insert "Notwithstanding the foregoing, any application to repurchase a property that is made available for sale pursuant to section 282.005 must be made before the date of that sale."

Page 9, after line 4, insert:

"Sec. 5. **DEPARTMENT OF NATURAL RESOURCES; APPROPRIATION.**

\$3,762,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of natural resources to perform the duties required under Minnesota Statutes, section 282.005. The base for this appropriation is \$3,762,000 in fiscal year 2026 and each fiscal year thereafter."

Renumber the sections in sequence

Amend the title as follows:

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Lee, F., from the Committee on Capital Investment to which was referred:

H. F. No. 5162, A bill for an act relating to capital investment; appropriating money for early childhood learning and child protection facilities; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

(a) The sums shown in the column under "Appropriations" are appropriated from the general fund in fiscal year 2025 to the state agencies or officials indicated, to be spent for public purposes. These are onetime appropriations. Money appropriated in this act is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(b) For any project funded in whole or in part by this act, workers on the project must be paid at least the prevailing wage rate as defined in Minnesota Statutes, section 177.42, subdivision 6, and the project is subject to the requirements and enforcement provisions in Minnesota Statutes, sections 177.27, 177.30, 177.32, and 177.41 to 177.45. For the purposes of this act, "project" means demolition, erection, construction, remodeling, or repairing of a public building, facility, or other public work financed in whole or part by state funds. Project also includes demolition, erection, construction, remodeling, or repairing of a building, facility, or public work when the acquisition of property, predesign, design, or demolition is financed in whole or in part by state funds.

(c) Money appropriated in this act: (1) is available for a grant after the commissioner of management and budget determines that an amount sufficient to complete the project as described in this act has been committed to the project, as required by Minnesota Statutes, section 16A.502; (2) may be used to pay state agency staff costs that are attributed directly to the capital program or project for capitalizable staff costs; and (3) is subject to the policies and procedures adopted by the commissioner of management and budget or otherwise specified in applicable law.

(d) Recipients of grants from money appropriated in this act must demonstrate to the commissioner of the agency making the grant that the recipient has the ability and a plan to fund the program intended for the facility. This paragraph does not apply to state agencies.

## **APPROPRIATIONS**

Sec. 2. **EDUCATION** **\$23,025,000**

To the commissioner of education for library construction grants under Minnesota Statutes, section 134.45.

Sec. 3. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **\$5,050,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **ADA Building Accommodation** 750,000

For capital improvement expenses in accordance with Minnesota Statutes, section 16B.4805.

Subd. 3. **Sustainable Building Guidelines** 4,300,000

To develop, oversee, and administer sustainable building guidelines under Minnesota Statutes, section 16B.325, in consultation with the commissioner of commerce and the Center for Sustainable Building Research at the University of Minnesota. This appropriation includes money for the commissioner of administration to contract with the Center for Sustainable Building Research to administer the guidelines. This is a onetime appropriation and is available until June 30, 2027.

Sec. 4. **METROPOLITAN COUNCIL** **\$4,080,000**

To the Metropolitan Council for community tree planting grants under Minnesota Statutes, section 473.355. Notwithstanding Minnesota Statutes, section 473.355, this appropriation must be used to remove and replace ash trees on privately owned land that pose significant public safety concerns.

Sec. 5. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **\$2,000,000**

To the commissioner of human services for the purposes specified in this section.

**Subd. 2. Early Childhood Facilities****2,000,000**

For grants under Minnesota Statutes, section 256E.37, to predesign, design, construct, renovate, furnish, and equip early childhood learning facilities.

**Sec. 6. HEALTH****\$100,000**

To the commissioner of health to administer the secondary sources of drinking water grant program under Minnesota Statutes, section 144.3835.

**Sec. 7. CORRECTIONS****\$3,906,000**

To the commissioner of administration for asset preservation improvements and betterments of a capital nature at the Minnesota correctional facilities statewide to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, the commissioner may use this appropriation for capital expenditures allowed under Minnesota Statutes, section 16B.307, that do not constitute betterments and capital improvements within the meaning of the Minnesota Constitution, article XI, section 5, clause (a). The report required under Minnesota Statutes, section 16B.307, subdivision 2, must include a list of projects that have been paid for with this appropriation.

**Sec. 8. EMPLOYMENT AND ECONOMIC DEVELOPMENT****\$1,000,000**

To the commissioner of employment and economic development for a grant to the Saint Paul and Minnesota Foundation for promotion, fundraising, and other supporting efforts to raise at least \$5,000,000 in nonstate funds toward capital improvements consistent with the Capitol Mall Design Framework update. This grant shall be managed in compliance with the grantmaking requirements in Minnesota Statutes, sections 16B.97 to 16B.991.

**Sec. 9. CANCELLATIONS.**

The amounts of the general fund appropriations listed in the cancellation report submitted to the legislature in January 2024, pursuant to Minnesota Statutes, section 16A.642, are canceled on the effective date of this section. If an appropriation in this section is canceled more than once, the cancellation must be given effect only once.

**Sec. 10. EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment.

ARTICLE 2  
MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 16A.86, subdivision 3a, is amended to read:

Subd. 3a. **Information provided.** All requests for state assistance under this section must include the following information:

(1) the name of the political subdivision that will own the capital project for which state assistance is being requested;

(2) the public purpose of the project;

(3) the extent to which the political subdivision has or expects to provide local, private, user financing, or other nonstate funding for the project;

(4) a list of the bondable activities that the project encompasses; examples of bondable activities are public improvements of a capital nature for land acquisition, predesign, design, construction, and furnishing and equipping for occupancy;

(5) whether the project will require new or additional state operating subsidies;

(6) whether the governing body of the political subdivision requesting the project has passed a resolution in support of the project and has established priorities for all projects within its jurisdiction for which bonding appropriations are requested when submitting multiple requests;

(7) if the project requires a predesign under section 16B.335, whether the predesign has been completed at the time the capital project request is submitted, and whether the political subdivision has submitted the project predesign to the commissioner of administration for review and approval; ~~and~~

(8) the debt capacity of the political subdivision, calculated as the difference between the maximum net debt that the political subdivision may incur under chapter 475 or other applicable law and the debt the political subdivision has outstanding as of the date of the submission of information under this subdivision; and

~~(8)~~ (9) if applicable, the information required under section 473.4485, subdivision 1a.

Sec. 2. Minnesota Statutes 2022, section 16A.86, subdivision 4, is amended to read:

Subd. 4. **Funding.** (a) The state share of a project covered by this section and any capital project grant to a nonprofit organization subject to section 16A.642 must be no more than half the total cost of the project, including predesign, design, construction, furnishings, and equipment, except as provided in paragraph (b) or (c). This subdivision does not apply to a project proposed by a school district or other school organization. The state share of a project includes state assistance in any manner, including but not limited to a direct appropriation, a grant awarded through a grant program administered by a state entity, or a combination of state assistance appropriated and granted by multiple state entities. The nonstate share of a project may be funded by federal, local, private, or other funds, or a combination thereof, from nonstate sources.

(b) The state share may be more than half the total cost of a project if the project is deemed needed as a result of a disaster or to prevent a disaster or is located in a political subdivision with a very low average net tax capacity.

(c) Nothing in this section prevents the governor from recommending, or the legislature from considering or funding, projects that do not meet the deadline in subdivision 2 or a state share that is greater than half the total cost of the project when the governor or the legislature determines that there is a compelling reason for the recommendation or funding.

Sec. 3. **[16A.865] NOTICE OF STATE CONTRIBUTION.**

**Subdivision 1. Notice required.** When practicable, a recipient of a grant of state bond proceeds for a capital project or a direct recipient of an appropriation from any state funds for a capital project must prominently display a notice on the property stating that the project was funded with state taxes collected statewide.

**Subd. 2. Content of notice.** The notice must display the logo provided by the commissioner under subdivision 5, and identify the project as "funded with a grant of state money from taxes collected statewide." The notice may include a brief name for the project and may specify the proportion of the funding from state money compared to money from nonstate sources. The notice may include logos, seals, or marks of other contributors to the cost of the project.

**Subd. 3. Water infrastructure project.** For a drinking water or wastewater infrastructure project, the notice required under this section must be included on city utility billing statements in all formats that the city provides billing statements to customers.

**Subd. 4. Performance venues.** For performance venue projects, the notice must be included in programs and on the venue's website where performances are advertised, in addition to on a sign posted at the venue.

**Subd. 5. Logo.** The commissioner must develop a logo for use on signs required under subdivision 1.

**Subd. 6. Sign templates.** The commissioner must post on its website downloadable, print-ready PDF files of sign templates that meet the requirements of subdivision 1.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to projects receiving a grant from an appropriation enacted after January 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 16B.325, as amended by Laws 2023, chapter 60, article 12, section 2, is amended to read:

**16B.325 SUSTAINABLE BUILDING GUIDELINES.**

**Subdivision 1. Development of Sustainable building guidelines.** The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop and maintain sustainable building design guidelines for all new state buildings ~~by January 15, 2003,~~ and for all major renovations of state buildings ~~by February 1, 2009.~~ ~~The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.~~

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

(b) "CSBR" means the Center for Sustainable Building Research at the University of Minnesota.

(c) "Guidelines" means the sustainable building design guidelines developed under this section.

(d) "Major renovation" means a project that:

(1) has a renovated conditioned area that is at least 10,000 square feet; and

(2) includes, at a minimum, the replacement of the mechanical, ventilation, or cooling system of a building or a section of a building, whether or not the building is served by an adjacent building or district system impacted by the scope of the project.

(e) "New building" means a newly constructed structure and additions to existing buildings that include spaces that meet the following criteria:

(1) space is conditioned, whether or not its source of energy is from an adjacent building or district system; and

(2) the project size is at least 10,000 gross square feet of conditioned space.

(f) "Project" means the acquisition or betterment of buildings or other fixed assets and other improvements of a capital nature.

**Subd. 2. ~~Lowest possible cost; energy conservation.~~ The guidelines must:**

~~(1) focus on achieving the lowest possible lifetime cost, considering both construction and operating costs, for new buildings and major renovations;~~

~~(2) allow for revisions that encourage continual energy conservation improvements in new buildings and major renovations;~~

~~(3) define "major renovations" for purposes of this section to encompass not less than 10,000 square feet or not less than the replacement of the mechanical, ventilation, or cooling system of a building or a building section;~~

~~(4) establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements;~~

~~(5) establish resiliency guidelines to encourage design that allows buildings to adapt to and accommodate projected climate related changes that are reflected in both acute events and chronic trends, including but not limited to changes in temperature and precipitation levels;~~

~~(6) specify ways to reduce material costs; and~~

~~(7) consider the long term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.~~

**Subd. 2a. Guidelines; purpose. (a) The primary objectives of the guidelines are to:**

(1) reduce greenhouse gas emissions across the project's life cycle by promoting the design and operation of energy-efficient buildings and the development of renewable energy sources;

(2) provide high-quality indoor environmental conditions to promote occupant health, well-being, comfort, and productivity;

(3) develop processes that ensure that projects are designed and operating as intended and that project impact can be measured;

(4) reduce water use and impacts on water resources;

(5) restore soil and water quality, enhance biodiversity, and provide sites supportive of native species;

(6) reduce the embodied environmental impact of building materials; and

(7) encourage design that allows building resilience to adapt to and accommodate projected changes that are reflected in both acute events and chronic trends, including but not limited to climate-related changes to temperature and precipitation levels.

(b) In establishing the guidelines, the commissioners of administration and commerce must consider the following to meet the objectives in paragraph (a):

(1) the health and well-being of occupants;

(2) material impacts and sustainability;

(3) construction and operating costs;

(4) the use of renewable energy sources;

(5) diversion of waste from landfills;

(6) the impact of climate change;

(7) biodiversity and ecological impacts;

(8) resilience and adaptability; and

(9) any other factors the commissioner deems relevant.

Subd. 3. **Development of guidelines; Applicability.** ~~In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. (a) Compliance with the guidelines established under this section are mandatory for all new buildings and for all major renovations receiving funding an appropriation or a grant from an appropriation from the bond proceeds fund after January 1, 2004, and for all major renovations receiving funding from the bond proceeds fund after January 1, 2009.~~

(b) Compliance with the guidelines established under this section are mandatory for all new buildings and for all major renovations receiving an appropriation or a grant from an appropriation from the general fund after May 1, 2024.

Subd. 4. **Commissioner of administration; guideline administration, oversight, and revisions.** ~~The commissioners of administration and commerce shall review the guidelines periodically and as soon as practicable revise the guidelines to incorporate performance standards developed under section 216B.241, subdivision 9. (a) The commissioner of administration must review and amend the guidelines periodically to better meet the goals under subdivision 6. Each guideline section must be reviewed and updated no less than once every five years. The review must be conducted with the commissioner of commerce and in consultation with other stakeholders. The commissioner of administration and the commissioner of commerce must use an open process, including providing the opportunity for public comment, when reviewing and amending the guidelines.~~



(b) The commissioner of administration is responsible for the following:

(1) making applicability determinations on which projects are required by state law to follow the guidelines upon receipt of an applicability determination request from a project;

(2) approving or denying waiver requests for specific guidelines;

(3) approving or denying applicability requests for specific guidelines;

(4) updating the legislature regarding program outcomes;

(5) coordinating with the commissioner of commerce on the energy and atmosphere guidelines, including coordination with the Sustainable Building 2030 Energy Standards under section 216B.241, subdivision 9; and

(6) contracting with CSBR for the items in subdivision 5.

Subd. 5. **CSBR; guideline administration and oversight.** (a) The commissioner of administration, in consultation with the commissioner of commerce, shall contract with CSBR to implement the guidelines. At a minimum, CSBR must:

(1) maintain and update the guidelines in coordination with the commissioner of administration and the commissioner of commerce;

(2) offer training on an annual basis to state agencies, project team members, and other entities involved in the design of projects subject to the guidelines on how projects may meet the guideline requirements;

(3) develop procedures for compliance with the guidelines, in accordance with the criteria under subdivision 7;

(4) periodically conduct post-construction performance evaluations on projects to evaluate the effectiveness of the guidelines in meeting the goals under subdivision 6;

(5) determine compliance of project designs with the guidelines;

(6) administer a tracking system for all projects subject to the guidelines and for projects that received state funding for predesign or design that may seek further state funding for additional project phases subject to the guidelines;

(7) develop and track measurable goals for the guidelines in accordance with subdivision 6;

(8) offer outreach, training, and technical assistance to state agencies, project team members, and other entities with responsibility for managing, designing, and overseeing projects subject to the guidelines;

(9) evaluate waiver requests and determinations on project scope and make recommendations to the commissioner of administration;

(10) provide a report on or before December 1 annually to the commissioner of administration on the following:

(i) the current compliance status of all projects subject to the guidelines;

(ii) an analysis of the effects of the guidelines on the goals under subdivision 6; and

(iii) waivers approved for projects, including both waivers from all of the guidelines and waivers of individual guidelines; and

(11) perform any other duties required by the commissioner of administration to administer the guidelines.

(b) State agencies, project team members, and other entities that are responsible for managing or designing projects subject to the guidelines must provide any compliance data requested by CSBR and the commissioner of administration that CSBR and the commissioner deem necessary to fulfill the duties described under this subdivision.

Subd. 6. **Measurable goals.** CSBR, in collaboration with the commissioner of administration and the commissioner of commerce, must develop measurable goals for the guidelines based on the objectives and considerations described in subdivision 2a. The commissioner of administration must provide final approval of the goals under this subdivision.

Subd. 7. **Procedures.** The commissioner of administration must develop procedures for the administration of the guidelines. The commissioner of administration may delegate guideline administration responsibilities to state agencies. The procedures under this subdivision must specify the administrative activities for which state agencies are responsible. The procedures must include:

(1) criteria to identify whether a project is subject to the guidelines;

(2) information on project team member roles and guideline administration requirements for each role;

(3) a process to notify projects subject to the guidelines of the guideline requirements;

(4) a guideline-related data submission process coordinated by the commissioner of administration;

(5) activities and a timeline to monitor project compliance with the guidelines; and

(6) record-keeping requirements and related retention schedules for materials related to guideline compliance.

Subd. 8. **Guidelines waivers and scope determination.** (a) The commissioner of administration, in consultation with the commissioner of commerce and other stakeholders, must develop a process for reviewing and approving waivers and scope determinations to the guidelines.

(b) A waiver may apply to all of the guidelines or individual guidelines and may identify an alternative path of meeting the intent of the guidelines.

(c) A waiver under this subdivision is only permitted due to technological limitations or when the intended use of the project conflicts with the guidelines.

(d) A waiver request for a project owned by a state agency must be reviewed and approved by the commissioner of administration. If the waiver request is for a project owned by the Department of Administration, the waiver request must be approved by the commissioner of commerce.

Subd. 9. **Report.** The commissioner of administration must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over capital investment and climate and energy by February 1 of each year. The report must include:

(1) information on the current status of all projects subject to the guidelines from the previous five years and the projects' compliance with the guidelines;

(2) an analysis of the effects of the guidelines on the measurable goals under subdivision 6;

(3) progress made toward the recommendations in the report required under Laws 2023, chapter 71, article 1, section 6, subdivision 4; and

(4) any other information the commissioner of administration deems relevant.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 16B.335, subdivision 4, is amended to read:

Subd. 4. **Sustainable buildings; energy conservation.** A recipient to whom a direct appropriation is made for a capital improvement project shall ensure that the project complies with the applicable sustainable building guidelines and energy conservation standards contained in law, including sections 16B.325 and 216C.19 to 216C.20, and rules adopted thereunder. The recipient may obtain information and technical assistance from the commissioner of administration on the sustainable building guidelines and the State Energy Office in the Department of Commerce on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 6. **[16B.336] CAPITAL PROJECT REPLACEMENT ACCOUNTS.**

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

(b) "Adjusted net tax capacity" means, as of any date, the net tax capacity of all taxable property most recently determined by the commissioner of revenue in accordance with section 273.1325.

(c) "Adjusted net tax capacity per capita" means a political subdivision's adjusted net tax capacity divided by the political subdivision's population.

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

(e) "Population" has the meaning under section 477A.011, subdivision 3.

(f) "Preservation" means improvements and betterments of a capital nature consistent with those described in section 16B.307, subdivision 1, paragraph (d).

Subd. 2. **Replacement account establishment.** (a) A grantee that receives a direct appropriation of state money for a capital project subject to section 16A.642, 16A.695, or 16A.86 must establish a capital project replacement fund for major rehabilitation, expansion, replacement, or preservation of the capital project once the project has reached its useful life, or another use as permitted under this section. Money must remain in the account for the useful life of the capital project, as determined by the grant agreement with the granting state agency, unless use of the fund is approved in writing by the granting state agency for major rehabilitation, expansion, replacement, or preservation of the capital project funded with state money, or to address a capital project for a different capital asset owned by the grantee.

(b) A grantee must adopt a capital project replacement policy that specifies the following for the capital project replacement fund:

(1) the risks to be mitigated or managed by the fund;

(2) the intended use of the replacement fund, including but not limited to how the fund will be used for major rehabilitation, expansion, replacement, or preservation of the capital project; and

(3) criteria for the use of the fund to address other capital improvement needs of the grantee, including safety and security, maintenance and utility costs, availability of repair parts and materials, sustainability, and any other criteria the grantee deems relevant.

(c) For the purposes of this section, "grantee" does not include a state agency, state official, the Board of Regents of the University of Minnesota, or the Board of Trustees of the Minnesota State Colleges and Universities.

**Subd. 3. Minimum deposits; fund balance.** (a) The commissioner must determine the annual minimum deposit amounts into capital project replacement funds by capital project type. The commissioner must take into account depreciation, construction cost inflation, the useful life of the capital project, and other relevant factors when determining the minimum deposit amounts.

(b) A grantee must not be required to maintain a capital project replacement fund balance greater than the amount of the direct appropriation of state money for the capital project.

**Subd. 4. Account auditing.** The state auditor may audit capital project replacement accounts as part of the regular audits of local governments.

**Subd. 5. Exceptions.** (a) Capital projects that already require a replacement fund under section 446A.072, subdivision 12, or any other law, rule, or ordinance, are exempt from the requirements under this section, so long as the deposits into the replacement fund are at least as large as the minimum deposits established by the commissioner under subdivision 3.

(b) This section does not apply to a grantee that assesses the condition and replacement value of its capital projects through a capital funding budget process which includes an annual long-term budget schedule or capital improvement plan for maintaining capital projects subject to section 16A.642, 16A.695, or 16A.86.

(c) This section does not apply to a political subdivision grantee that has an adjusted net tax capacity per capita that is less than the median adjusted net tax capacity per capita of all political subdivisions that are the same type of political subdivision as the grantee.

**Subd. 6. Penalty.** Failure of a grantee to comply with the requirements of this section shall result in the granting state agency assessing a penalty fee to the grantee equal to one percent of the appropriation of state money for the capital project for each year of noncompliance. Penalty fees shall be remitted by the granting state agency to the commissioner of management and budget for deposit into the general fund.

**EFFECTIVE DATE.** This section is effective for capital projects funded through state capital project grant agreements entered into on or after July 1, 2024.

Sec. 7. [144.3835] SECONDARY SOURCES OF DRINKING WATER GRANT PROGRAM.

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

(b) "Community water system" means a public water system owned by a political subdivision which serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.

(c) "Supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Subd. 2. **Establishment; purpose.** The commissioner shall develop a grant program for the purpose of providing communities with a secondary source of drinking water that ensures an uninterrupted supply of safe drinking water in case of a disruptive event.

Subd. 3. **Grants authorized.** (a) The commissioner shall award grants to community water systems that currently only have one well as a source of drinking water. The commissioner shall prescribe the content, form, and manner of a grant application under this section and shall examine and consider all applications for grants. If the commissioner determines that a community water system is ineligible for a grant under this section, the commissioner must promptly notify the community water system in writing of the determination and the reasons for the determination.

(b) Priority shall be given to community water systems that meet the following criteria:

(1) the population served is 3,300 or less;

(2) the community water system plans to use the funds for a backup well; and

(3) the community water system is located in a census block or blocks with a supplemental demographic index score of 70 percent or greater.

Subd. 4. **Grant allocation.** Grantees must use the funds to secure a secondary source of drinking water such as a backup well or other secondary source of drinking water that allows the community water system to continue to provide drinking water in case of a disruptive event such as a well failure or contamination.

Sec. 8. Minnesota Statutes 2023 Supplement, section 174.38, subdivision 3, is amended to read:

Subd. 3. **Active transportation accounts.** (a) An active transportation account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner and must be expended only on projects that receive financial assistance under this section.

(b) An active transportation account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner. Money in the account may only be expended on bond-eligible costs of a project receiving financial assistance as provided under this section. Money in the account may only be expended on a project that is publicly owned.

~~(c) An active transportation account is established in the general fund. The account consists of money as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on a project receiving financial assistance as provided under this section.~~

Sec. 9. **[473.355] COMMUNITY TREE-PLANTING GRANTS.**

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

(b) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value.

(c) "Supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Subd. 2. **Grants.** (a) The Metropolitan Council must establish a grant program to provide grants to cities, counties, townships, Tribal governments, and implementing agencies for the following purposes:

(1) removing and planting shade trees on public or Tribal land to provide environmental benefits;

(2) replacing trees lost to forest pests, disease, or storms; or

(3) establishing a more diverse community forest better able to withstand disease and forest pests.

(b) Any tree planted with money granted under this section must be a climate-adapted species to Minnesota.

Subd. 3. **Priority.** (a) Priority for grants awarded under this section must be given to:

(1) projects removing and replacing ash trees that pose significant public safety concerns; and

(2) projects located in a census block or blocks with a supplemental demographic index score of 70 percent or greater.

(b) The Metropolitan Council may not prioritize projects based on criteria other than the criteria established under paragraph (a).

Subd. 4. **Eligible projects.** (a) The proceeds of state general obligation bonds may only be expended for grants to cities, counties, townships, and implementing agencies.

(b) Appropriations from the general fund may be expended for grants to Tribal governments, cities, counties, townships, and implementing agencies.

Sec. 10. Laws 2023, chapter 71, article 1, section 6, subdivision 4, is amended to read:

Subd. 4. **Sustainable Building Guidelines;  
Recommendations and Report**

304,000

To develop recommendations for updating goals, measuring project performance in meeting the goals, applicability, compliance, waivers, outreach, and administration of the sustainable building guidelines under Minnesota Statutes, section 16B.325, in collaboration with the commissioner of commerce and the Center for Sustainable Building Research at the University of

Minnesota. The commissioner of administration may contract with the commissioner of commerce and the Center for Sustainable Building Research at the University of Minnesota for assistance in developing the recommendations, including obtaining input from public owners, nonprofit owners, design professionals, and other stakeholders. The commissioner of administration must provide a report of findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over capital investment, energy finance and policy, and environment finance and policy on or before October 15, 2023. Upon completion of development of the recommendations, any remaining funds may be utilized to begin implementation of the recommendations.

Sec. 11. **CAPITOL MALL DESIGN FRAMEWORK UPDATE; MATCHING FUNDS.**

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

(b) "Capitol Mall Design Framework update" means the Capitol Mall Design Framework update required by Laws 2023, chapter 62, article 2, section 124.

(c) "Nonstate funds" means money secured from private sources, including individuals and businesses, toward the Capitol Mall Design Framework update.

Subd. 2. **Capitol Mall Design Framework; use of nonstate funds.** (a) Nonstate funds must be used to predesign, design, construct, furnish, and equip improvements and betterments of a capital nature consistent with the Capitol Mall Design Framework update.

(b) The commissioner of administration shall coordinate the expenditure of nonstate funds toward the Capitol Mall Design Framework update improvements. Any unspent nonstate funds may be used by the commissioner of administration for improvements and betterments of a capital nature consistent with the Capitol Mall Design Framework update.

Sec. 12. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital investment; authorizing spending to acquire and better land and buildings and for other improvements of a capital nature with certain conditions; establishing and modifying programs; canceling prior appropriations; appropriating money; amending Minnesota Statutes 2022, sections 16A.86, subdivisions 3a, 4; 16B.325, as amended; 16B.335, subdivision 4; Minnesota Statutes 2023 Supplement, section 174.38, subdivision 3; Laws 2023, chapter 71, article 1, section 6, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 144; 473."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Lee, F., from the Committee on Capital Investment to which was referred:

H. F. No. 5220, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying prior appropriations; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2022, sections 16A.642, subdivision 1; 446A.07, subdivision 8; 446A.072, subdivision 5a; 446A.073, subdivision 1; 462A.37, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 256E.37, subdivision 1; 446A.081, subdivision 9; 462A.37, subdivision 5; Laws 2020, Fifth Special Session chapter 3, article 1, sections 14, subdivisions 5, 6; 25; Laws 2023, chapter 72, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 16B; 115B; 174; 446A; repealing Minnesota Statutes 2022, section 16A.662.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

(a) The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, clause (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, clauses (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act:

(1) may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget;

(2) is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642;

(3) for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144;

(4) is subject to the policies and procedures adopted by the commissioner of management and budget or otherwise specified in applicable law; and

(5) is available for a grant to a political subdivision after the commissioner of management and budget determines that an amount sufficient to complete the project as described in this act has been committed to the project, as required by Minnesota Statutes, section 16A.502.

(b) Unless otherwise specified, appropriations in this article from the general fund or from the trunk highway fund are made in fiscal year 2025 and are onetime appropriations.

(c) Recipients of grants from money appropriated in this article must demonstrate to the commissioner of the agency making the grant that the recipient has the ability and a plan to fund the program intended for the facility. This paragraph does not apply to state agencies.



**APPROPRIATIONS**Sec. 2. **UNIVERSITY OF MINNESOTA**Subdivision 1. **Total Appropriation****\$64,000,000**

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**

64,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

This appropriation must be used to fully fund the following projects:

(1) to predesign, design, construct, and equip critical utility infrastructure improvements for the heating plant on the Crookston campus;

(2) to predesign, design, construct, and equip the repair or replacement of the HVAC system in the Library Annex facility on the Duluth campus and other capital improvements to comply with federal, state, and local building code requirements;

(3) to predesign, design, renovate, furnish, and equip improvements to the Multi-Ethnic Resource Center, originally constructed in 1899, on the Morris campus;

(4) to predesign, design, construct, and equip the repair or replacement of HVAC and plumbing systems and roofs on buildings throughout the Southern Research and Outreach Center in the city of Waseca; and

(5) to design and construct the replacement of the pedestrian enclosure and suicide deterrent barriers on the Washington Avenue Pedestrian Bridge on the Twin Cities campus. The board must consult with persons impacted by suicide at this bridge, suicide prevention organizations, and experts in the field of suicide prevention in designing the project.

Sec. 3. **MINNESOTA STATE COLLEGES AND UNIVERSITIES**Subdivision 1. **Total Appropriation****\$64,000,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)** 64,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Sec. 4. **EDUCATION** **\$302,699,000**

To the commissioner of education for library construction grants under Minnesota Statutes, section 134.45.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation** **\$7,500,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation** 3,000,000

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Blind Library Building Renovation** 4,500,000

To predesign, design, renovate, furnish, and equip the Blind Library building to address safety and accessibility concerns and repurpose the space for current student needs.

Sec. 6. **PERPICH CENTER FOR ARTS EDUCATION** **\$4,000,000**

To the commissioner of administration for capital asset preservation improvements and betterments at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 7. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **\$65,500,000**

(a) To the commissioner of natural resources for the purposes specified in this section.

(b) The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

**Subd. 2. Natural Resources Asset Preservation**20,000,000

For the preservation and replacement of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946.

**Subd. 3. Betterment of Buildings**30,000,000

For acquisition, predesign, design, and construction to replace existing facilities that no longer meet the business needs of the department or to acquire or construct new facilities. This appropriation must first be used for construction of Drill Core Library Building #4 and associated facility components at the Drill Core Library in the city of Hibbing, and for predesign, design, and construction of facility capital improvements and associated facility components at the Badoura State Forest Nursery.

**Subd. 4. Accessibility**2,000,000

For the design and construction of accessibility improvements at state parks, recreation areas, and wildlife management areas.

**Subd. 5. Flood Hazard Mitigation**3,000,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

(b) Project priorities shall be determined by the commissioner as appropriate, based on need and consideration of available leveraging of federal, state, and local funds.

(c) To the extent practicable and consistent with the project, recipients of appropriations for flood control projects in this subdivision shall create wetlands that are eligible for wetland replacement credit to replace wetlands drained or filled as the result of repair, reconstruction, replacement, or rehabilitation of an existing public road under Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

(d) To the extent that the cost of a municipal project exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

**Subd. 6. Community Tree Planting**8,000,000

For grants under Minnesota Statutes, section 84.705. This appropriation must be used for qualified capital projects.

**Subd. 7. Reforestation**2,500,000

For reforestation and stand improvement on state forest lands to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including purchasing native seeds and native seedlings, planting, seeding, site preparation, and protection on state lands administered by the commissioner.

**Subd. 8. Unspent Appropriations**

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Sec. 8. POLLUTION CONTROL AGENCY****Subdivision 1. Total Appropriation****\$12,000,000**

To the Pollution Control Agency for the purposes specified in this section.

**Subd. 2. Statewide Drinking Water Contamination Mitigation Program**4,000,000

For projects or grants under Minnesota Statutes, section 115B.245.

**Subd. 3. Capital Assistance Programs**8,000,000

For grants under Minnesota Statutes, section 115A.54.

**Sec. 9. BOARD OF WATER AND SOIL RESOURCES****Subdivision 1. Total Appropriation****\$9,862,000**

To the Board of Water and Soil Resources for the purposes specified in this section.

**Subd. 2. Local Government Roads Wetland Replacement Program**3,862,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). Notwithstanding Minnesota Statutes, section 103G.222, subdivision 3, the board may implement the wetland replacement program consistent with section 404 of the federal Clean Water

Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420. Up to five percent of this appropriation may be used for restoration and enhancement.

**Subd. 3. Reinvest in Minnesota (RIM) Reserve Program**

6,000,000

To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and to restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands, in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program. The board shall give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements. The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Up to ten percent of this appropriation may be used for restoration, rehabilitation, and enhancement.

**Sec. 10. MINNESOTA ZOOLOGICAL GARDEN**

**\$15,000,000**

To the Minnesota Zoological Board to design, construct, furnish, and equip a new animal hospital building at the Minnesota Zoological Garden.

**Sec. 11. ADMINISTRATION**

**Subdivision 1. Total Appropriation**

**\$32,344,000**

To the commissioner of administration for the purposes specified in this section.

**Subd. 2. Capitol Tunnel**

8,500,000

To design, construct, and equip improvements to a portion of the tunnel connecting the State Office Building with the State Capitol necessary to bring the tunnel into compliance with the Americans with Disabilities Act.

**Subd. 3. Capital Asset Preservation and Replacement Account** 2,044,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

**Subd. 4. Transportation Building- Physical Security Upgrades** 1,800,000

From the trunk highway fund, for the design, construction, and equipping required to upgrade the physical security elements and systems for the Transportation building and its attached tunnel systems, surrounding grounds, and parking facilities as identified in the 2017 Minnesota State Capitol Complex Physical Security Predesign completed by Miller Dunwiddie and an updated assessment completed in 2022. Upgrades include but are not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, surveillance systems, security kiosks, lighting enhancements, locking devices, and traffic and crowd control devices.

**Subd. 5. ADA Accessibility** 8,000,000

To be spent in accordance with Minnesota Statutes, section 16B.308.

**Subd. 6. Capitol Mall Improvements** 12,000,000

To predesign, design, construct, furnish, and equip improvements and betterments of a capital nature to the upper mall and lower mall of the Minnesota State Capitol consistent with the Capitol Mall Design Framework update required by Laws 2023, chapter 62, article 2, section 124. This appropriation includes money for Americans with Disabilities Act compliance, security, and landscaping improvements.

**Sec. 12. AMATEUR SPORTS COMMISSION**

**Subdivision 1. Total Appropriation** **\$9,226,000**

To the Minnesota Amateur Sports Commission for the purposes specified in this section.

**Subd. 2. Asset Preservation** 9,226,000

For asset preservation improvements and betterments of a capital nature at the National Sports Center in Blaine, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 13. **MILITARY AFFAIRS**Subdivision 1. **Total Appropriation****\$3,000,000**To the adjutant general for the purposes specified in this section.Subd. 2. **Duluth Hangar Design**3,000,000To predesign and design the construction of a new hangar to hold aircraft at the Duluth International Airport in support of the 148th Fighter Wing of the Minnesota Air National Guard to replace existing hangars.Sec. 14. **PUBLIC SAFETY**Subdivision 1. **Total Appropriation****\$47,998,000**To the commissioner of administration for the purposes specified in this section.Subd. 2. **Southern Minnesota BCA Regional Office and Laboratory**47,998,000To construct, furnish, and equip a new Bureau of Criminal Apprehension regional office and laboratory facility in Mankato.Sec. 15. **TRANSPORTATION**Subdivision 1. **Total Appropriation****\$45,700,000**To the commissioner of transportation for the purposes specified in this section.Subd. 2. **Major Local Bridge Replacement and Rehabilitation Program**37,700,000From the bond proceeds account in the state transportation fund for grants under Minnesota Statutes, section 174.50, subdivision 6d.Subd. 3. **Port Development Assistance Program**8,000,000For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.Sec. 16. **METROPOLITAN COUNCIL**Subdivision 1. **Total Appropriation****\$31,000,000**To the Metropolitan Council for the purposes specified in this section.

Subd. 2. **Metropolitan Cities Inflow and Infiltration Grants** 15,000,000

For grants under Minnesota Statutes, section 473.5491.

Subd. 3. **Metropolitan Regional Parks and Trails** 8,000,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.

Subd. 4. **Community Tree Planting Grants** 8,000,000

For grants under Minnesota Statutes, section 473.355.

Sec. 17. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation** \$20,266,000

To the commissioner of administration, or other named entity, for the purposes specified in this section.

Subd. 2. **Asset Preservation** 12,266,000

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307. The commissioner of administration may use this appropriation for improvements and betterments of a capital nature to be spent in accordance with Minnesota Statutes, section 16B.307, at facilities operated by the Department of Direct Care and Treatment following the department's separation from the Department of Human Services.

Subd. 3. **Early Childhood Facilities Grants** 8,000,000

To the commissioner of human services for grants under Minnesota Statutes, section 256E.37, to predesign, design, construct, renovate, furnish, and equip early childhood learning facilities.

Sec. 18. **HEALTH** \$6,000,000

To the commissioner of health for grants under Minnesota Statutes, section 144.3835.



Sec. 19. **VETERANS AFFAIRS**Subdivision 1. **Total Appropriation****\$28,857,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation**12,812,000

For asset preservation improvements and betterments of a capital nature at the veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, and Luverne, and the state veterans cemeteries at Little Falls, Preston, and Duluth, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minneapolis Veterans Home - Building 16 Remodel**16,045,000

To design, construct, furnish, and equip the renovation of the Minneapolis Veterans Home Building 16.

Sec. 20. **CORRECTIONS**Subdivision 1. **Total Appropriation****\$114,024,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation**60,000,000

For asset preservation improvement and betterments of a capital nature at the Minnesota correctional facilities statewide to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minnesota Correctional Facility - Rush City**46,585,000

To design, construct, furnish, and equip a new building addition and to renovate existing space to provide incarcerated persons services at the Rush City Correctional Facility.

Subd. 4. **Lino Lakes Treatment and Programming Space**7,439,000

To predesign, design, construct, renovate, furnish and equip an existing building and complete associated site work at the Minnesota Correctional Facility - Lino Lakes to construct an incarcerated persons programming and support space. The renovation of the existing building includes but is not limited to the removal of hazardous materials, upgrades to comply with current codes, interior demolition, and the construction of spaces appropriate for programming functions.

**Subd. 5. Unspent Appropriations**

The unspent portion of an appropriation for a Department of Corrections project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Sec. 21. EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation** **\$4,000,000**

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. **Greater Minnesota Business Development Public Infrastructure** 2,000,000

For grants under Minnesota Statutes, section 116J.431.

Subd. 3. **Transportation Economic Development Infrastructure** 2,000,000

For grants under Minnesota Statutes, section 116J.436.

**Sec. 22. PUBLIC FACILITIES AUTHORITY**

Subdivision 1. **Total Appropriation** **\$57,000,000**

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. **State Match for Federal Grants to State Revolving Loan Programs** 39,000,000

To match federal capitalization grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. This appropriation must be used for qualified capital projects.

Subd. 3. **Water Infrastructure Funding Program** 8,000,000

(a) For grants to eligible municipalities under the water infrastructure funding program under Minnesota Statutes, section 446A.072.

(b) \$4,000,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$4,000,000 is for drinking water projects listed on the commissioner of health's project priority list in the fundable range under the drinking water revolving fund program.

(d) After all eligible projects under paragraph (b) or (c) have been funded in a fiscal year, the Public Facilities Authority may transfer any remaining, uncommitted money to eligible projects under a program defined in paragraph (b) or (c) based on that program's project priority list.

**Subd. 4. Emerging Contaminants Grant Program** **10,000,000**

For grants to eligible municipalities under the Emerging Contaminants Grant Program under Minnesota Statutes, section 446A.082.

**Sec. 23. MINNESOTA HOUSING FINANCE AGENCY**

**Subdivision 1. Total Appropriation** **\$36,500,000**

To the Minnesota Housing Finance Agency for the purposes specified in this section.

**Subd. 2. Public Housing Rehabilitation** **32,000,000**

To the Minnesota Housing Finance Agency to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and publicly owned. Priority may be given to proposals that maximize nonstate resources to finance the capital costs and requests that prioritize health, safety, and energy improvements. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

**Subd. 3. Greater Minnesota Housing Infrastructure Grants** **4,500,000**

For grants under Minnesota Statutes, section 462A.395, subdivision 3, paragraph (b).

**Sec. 24. MINNESOTA HISTORICAL SOCIETY**

**Subdivision 1. Total Appropriation** **\$5,588,000**

To the Minnesota Historical Society for the purposes specified in this section.

**Subd. 2. Historic Sites Asset Preservation**5,588,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

**Sec. 25. MINNESOTA MANAGEMENT AND BUDGET****\$1,300,000**

From the general fund to the commissioner of management and budget to prepay or defease any outstanding state general obligation bonds used for improvements and betterments at the University of Minnesota Cloquet Forestry Center, and other associated financing costs. This amount may be deposited, invested, and applied to accomplish the purposes of this section as provided in Minnesota Statutes, section 475.67, subdivisions 5 to 10, and 13. Upon the prepayment or defeasance of all associated debt on the real property and improvements, all conditions set forth in Minnesota Statutes, section 16A.695, subdivision 3, shall be deemed to have been satisfied and the real property and improvements shall no longer constitute state bond financed property under Minnesota Statutes, section 16A.695.

**Sec. 26. BOND SALE AUTHORIZATIONS.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, and to provide for expenses authorized in section 16A.641, subdivision 8, paragraph (c), the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$947,550,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the bond proceeds account in the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$37,700,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

**Sec. 27. BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2025, no more than \$1,136,805,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 28. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

(a) The amounts of the general obligation bond proceeds appropriations and trunk highway bond proceeds appropriations listed in the cancellation report submitted to the legislature in January 2024, pursuant to Minnesota Statutes, section 16A.642, are canceled on the effective date of this section. The corresponding bond sale authorizations are reduced by the same amounts. If an appropriation in this section is canceled more than once, the cancellation must be given effect only once.

(b) The appropriation in Laws 2023, chapter 72, article 1, section 18, subdivision 5, paragraph (c), is canceled. The corresponding bond sale authorization in Laws 2023, chapter 72, article 1, section 27, subdivision 1, is reduced by the same amount.

Sec. 29. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment.

ARTICLE 2  
MISCELLANEOUS

Section 1. **[16B.308] ACCESSIBILITY ACCOUNT.**

Subdivision 1. **Establishment.** An accessibility account is established in the state bond proceeds fund to receive state bond proceeds appropriated to the commissioner of administration to be expended for the purpose and in accordance with the standards and criteria in this section.

Subd. 2. **Standards.** (a) An expenditure may be made from the account only when it is a capital expenditure on a capital asset owned by the state, within the meaning of accepted accounting principles as applied to public expenditures. The commissioner of administration must consult with the commissioner of management and budget to the extent necessary to ensure that an expenditure meets the criteria of the Minnesota Constitution, article XI, section 5, clause (a).

(b) An expenditure may be made from the account to predesign, design, construct, renovate, furnish, and equip accessibility improvements on state-owned property. For purposes of this section, "state-owned property" does not include property controlled or managed by the University of Minnesota.

(c) Categories of projects considered likely to be most needed and appropriate for financing are:

(1) removal of architectural barriers from a building or site; and

(2) improvements to meet state and federal requirements for accessibility for people with disabilities.

Subd. 3. **Applications; project selection.** (a) The commissioner of administration must:

(1) provide instructions to state agencies to apply for funding of capital expenditures from the accessibility account;

(2) review applications for funding;

(3) make initial allocations among eligible projects;

(4) determine priorities for funding in collaboration with the Minnesota Council on Disability; and

(5) allocate money in priority order until the available appropriation has been committed.

Subd. 4. **Report.** On or before January 15 annually the commissioner of administration must submit to the commissioner of management and budget and the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over capital investment a list of the projects that were funded with money from the accessibility account during the preceding calendar year, as well as a list of priority projects for which accessibility appropriations will be requested in that year's legislative session.

**Sec. 2. [84.705] COMMUNITY TREE-PLANTING GRANTS.**

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

(b) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value.

(c) "Supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Subd. 2. **Grants.** (a) The commissioner must establish a grant program to provide grants to cities, counties, townships, Tribal governments, and park and recreation boards in cities of the first class for the following purposes:

(1) removing and planting shade trees on public or Tribal land to provide environmental benefits;

(2) replacing trees lost to forest pests, disease, or storms; or

(3) establishing a more diverse community forest better able to withstand disease and forest pests.

(b) Any tree planted with money granted under this section must be a climate-adapted species to Minnesota.

Subd. 3. **Priority.** (a) Priority for grants awarded under this section must be given to:

(1) projects removing and replacing ash trees that pose significant public safety concerns; and

(2) projects located in a census block or blocks with a supplemental demographic index score of 70 percent or greater.

(b) The commissioner may not prioritize projects based on criteria other than the criteria established under paragraph (a).

Subd. 4. **Eligible projects.** (a) The proceeds of state general obligation bonds may only be expended for grants to cities, counties, townships, and park and recreation boards in cities of the first class.

(b) Appropriations from the general fund may be expended for grants to Tribal governments, cities, counties, townships, and park and recreation boards in cities of the first class.

**Sec. 3. [115B.245] STATEWIDE DRINKING WATER CONTAMINATION MITIGATION PROGRAM.**

Subdivision 1. **Program established.** (a) The commissioner may design and construct, or may make grants to eligible grantees as provided under this section to design and construct, projects to provide safe drinking water, due to contamination of drinking water by hazardous substances, through projects such as treatment systems, new drinking water wells, sealing contaminated wells, and connecting to alternative drinking water sources. The criteria for selecting projects must follow the criteria and rules established under section 115B.17.

(b) The commissioner must prioritize projects located in a census block or blocks with a supplemental demographic index score of 70 percent or greater.

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

(b) "Commissioner" means the commissioner of the Pollution Control Agency.

(c) "Eligible grantee" means:

(1) for projects funded from proceeds of bonds authorized by the Minnesota Constitution, article XI, section 5, clause (a), a city, county, school district, joint powers board, or other political subdivision of the state; and

(2) for projects funded from appropriations from the general fund, any person.

(d) "Private infrastructure projects" means improvements made to nonpublicly owned infrastructure such as sealing of private wells, connecting private properties to water mains, water service fees, treatment systems, and drilling new private wells in an unimpaired drinking water aquifer.

(e) "Public infrastructure projects" means improvements made to publicly owned infrastructure such as water main installation, public water system improvements, treatment systems, and associated improvements.

(f) "Supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Subd. 3. **Eligible projects.** (a) The proceeds of state general obligation bonds may only be expended to acquire land or an interest in land and to predesign, design, construct, and improve public infrastructure projects that further the purposes of this section. Notwithstanding section 115B.17, subdivision 6 or 16, any money recovered in a civil action for a project financed with bonds under this section shall be transferred to the commissioner of management and budget and applied toward principal and interest on outstanding bonds.

(b) Appropriations from the general fund may only be expended on public or private infrastructure projects that further the purposes of this section.

#### Sec. 4. **[144.3835] SECONDARY SOURCES OF DRINKING WATER GRANT PROGRAM.**

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

(b) "Community water system" means a public water system owned by a political subdivision which serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.

(c) "Supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Subd. 2. **Establishment; purpose.** The commissioner shall develop a grant program for the purpose of providing communities with a secondary source of drinking water that ensures an uninterrupted supply of safe drinking water in case of a disruptive event.

**Subd. 3. Grants authorized.** (a) The commissioner shall award grants to community water systems that currently only have one well as a source of drinking water. The commissioner shall prescribe the content, form, and manner of a grant application under this section and shall examine and consider all applications for grants. If the commissioner determines that a community water system is ineligible for a grant under this section, the commissioner must promptly notify the community water system in writing of the determination and the reasons for the determination.

(b) Priority shall be given to community water systems that meet the following criteria:

(1) the population served is 3,300 or less;

(2) the community water system plans to use the funds for a backup well; and

(3) the community water system is located in a census block or blocks with a supplemental demographic index score of 70 percent or greater.

**Subd. 4. Grant allocation.** Grantees must use the funds to acquire, predesign, design, construct, and improve a secondary source of drinking water such as a backup well or other secondary source of drinking water that allows the community water system to continue to provide drinking water in case of a disruptive event such as a well failure or contamination.

Sec. 5. Minnesota Statutes 2023 Supplement, section 256E.37, subdivision 1, is amended to read:

Subdivision 1. **Grant authority.** The commissioner may make grants to state agencies ~~and~~ political subdivisions, nonprofit organizations, Indian Tribal governments, or private child care providers licensed as a child care center or to provide in-home family child care to construct or rehabilitate facilities for early childhood programs, crisis nurseries, or parenting time centers. The following requirements apply:

(1) For grants funded with general obligation bonds, the facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases.

(2) For grants funded with general fund appropriations, the facilities may be owned by a political subdivision, nonprofit organization, Tribal government, or private child care provider licensed as a child care center or to provide in-home family child care.

~~(2)~~ (3) A grant for an individual facility must not exceed \$500,000 for each program that is housed in the facility, up to a maximum of \$2,000,000 for a facility that houses three programs or more. Programs include Head Start, School Readiness, Early Childhood Family Education, licensed child care, and other early childhood intervention programs.

~~(3)~~ (4) State appropriations must be matched on a ~~50~~ 25 percent basis with nonstate funds. The matching requirement must apply program wide and not to individual grants.

Sec. 6. **[446A.082] EMERGING CONTAMINANTS GRANTS.**

Subdivision 1. **Definition.** For the purposes of this section, "supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.



Subd. 2. **Program established.** When money is appropriated under this program, the authority shall award grants to a governmental unit for up to 80 percent of the cost of drinking water infrastructure projects to address a confirmed exceedance of a health advisory level for a drinking water emerging contaminant as defined by the Environmental Protection Agency.

Subd. 3. **Eligibility.** An eligible project for this program must:

(1) be listed on the Drinking Water Revolving Fund Project Priority List per Minnesota Rules, part 4720.9015;

(2) receive priority points under Minnesota Rules, part 4720.9020, subpart 4a; and

(3) be certified by the commissioner of health per Minnesota Rules, part 4720.9060.

Subd. 4. **Application and reservation of funds.** (a) Grant applications to the authority may be made at any time on forms prescribed by the authority, including a project schedule and cost estimate for the work necessary to comply with the purpose described in subdivision 2.

(b) The commissioner of health shall review and certify to the authority those projects that have plans and specifications approved under Minnesota Rules, part 4720.9060. The commissioner of health must also indicate in the certification the supplemental demographic index scores of the projects.

(c) When a project is certified by the commissioner of health, the authority shall first reserve grant funds for projects located in a census block or blocks with a supplemental demographic index score of 70 percent or greater. Any remaining funds shall be reserved for projects in the order listed on the commissioner of health's project priority list and in an amount based on the cost estimate in the commissioner of health certification or the as-bid costs, whichever is less.

Subd. 5. **Grant amount.** The grant amount for an eligible project under this program shall be for an amount up to 80 percent of the eligible as-bid project cost up to \$12,000,000, minus the amount of federal emerging contaminant funds the project receives under section 446A.081, subdivision 9, paragraph (a), clause (12), or other federal emerging contaminant funds.

Subd. 6. **Grant approval.** The authority shall award a grant for an eligible project only after:

(1) the applicant has submitted the as-bid project cost;

(2) the commissioner of health has certified the grant eligible portion of the project; and

(3) the authority has determined that the additional financing necessary to complete the project has been committed from other sources.

Subd. 7. **Grant disbursement.** Grant funds shall be disbursed by the authority as eligible project costs are incurred by the governmental unit and in accordance with a project financing agreement and applicable state laws and rules governing the disbursements.

Sec. 7. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:

**462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing Finance Agency may make grants to counties and cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project. The commissioner may make a grant award only

after determining that nonstate resources are committed to complete the project. The nonstate contribution may be cash, other committed grant funds, or in kind. In-kind contributions may include the value of the site, whether the site is prepared before or after the law appropriating money for the grant is enacted.

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

(b) "City" means a statutory or home rule charter city located outside the metropolitan area, as defined in section 473.121, subdivision 2.

(c) "Housing infrastructure" means publicly owned physical infrastructure necessary to support housing development projects, including but not limited to sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may be (a) a single-family or multifamily housing development, and either owner-occupied or rental-; or (b) a manufactured home development qualifying for homestead treatment under section 273.124, subdivision 3a.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a city or county must include in its application a resolution of the county board or city council certifying that the required nonstate match is available. The commissioner must evaluate complete applications for funding for eligible projects to determine that:

(1) the project is necessary to increase sites available for housing development that will provide adequate housing stock for the current or future workforce; and

(2) the increase in workforce housing will result in substantial public and private capital investment in the county or city in which the project would be located.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the criteria are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Maximum grant amount.** A county or city may receive no more than ~~\$30,000~~ \$40,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more than \$60,000 per manufactured housing lot, and no more than \$180,000 per lot for multifamily housing with more than four units per building. A county or city may receive no more than \$500,000 in two years for one or more housing developments. The \$500,000 limitation does not apply to use on manufactured housing developments.

## Sec. 8. [473.355] COMMUNITY TREE-PLANTING GRANTS.

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

(b) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value.

(c) "Supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Subd. 2. **Grants.** (a) The Metropolitan Council must establish a grant program to provide grants to cities, counties, townships, Tribal governments, and implementing agencies for the following purposes:

(1) removing and planting shade trees on public or Tribal land to provide environmental benefits;

(2) replacing trees lost to forest pests, disease, or storms; or

(3) establishing a more diverse community forest better able to withstand disease and forest pests.

(b) Any tree planted with money granted under this section must be a climate-adapted species to Minnesota.

Subd. 3. **Priority.** (a) Priority for grants awarded under this section must be given to:

(1) projects removing and replacing ash trees that pose significant public safety concerns; and

(2) projects located in a census block or blocks with a supplemental demographic index score of 70 percent or greater.

(b) The Metropolitan Council may not prioritize projects based on criteria other than the criteria established under paragraph (a).

Subd. 4. **Eligible projects.** (a) The proceeds of state general obligation bonds may only be expended for grants to cities, counties, townships, and implementing agencies.

(b) Appropriations from the general fund may be expended for grants to Tribal governments, cities, counties, townships, and implementing agencies.

Sec. 9. Minnesota Statutes 2023 Supplement, section 473.5491, subdivision 1, is amended to read:

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

~~(b) "Affordability criteria" means an inflow and infiltration project service area that is located, in whole or in part, in a census tract where at least three of the following apply as determined using the most recently published data from the United States Census Bureau or United States Centers for Disease Control and Prevention:~~

~~(1) 20 percent or more of the residents have income below the federal poverty thresholds;~~

~~(2) the tract has a United States Centers for Disease Control and Prevention Social Vulnerability Index greater than 0.80;~~

~~(3) the upper limit of the lowest quintile of household income is less than the state upper limit of the lowest quintile;~~

~~(4) the housing vacancy rate is greater than the state average; or~~

~~(5) the percent of the population receiving Supplemental Nutrition Assistance Program (SNAP) benefits is greater than the state average.~~

~~(e) (b) "City" means a statutory or home rule charter city located within the metropolitan area.~~

(c) "Supplemental demographic index" means an index in the Environmental Justice Screening and Mapping Tool developed by the United States Environmental Protection Agency that is based on socioeconomic indicators, including low income, unemployment, less than high school education, limited English speaking, and low life expectancy.

Sec. 10. Minnesota Statutes 2023 Supplement, section 473.5491, subdivision 2, is amended to read:

Subd. 2. **Grants.** (a) The council shall make grants to cities for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the council's metropolitan sanitary sewer disposal system.

(b) A grant under this section may be made in an amount up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection system. The council may award a grant up to 100 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection system if the project ~~meets affordability criteria~~ is located in a census block or blocks with a supplemental demographic index score of 70 percent or greater.

Sec. 11. Minnesota Statutes 2023 Supplement, section 473.5491, subdivision 4, is amended to read:

Subd. 4. **Application.** The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council. The council must prioritize applications ~~that meet affordability criteria~~ for projects located in a census block or blocks with a supplemental demographic index score of 70 percent or greater.

Sec. 12. Laws 2023, chapter 71, article 1, section 14, subdivision 21, is amended to read:

Subd. 21. **Inver Grove Heights; Heritage Village Park**

2,000,000

For a grant to the city of Inver Grove Heights to ~~pre-design, design,~~ construct, furnish, and equip ~~an~~ inclusive accessible play ~~structure~~ structures for children and to ~~pre-design, design,~~ construct, furnish, and equip ~~accessible restrooms, water fountains, and a fixed-shade structure~~ structures, at Heritage Village Park.

Sec. 13. **CLOQUET FORESTRY CENTER; LAND TRANSFER.**

(a) The commissioner of administration must convey for no consideration all state-owned land within boundaries of the Cloquet Forestry Center to the Board of Regents of the University of Minnesota.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Carlton County and is described as follows:

(1) the Southeast Quarter of the Northwest Quarter of Section 30, Township 49 North, Range 17 West;

(2) the East Half of the Northeast Quarter of Section 36, Township 49 North, Range 18 West;

(3) the Northwest Quarter of the Southeast Quarter of Section 29, Township 49 North, Range 17 West;

(4) the Northwest Quarter of the Northwest Quarter of Section 29, Township 49 North, Range 17 West;

(5) the Northwest Quarter of the Southwest Quarter (or Lot 3) of Section 30, Township 49 North, Range 17 West;

(6) the Southwest Quarter of the Northwest Quarter (or Lot 2) of Section 31, Township 49 North, Range 17 West;

(7) the Southeast Quarter of the Northeast Quarter of Section 32, Township 49 North, Range 17 West; and

(8) the North Half of the Northeast Quarter of Section 32, Township 49 North, Range 17 West.

Sec. 14. **ALLOCATIONS; MINNESOTA'S MULTIPURPOSE COMMUNITY FACILITY PROJECTS TO SUPPORT COMMUNITY REVITALIZATION, CONNECTEDNESS AND EQUITY BY PROMOTING EDUCATION, WORK AND HEALTH.**

Money allocated to the state from the federal capital projects fund for Minnesota's Multipurpose Community Facility Projects to Support Community Revitalization, Connectedness and Equity by Promoting Education, Work and Health program must be granted by the commissioner of education only to a local government unit, including a county, a statutory or home-rule charter city, a town, or another political subdivision. Among comparable requests for funding, the commissioner of education must prioritize funding for underserved communities, as defined by Minnesota Statutes, section 116J.9924, subdivision 1, paragraph (g).

Sec. 15. **REPEALER.**

(a) Minnesota Statutes 2022, section 16A.662, is repealed.

(b) Minnesota Statutes 2022, section 116J.417, subdivision 9, is repealed.

**EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment. Paragraph (b) is effective retroactively from June 2, 2023.

Sec. 16. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying and cancelling prior appropriations; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2023 Supplement, sections 256E.37, subdivision 1; 462A.395; 473.5491, subdivisions 1, 2, 4; Laws 2023, chapter 71, article 1, section 14, subdivision 21; proposing coding for new law in Minnesota Statutes, chapters 16B; 84; 115B; 144; 446A; 473; repealing Minnesota Statutes 2022, sections 16A.662; 116J.417, subdivision 9."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Gomez from the Committee on Taxes to which was referred:

H. F. No. 5246, A bill for an act relating to state finance; establishing a tax-forfeited lands settlement account; transferring money; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 282.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **TAX-FORFEITED LANDS SETTLEMENT; APPROPRIATION.**

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

(b) "Applicable start date" means:

(1) for Hennepin County, August 16, 2012;

(2) for St. Louis County, June 2, 2016; and

(3) for all other counties, June 23, 2016.

(c) "Commissioner" means the commissioner of management and budget.

(d) "Participating county" means a county that:

(1) elects to participate in the settlement;

(2) agrees to provide the claims administrator administering the settlement with all public property tax records reasonably necessary to effectuate the settlement agreement by August 1, 2024;

(3) agrees to make a good faith effort to sell all properties that forfeited between the applicable start date and December 31, 2023, other than those that are classified as conservation lands, those that are part of a rehabilitation program, and those in which title is no longer held in trust by the state of Minnesota for taxing districts;

(4) agrees that for any sale made under clause (3):

(i) the county will conduct an auction of the property, either in person or online; list the property through a private broker; or, if the property meets the criteria in Minnesota Statutes, section 282.01, subdivision 7a, sell the property pursuant to that subdivision;

(ii) the sale will be for no less than its appraised value;

(iii) the sale will be for cash only and not on terms; and

(iv) notwithstanding any provision of Minnesota Statutes, chapter 282, to the contrary, for any property sold on or after the effective date of this section, 75 percent of the proceeds of any sale on or before June 30, 2027, and 85 percent of the proceeds of any sale on or after July 1, 2027, and on or before June 30, 2029, will be remitted to the commissioner for deposit in the general fund and the remaining proceeds will be retained by the county to be used for any permissible purpose; and

(5) agrees that any properties subject to sale under clause (3) that remain unsold on June 30, 2029, must continue to be managed under the laws governing tax-forfeited lands until they are disposed of under those laws.

(e) "Settlement" means the agreement reached on February 28, 2024, settling litigation related to the state's retention of tax-forfeited lands, surplus proceeds from the sale of tax-forfeited lands, and mineral rights in those lands.

Subd. 2. **Receipts.** The commissioner must deposit into the general fund any proceeds remitted to the commissioner by participating counties under subdivision 1, paragraph (d), clause (4), item (iv), or any amounts returned by the claims administrator.

Subd. 3. **Nonparticipating counties.** A county that is not a participating county retains all risk of liability for claims related to properties forfeited before January 1, 2024. The state of Minnesota is not financially responsible for claims related to those properties and may seek indemnification from counties that are not participating counties for any expenses or judgments related to those properties.

Subd. 4. **Appropriation.** \$109,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of management and budget to make payments to the claims administrator under the terms of the settlement. This is a onetime appropriation and is available until June 30, 2026. The claims administrator must return any money that remains unspent on June 30, 2026.

Subd. 5. **Report.** (a) By December 31, 2024, and each December 31 thereafter, each participating county must report to the commissioner of management and budget the following information pertaining to parcels that forfeited between the applicable start date and December 31, 2023:

(1) the date on which each parcel forfeited;

(2) a brief description of the good faith efforts made to list and sell properties under this section; and

(3) if a parcel was sold, the purchase price and the amount remitted to the commissioner by each participating county under subdivision 1, paragraph (d), clause (4), item (iv).

(b) By February 1, 2025, and each February 1 thereafter, the commissioner of management and budget must compile the information reported under paragraph (a) and issue a report listing the reported information by county to the legislative committees with jurisdiction over finance, environment, and taxes.

(c) This subdivision expires February 2, 2030.

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

Delete the title and insert:

"A bill for an act relating to state finance; establishing a tax-forfeited lands settlement account; transferring money; requiring reports; appropriating money."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 5363, A bill for an act relating to employees; modifying paid leave provisions; amending Minnesota Statutes 2023 Supplement, sections 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by adding subdivisions; 268B.04; 268B.06, subdivisions 3, 4, 5, by adding a subdivision; 268B.07, subdivisions 1, 2, 3; 268B.085, subdivision 3; 268B.09, subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15, subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19; 268B.26; 268B.27, subdivision 2; 268B.29; proposing coding for new law in Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2023 Supplement, sections 268B.06, subdivision 7; 268B.08; 268B.10, subdivision 11; 268B.14, subdivision 5.

Reported the same back with the following amendments:

Page 7, delete section 12

Page 11, after line 18, insert:

"Sec. 14. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 2, is amended to read:

Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking benefits must be or have been based on a single event of at least seven calendar days' duration related to medical care related to pregnancy, family care, a qualifying exigency, safety leave, or the applicant's serious health condition. The days must be consecutive, unless the leave is intermittent. The seven-day qualifying event under this paragraph is an eligible payable period.

(b) Benefits related to bonding need not meet the seven-day qualifying event requirement.

(c) The commissioner shall use the rulemaking authority under section 268B.02, subdivision 3, to adopt rules regarding what serious health conditions and other events are prospectively presumed to constitute seven-day qualifying events under this chapter.

**EFFECTIVE DATE.** This section is effective November 1, 2025."

Page 30, lines 11 to 18, reinstate the stricken language

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

S. F. No. 5335, A bill for an act relating to human services; the human services omnibus budget bill; modifying provisions related to disability services, aging services, substance use disorder treatment services, priority admissions to state-operated programs and civil commitment, and Direct Care and Treatment; modifying provisions related to licensing of assisted living facilities; making technical changes; appropriating money; amending



Minnesota Statutes 2022, sections 13.46, subdivisions 1, as amended, 10, as amended; 144G.41, subdivision 1, by adding subdivisions; 144G.63, subdivisions 1, 4; 145.61, subdivision 5; 245.821, subdivision 1; 245.825, subdivision 1; 245A.11, subdivision 2a; 246.018, subdivision 3, as amended; 246.13, subdivision 2, as amended; 246.234, as amended; 246.36, as amended; 246.511, as amended; 252.27, subdivision 2b; 252.282, subdivision 1, by adding a subdivision; 256.88; 256.89; 256.90; 256.91; 256.92; 256B.02, subdivision 11; 256B.073, subdivision 4; 256B.0911, subdivisions 12, 17, 20; 256B.0913, subdivision 5a; 256B.0924, subdivision 3; 256B.434, by adding a subdivision; 256B.49, subdivision 16; 256B.4911, by adding subdivisions; 256B.77, subdivision 7a; 256R.53, by adding a subdivision; 256S.205, subdivision 5; 447.42, subdivision 1; Minnesota Statutes 2023 Supplement, sections 10.65, subdivision 2; 13.46, subdivision 2, as amended; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 15A.082, subdivisions 1, 3, 7; 43A.08, subdivisions 1, 1a; 245A.03, subdivision 7, as amended; 246.0135, as amended; 246C.01; 246C.02, as amended; 246C.04, as amended; 246C.05, as amended; 253B.10, subdivision 1; 256.042, subdivision 2; 256.043, subdivision 3; 256.9756, subdivisions 1, 2; 256B.073, subdivision 3; 256B.0911, subdivision 13; 256B.0913, subdivision 5; 256B.4914, subdivision 10d; 256R.55, subdivision 9; 270B.14, subdivision 1; Laws 2021, First Special Session chapter 7, article 13, section 68; article 17, section 19, as amended; Laws 2023, chapter 61, article 1, sections 59, subdivisions 2, 3; 60, subdivisions 1, 2; 67, subdivision 3; article 4, section 11; article 8, sections 1; 2; 3; 8; article 9, section 2, subdivisions 13, 16, as amended, 18; Laws 2024, chapter 79, article 1, sections 18; 23; 24; 25, subdivision 3; article 10, sections 1; 6; proposing coding for new law in Minnesota Statutes, chapters 144G; 245D; 246C; 256S; repealing Minnesota Statutes 2022, sections 246.41; 252.021; 252.27, subdivisions 1a, 2, 3, 4a, 5, 6; 256B.0916, subdivision 10; Minnesota Statutes 2023 Supplement, sections 246C.03; 252.27, subdivision 2a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
DISABILITY SERVICES

Section 1. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 2, as amended by Laws 2024, chapter 80, article 8, section 2, is amended to read:

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system and an investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;
- (6) to administer federal funds or programs;

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

(8) to the Department of Revenue to ~~assess parental contribution amounts for purposes of section 252.27, subdivision 2a,~~ administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs, and prepare the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section 6. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security or individual taxpayer identification numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services; the Department of Employment and Economic Development; the Department of Children, Youth, and Families; and, when applicable, the Department of Education, for the following purposes:

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

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

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter 256B or 256L; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

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

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

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

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

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

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

(i) the participant:

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

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

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

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

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

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

(18) the address, Social Security or individual taxpayer identification number, and, if available, photograph of any member of a household receiving SNAP benefits shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

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

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

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

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

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

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

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

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

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

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

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

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

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

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services; Children, Youth, and Families; and Education, on recipients and former recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D;

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

(29) counties and the Department of Children, Youth, and Families operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education;

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

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

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

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

(34) between the Department of Human Services and the Metropolitan Council for the following purposes:

(i) to coordinate special transportation service provided under section 473.386 with services for people with disabilities and elderly individuals funded by or through the Department of Human Services; and

(ii) to provide for reimbursement of special transportation service provided under section 473.386.

The data that may be shared under this clause are limited to the individual's first, last, and middle names; date of birth; residential address; and program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

(b) Information on persons who have been treated for substance use disorder may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

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

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

Sec. 2. Minnesota Statutes 2022, section 245.821, subdivision 1, is amended to read:

Subdivision 1. **Notice required.** Notwithstanding any law to the contrary, no private or public facility for the treatment, housing, or counseling of more than five persons with mental illness, physical disability, developmental disability, ~~as defined in section 252.27, subdivision 1a,~~ substance use disorder, or another form of dependency, nor any correctional facility for more than five persons, shall be established without 30 days' written notice to the affected municipality or other political subdivision.

Sec. 3. Minnesota Statutes 2022, section 245.825, subdivision 1, is amended to read:

Subdivision 1. **Rules governing aversive and deprivation procedures.** The commissioner of human services shall by October, 1983, promulgate rules governing the use of aversive and deprivation procedures in all licensed facilities and licensed services serving persons with developmental disabilities, ~~as defined in section 252.27, subdivision 1a.~~ No provision of these rules shall encourage or require the use of aversive and deprivation procedures. The rules shall prohibit: (1) the application of certain aversive and deprivation procedures in facilities except as authorized and monitored by the commissioner; (2) the use of aversive and deprivation procedures that restrict the consumers' normal access to nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, and necessary clothing; and (3) the use of faradic shock without a court order. The rule shall further specify that consumers may not be denied ordinary access to legal counsel and next of kin. In addition, the rule may specify other prohibited practices and the specific conditions under which permitted practices are to be carried out. For any persons receiving faradic shock, a plan to reduce and eliminate the use of faradic shock shall be in effect upon implementation of the procedure.

Sec. 4. Minnesota Statutes 2022, section 246.511, as amended by Laws 2024, chapter 79, article 2, section 39, is amended to read:

**246.511 RELATIVE RESPONSIBILITY.** Except for substance use disorder services paid for with money provided under chapter 254B, the executive board must not require under section 246.51 a client's relatives to pay more than the following: (1) for services provided in a community-based service, the noncovered cost of care as determined under the ability to pay determination; and (2) for services provided at a regional treatment center operated by state-operated services, 20 percent of the cost of care, unless the relatives reside outside the state. The executive board must determine the responsibility of parents of children in state facilities to pay according to ~~section 252.27, subdivision 2, or in~~ rules adopted under chapter 254B if the cost of care is paid under chapter 254B. The executive board may accept voluntary payments in excess of 20 percent. The executive board may require full payment of the full per capita cost of care in state facilities for clients whose parent, parents, spouse, guardian, or conservator do not reside in Minnesota.

Sec. 5. Minnesota Statutes 2022, section 252.27, subdivision 2b, is amended to read:

Subd. 2b. ~~Child's responsibility~~ **Parental or guardian reimbursement to counties.** (a) Parental or guardian responsibility ~~of for the child for the child's~~ cost of care incurred by counties shall be up to the maximum amount of the total income and resources attributed to the child except for the clothing and personal needs allowance as provided in section 256B.35, subdivision 1. Reimbursement by the parents ~~and child or guardians residing outside of Minnesota~~ shall be made to the county making any payments for services. The county board may require payment of the full cost of caring for children whose parents or guardians do not reside in this state.

(b) To the extent that a child described in subdivision 1 is eligible for benefits under chapter 62A, 62C, 62D, 62E, or 64B, the county is not liable for the cost of services.

Sec. 6. Minnesota Statutes 2022, section 252.282, subdivision 1, is amended to read:

Subdivision 1. **Host county responsibility.** (a) ~~For purposes of this section, "local system needs planning" means the determination of need for ICF/DD services by program type, location, demographics, and size of licensed services for persons with developmental disabilities or related conditions.~~

~~(b)~~ (a) This section does not apply to semi-independent living services and residential-based habilitation services funded as home and community-based services.

~~(c)~~ (b) In collaboration with the commissioner and ICF/DD providers, counties shall complete a local system needs planning process for each ICF/DD facility. Counties shall evaluate the preferences and needs of persons with developmental disabilities to determine resource demands through a systematic assessment and planning process by May 15, 2000, and by July 1 every two years thereafter beginning in 2001.

~~(d)~~ (c) A local system needs planning process shall be undertaken more frequently when the needs or preferences of consumers change significantly to require reformation of the resources available to persons with developmental disabilities.

~~(e)~~ (d) A local system needs plan shall be amended anytime recommendations for modifications to existing ICF/DD services are made to the host county, including recommendations for:

(1) closure;

(2) relocation of services;

(3) downsizing; or

(4) modification of existing services for which a change in the framework of service delivery is advocated.

Sec. 7. Minnesota Statutes 2022, section 252.282, is amended by adding a subdivision to read:

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

(b) "Local system needs planning" means the determination of need for ICF/DD services by program type, location, demographics, and size of licensed services for persons with developmental disabilities or related conditions.

(c) "Related condition" has the meaning given in section 256B.02, subdivision 11.

Sec. 8. Minnesota Statutes 2022, section 256B.02, subdivision 11, is amended to read:

Subd. 11. **Related condition.** "Related condition" means ~~that condition defined in section 252.27, subdivision 1a.~~ a condition:

(1) that is found to be closely related to a developmental disability, including but not limited to cerebral palsy, epilepsy, autism, fetal alcohol spectrum disorder, and Prader-Willi syndrome; and

(2) that meets all of the following criteria:

(i) is severe and chronic;

(ii) results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with developmental disabilities;

(iii) requires treatment or services similar to those required for persons with developmental disabilities;

(iv) is manifested before the person reaches 22 years of age;

(v) is likely to continue indefinitely;

(vi) results in substantial functional limitations in three or more of the following areas of major life activity:

(A) self-care;

(B) understanding and use of language;

(C) learning;

(D) mobility;

(E) self-direction; or

(F) capacity for independent living; and

(vii) is not attributable to mental illness as defined in section 245.462, subdivision 20, or an emotional disturbance as defined in section 245.4871, subdivision 15. For purposes of this item, notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15, mental illness does not include autism or other pervasive developmental disorders.

Sec. 9. Minnesota Statutes 2022, section 256B.076, is amended by adding a subdivision to read:

**Subd. 4. Case management provided under contract.** If a county agency provides case management under contracts with other individuals or agencies, the county agency must initiate a competitive proposal process for the procurement of contracted case management services at least every two years. The competitive proposal process must include evaluation criteria to ensure that the county maintains a culturally specific program for case management services, as defined in section 256B.076, subdivision 3, adequate to meet the needs of the population of the county.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts entered into or renewed on or after that date.

Sec. 10. Minnesota Statutes 2023 Supplement, section 256B.0911, subdivision 13, is amended to read:

**Subd. 13. MnCHOICES assessor qualifications, training, and certification.** (a) The commissioner shall develop and implement a curriculum and an assessor certification process.

(b) MnCHOICES certified assessors must:

(1) either have a bachelor's degree in social work, nursing with a public health nursing certificate, or other closely related field or be a registered nurse ~~with at least two years of home and community based experience~~; and

(2) have received training and certification specific to assessment and consultation for long-term care services in the state.

(c) Certified assessors shall demonstrate best practices in assessment and support planning, including person-centered planning principles, and have a common set of skills that ensures consistency and equitable access to services statewide.

(d) Certified assessors must be recertified every three years.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 11. Minnesota Statutes 2022, section 256B.0911, subdivision 20, is amended to read:

**Subd. 20. MnCHOICES assessments; duration of validity.** (a) An assessment that is completed as part of an eligibility determination for multiple programs for the alternative care, elderly waiver, developmental disabilities, community access for disability inclusion, community alternative care, and brain injury waiver programs under chapter 256S and sections 256B.0913, 256B.092, and 256B.49 is valid to establish service eligibility for no more than ~~60 calendar~~ 365 days after the date of the assessment.

(b) The effective eligibility start date for programs in paragraph (a) can never be prior to the date of assessment. ~~If an assessment was completed more than 60 days before the effective waiver or alternative care program eligibility start date, assessment and support plan information must be updated and documented in the department's Medicaid Management Information System (MMIS).~~ Notwithstanding retroactive medical assistance coverage of state plan services, the effective date of eligibility for programs included in paragraph (a) cannot be prior to the completion date of the most recent updated assessment.



~~(c) If an eligibility update is completed within 90 days of the previous assessment and documented in the department's Medicaid Management Information System (MMIS), the effective date of eligibility for programs included in paragraph (a) is the date of the previous in person assessment when all other eligibility requirements are met.~~

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

Sec. 12. Minnesota Statutes 2023 Supplement, section 256B.092, subdivision 1a, is amended to read:

Subd. 1a. **Case management services.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application.

(b) Case management service activities provided to or arranged for a person include:

(1) development of the person-centered support plan under subdivision 1b;

(2) informing the individual or the individual's legal guardian or conservator, or parent if the person is a minor, of service options, including all service options available under the waiver plan;

(3) consulting with relevant medical experts or service providers;

(4) assisting the person in the identification of potential providers of chosen services, including:

(i) providers of services provided in a non-disability-specific setting;

(ii) employment service providers;

(iii) providers of services provided in settings that are not controlled by a provider; and

(iv) providers of financial management services;

(5) assisting the person to access services and assisting in appeals under section 256.045;

(6) coordination of services, if coordination is not provided by another service provider;

(7) evaluation and monitoring of the services identified in the support plan, which must incorporate at least one annual face-to-face visit by the case manager with each person; and

(8) reviewing support plans and providing the lead agency with recommendations for service authorization based upon the individual's needs identified in the support plan.

(c) Case management service activities that are provided to the person with a developmental disability shall be provided directly by county agencies or under contract. If a county agency contracts for case management services, the county agency must provide each recipient of home and community-based services who is receiving contracted case management services with the contact information the recipient may use to file a grievance with the county agency about the quality of the contracted services the recipient is receiving from a county-contracted case manager. If a county agency provides case management under contracts with other individuals or agencies, the county agency must initiate a competitive proposal process for the procurement of contracted case management services at least every two years. The competitive proposal process must include evaluation criteria to ensure that the county maintains a culturally specific program for case management services, as defined in section 256B.076, subdivision 3, adequate to meet the needs of the population of the county.

~~(d)~~ (d) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has a financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

~~(e)~~ (e) Case managers are responsible for service provisions listed in paragraphs (a) and (b). Case managers shall collaborate with consumers, families, legal representatives, and relevant medical experts and service providers in the development and annual review of the person-centered support plan and habilitation plan.

~~(e)~~ (f) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

- (1) phasing out the use of prohibited procedures;
- (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and
- (3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

~~(f)~~ (g) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers must document completion of training in a system identified by the commissioner.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts entered into or renewed on or after that date.

Sec. 13. Minnesota Statutes 2022, section 256B.0924, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** Persons are eligible to receive targeted case management services under this section if the requirements in paragraphs (a) and (b) are met.

- (a) The person must be assessed and determined by the local county agency to:
- (1) be age 18 or older;
  - (2) be receiving medical assistance;
  - (3) have significant functional limitations; and

(4) be in need of service coordination to attain or maintain living in an integrated community setting.

(b) The person must be a vulnerable adult in need of adult protection as defined in section 626.5572, or is an adult with a developmental disability as defined in section 252A.02, subdivision 2, or a related condition as defined in section ~~252.27, subdivision 1a~~ 256B.02, subdivision 11, and is not receiving home and community-based waiver services, or is an adult who lacks a permanent residence and who has been without a permanent residence for at least one year or on at least four occasions in the last three years.

Sec. 14. Minnesota Statutes 2023 Supplement, section 256B.0949, subdivision 15, is amended to read:

Subd. 15. **EIDBI provider qualifications.** (a) A QSP must be employed by an agency and be:

(1) a licensed mental health professional who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development; or

(2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development.

(b) A level I treatment provider must be employed by an agency and:

(1) have at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or an equivalent combination of documented coursework or hours of experience; and

(2) have or be at least one of the following:

(i) a master's degree in behavioral health or child development or related fields including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university;

(ii) a bachelor's degree in a behavioral health, child development, or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy, from an accredited college or university, and advanced certification in a treatment modality recognized by the department;

(iii) a board-certified behavior analyst as defined by the Behavior Analyst Certification Board or a qualified behavior analyst as defined by the Qualified Applied Behavior Analysis Credentialing Board; or

(iv) a board-certified assistant behavior analyst with 4,000 hours of supervised clinical experience that meets all registration, supervision, and continuing education requirements of the certification.

(c) A level II treatment provider must be employed by an agency and must be:

(1) a person who has a bachelor's degree from an accredited college or university in a behavioral or child development science or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy; and meets at least one of the following:

(i) has at least 1,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or a combination of coursework or hours of experience;

(ii) has certification as a board-certified assistant behavior analyst from the Behavior Analyst Certification Board or a qualified autism service practitioner from the Qualified Applied Behavior Analysis Credentialing Board;

(iii) is a registered behavior technician as defined by the Behavior Analyst Certification Board or an applied behavior analysis technician as defined by the Qualified Applied Behavior Analysis Credentialing Board; or

(iv) is certified in one of the other treatment modalities recognized by the department; or

(2) a person who has:

(i) an associate's degree in a behavioral or child development science or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university; and

(ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(3) a person who has at least 4,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(4) a person who is a graduate student in a behavioral science, child development science, or related field and is receiving clinical supervision by a QSP affiliated with an agency to meet the clinical training requirements for experience and training with people with ASD or a related condition; or

(5) a person who is at least 18 years of age and who:

(i) is fluent in a non-English language or is an individual certified by a Tribal Nation;

(ii) completed the level III EIDBI training requirements; and

(iii) receives observation and direction from a QSP or level I treatment provider at least once a week until the person meets 1,000 hours of supervised clinical experience.

(d) A level III treatment provider must be employed by an agency, have completed the level III training requirement, be at least 18 years of age, and have at least one of the following:

(1) a high school diploma or commissioner of education-selected high school equivalency certification;

(2) fluency in a non-English language or Tribal Nation certification;

(3) one year of experience as a primary personal care assistant, community health worker, waiver service provider, or special education assistant to a person with ASD or a related condition within the previous five years; or

(4) completion of all required EIDBI training within six months of employment.

Sec. 15. Minnesota Statutes 2023 Supplement, section 256B.49, subdivision 13, is amended to read:

Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application. The case management service activities provided must include:

(1) finalizing the person-centered written support plan within the timelines established by the commissioner and section 256B.0911, subdivision 29;

(2) informing the recipient or the recipient's legal guardian or conservator of service options, including all service options available under the waiver plans;

(3) assisting the recipient in the identification of potential service providers of chosen services, including:

(i) available options for case management service and providers;

(ii) providers of services provided in a non-disability-specific setting;

(iii) employment service providers;

(iv) providers of services provided in settings that are not community residential settings; and

(v) providers of financial management services;

(4) assisting the recipient to access services and assisting with appeals under section 256.045; and

(5) coordinating, evaluating, and monitoring of the services identified in the service plan.

(b) The case manager may delegate certain aspects of the case management service activities to another individual provided there is oversight by the case manager. The case manager may not delegate those aspects which require professional judgment including:

(1) finalizing the person-centered support plan;

(2) ongoing assessment and monitoring of the person's needs and adequacy of the approved person-centered support plan; and

(3) adjustments to the person-centered support plan.

(c) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. If a county agency provides case management under contracts with other individuals or agencies, the county agency must initiate a competitive proposal process for the procurement of contracted case management services at least every two years. The competitive proposal process must include evaluation criteria to ensure that the county maintains a culturally specific program for case management services, as defined in section 256B.076, subdivision 3, adequate to meet the needs of the population of the county.

(d) Case management services must not be provided to a recipient by a private agency that has any financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

~~(d)~~ (e) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

- (1) phasing out the use of prohibited procedures;
- (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and
- (3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

~~(e)~~ (f) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers shall document completion of training in a system identified by the commissioner.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts entered into or renewed on or after that date.

Sec. 16. Minnesota Statutes 2022, section 256B.77, subdivision 7a, is amended to read:

Subd. 7a. **Eligible individuals.** (a) Persons are eligible for the demonstration project as provided in this subdivision.

(b) "Eligible individuals" means those persons living in the demonstration site who are eligible for medical assistance and are disabled based on a disability determination under section 256B.055, subdivisions 7 and 12, or who are eligible for medical assistance and have been diagnosed as having:

- (1) serious and persistent mental illness as defined in section 245.462, subdivision 20;
- (2) severe emotional disturbance as defined in section 245.4871, subdivision 6; or
- (3) developmental disability, or being a person with a developmental disability as defined in section 252A.02, or a related condition as defined in section ~~252.27, subdivision 1a~~ 256B.02, subdivision 11.

Other individuals may be included at the option of the county authority based on agreement with the commissioner.

(c) Eligible individuals include individuals in excluded time status, as defined in chapter 256G. Enrollees in excluded time at the time of enrollment shall remain in excluded time status as long as they live in the demonstration site and shall be eligible for 90 days after placement outside the demonstration site if they move to excluded time status in a county within Minnesota other than their county of financial responsibility.

(d) A person who is a sexual psychopathic personality as defined in section 253D.02, subdivision 15, or a sexually dangerous person as defined in section 253D.02, subdivision 16, is excluded from enrollment in the demonstration project.

Sec. 17. Minnesota Statutes 2022, section 256S.07, subdivision 1, is amended to read:

Subdivision 1. **Elderly waiver case management provided by counties and tribes.** (a) For participants not enrolled in a managed care organization, the county of residence or tribe must provide or arrange to provide elderly waiver case management activities under section 256S.09, subdivisions 2 and 3.

(b) If a county agency provides case management under contracts with other individuals or agencies, the county agency must initiate a competitive proposal process for the procurement of contracted case management services at least every two years. The competitive proposal process must include evaluation criteria to ensure that the county maintains a culturally specific program for case management services, as defined in section 256B.076, subdivision 3, adequate to meet the needs of the population of the county.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts entered into or renewed on or after that date.

Sec. 18. Minnesota Statutes 2023 Supplement, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(e) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the Social Security or individual taxpayer identification numbers and names of participants in the telephone assistance plan operated under sections 237.69 to 237.71, with those of property tax refund filers under chapter 290A or renter's credit filers under section 290.0693, and determine whether each participant's household income is within the eligibility standards for the telephone assistance plan.

(f) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law 102-234. Upon the written agreement by the United States Department of Health and Human Services to maintain the confidentiality of the data, the commissioner may provide records and information collected under sections 295.50 to 295.59 to the Centers for Medicare and Medicaid Services section of the United States Department of Health and Human Services for purposes of meeting federal reporting requirements.

(g) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

(h) The commissioner may disclose information to the commissioner of human services as necessary for income verification for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical assistance program under chapter 256B.

(i) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for the Minnesota family investment program, general assistance, the Supplemental Nutrition Assistance Program (SNAP), Minnesota supplemental aid program, and child care assistance have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

~~(j) The commissioner may disclose information to the commissioner of human services necessary to verify income for purposes of calculating parental contribution amounts under section 252.27, subdivision 2a.~~

~~(k)~~ (j) At the request of the commissioner of human services and when authorized in writing by the taxpayer, the commissioner of revenue may match the business legal name or individual legal name, and the Minnesota tax identification number, federal Employer Identification Number, or Social Security number of the applicant under section 245A.04, subdivision 1; 245I.20; or 245H.03; or license or certification holder. The commissioner of revenue may share the matching with the commissioner of human services. The matching may only be used by the commissioner of human services to determine eligibility for provider grant programs and to facilitate the regulatory oversight of license and certification holders as it relates to ownership and public funds program integrity. This paragraph applies only if the commissioner of human services and the commissioner of revenue enter into an interagency agreement for the purposes of this paragraph.

Sec. 19. Minnesota Statutes 2022, section 447.42, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** Notwithstanding any provision of Minnesota Statutes to the contrary, any city, county, town, or nonprofit corporation approved by the commissioner of human services, or any combination of them may establish and operate a community residential facility for persons with developmental disabilities or related conditions, as defined in section ~~252.27, subdivision 1a~~ 256B.02, subdivision 11.

Sec. 20. Laws 2023, chapter 61, article 1, section 67, subdivision 3, is amended to read:

Subd. 3. **Evaluation and report.** (a) The Metropolitan Center for Independent Living must contract with a third party to evaluate the pilot project's impact on health care costs, retention of personal care assistants, and patients' and providers' satisfaction of care. The evaluation must include the number of participants, the hours of care provided by participants, and the retention of participants from semester to semester.

(b) By January 15, ~~2025~~ 2026, the Metropolitan Center for Independent Living must report the findings under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy.

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

Sec. 21. Laws 2023, chapter 61, article 9, section 2, subdivision 5, is amended to read:

Subd. 5. <b>Central Office; Aging and Disability Services</b>	40,115,000	11,995,000
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(a) **Employment Supports Alignment Study.** \$50,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are to conduct an interagency employment supports alignment study. The base for this appropriation is \$150,000 in fiscal year 2026 and \$100,000 in fiscal year 2027.



(b) **Case Management Training Curriculum.** \$377,000 in fiscal year 2024 and \$377,000 in fiscal year 2025 are to develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to fulfill support planning and coordination responsibilities for individuals who use home and community-based disability services and live in own-home settings. This is a onetime appropriation.

(c) **Office of Ombudsperson for Long-Term Care.** \$875,000 in fiscal year 2024 and \$875,000 in fiscal year 2025 are for additional staff and associated direct costs in the Office of Ombudsperson for Long-Term Care.

(d) **Direct Care Services Corps Pilot Project.** \$500,000 in fiscal year 2024 is from the general fund for a grant to the Metropolitan Center for Independent Living for the direct care services corps pilot project. Up to \$25,000 may be used by the Metropolitan Center for Independent Living for administrative costs. This is a onetime appropriation and is available until June 30, 2026.

(e) **Research on Access to Long-Term Care Services and Financing.** Any unexpended amount of the fiscal year 2023 appropriation referenced in Laws 2021, First Special Session chapter 7, article 17, section 16, estimated to be \$300,000, is canceled. The amount canceled is appropriated in fiscal year 2024 for the same purpose.

(f) **Native American Elder Coordinator.** \$441,000 in fiscal year 2024 and \$441,000 in fiscal year 2025 are for the Native American elder coordinator position under Minnesota Statutes, section 256.975, subdivision 6.

(g) **Grant Administration Carryforward.**

(1) Of this amount, \$8,154,000 in fiscal year 2024 is available until June 30, 2027.

(2) Of this amount, \$1,071,000 in fiscal year 2025 is available until June 30, 2027.

(3) Of this amount, \$19,000,000 in fiscal year 2024 is available until June 30, 2029.

(h) **Base Level Adjustment.** The general fund base is increased by \$8,189,000 in fiscal year 2026 and increased by \$8,093,000 in fiscal year 2027.

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

**Sec. 22. HOME CARE AND COMMUNITY FIRST SERVICES AND SUPPORTS HOSPITAL TRANSITION MEDICAL ASSISTANCE BENEFIT.**

(a) The commissioner of human services must develop a Medicaid state plan service for people eligible for home care services under Minnesota Statutes, section 256B.0651, and community first services and supports under Minnesota Statutes, section 256B.85, for the purpose of providing support during an acute care hospital stay, as authorized under United States Code, title 42, section 1396a(h).

(b) By January 1, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy with the recommended medical assistance service design and draft legislation with statutory changes necessary to implement the service.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

**Sec. 23. DISABILITY SERVICES PERSON-CENTERED ENGAGEMENT AND NAVIGATION STUDY.**

(a) The commissioner of human services must issue a request for proposals for the design and administration of a study of a person's experience in accessing and navigating medical assistance state plan and home and community-based waiver services and state funded disability services to improve people's experiences in accessing and navigating the system.

(b) The person-centered disability services engagement and navigation study must engage with people and families who use services, lead agencies, and providers to assess:

(1) access to the full range of disability services programs in metropolitan, suburban, and rural counties with a focus on non-English-speaking communities and by various populations, including but not limited to Black people, Indigenous people, people of color, communities with vision and hearing disabilities, and communities with physical, neurocognitive, or intellectual developmental disabilities;

(2) how people and families experience and navigate the system, including their customer service experiences and barriers to person-centered and culturally responsive navigation support and resources; and

(3) opportunities to improve state, lead agency, and provider capacity to improve the experiences of people accessing and navigating the system.

(c) To be eligible to respond to the request for proposals, an entity must demonstrate that it has engaged successfully with people who use disability services and their families.

(d) The commissioner must report the results of the study and provide specific recommendations and administrative strategy or policy modifications to improve system accessibility, efficiency, and person-centered systemic design to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy by January 15, 2026.

**Sec. 24. TRIBAL VULNERABLE ADULT AND DEVELOPMENTAL DISABILITY TARGETED CASE MANAGEMENT MEDICAL ASSISTANCE BENEFIT.**

(a) The commissioner of human services must engage with Minnesota's federally-recognized Tribal Nations and urban American Indian providers and leaders to design and recommend a Tribal-specific vulnerable adult and developmental disability medical assistance targeted case management benefit to meet community needs and reduce

disparities experienced by Tribal members and urban American Indian populations. The commissioner must honor and uphold Tribal sovereignty as part of this engagement, ensuring Tribal Nations are equitably and authentically included in planning and policy discussions.

(b) By January 1, 2025, the commissioner must report recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy. Recommendations must include a description of engagement with Tribal Nations, Tribal perspectives shared throughout the engagement process, service design, and reimbursement methodology.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 25. **ASSISTIVE TECHNOLOGY LEAD AGENCY PARTNERSHIPS.**

(a) Lead agencies may establish partnerships with enrolled medical assistance providers of home and community-based services under Minnesota Statutes, section 256B.0913, 256B.092, 256B.093, or 256B.49, or chapter 256S, to evaluate the benefits of informed choice in accessing the following existing assistive technology home and community-based waiver services:

- (1) assistive technology;
- (2) specialized equipment and supplies;
- (3) environmental accessibility adaptations; and
- (4) 24-hour emergency assistance.

(b) Lead agencies may identify eligible individuals who desire to participate in the partnership authorized by this section using existing home and community-based waiver criteria under Minnesota Statutes, chapters 256B and 256S.

(c) Lead agencies must ensure individuals who choose to participate have informed choice in accessing the services and must adhere to conflict-free case management requirements.

(d) Lead agencies may identify efficiencies for service authorizations, provide evidence-based cost data and quality analysis to the commissioner, and collect feedback on the use of technology systems from home and community-based waiver services recipients, family caregivers, and any other interested community partners.

Sec. 26. **PERSONAL CARE ASSISTANCE COMPENSATION FOR SERVICES PROVIDED BY A PARENT OR SPOUSE.**

(a) Notwithstanding Minnesota Statutes, section 256B.0659, subdivision 3, paragraph (a), clause (1); subdivision 11, paragraph (c); and subdivision 19, paragraph (b), clause (3), beginning October 1, 2024, a parent, stepparent, or legal guardian of a minor who is a personal care assistance recipient or the spouse of a personal care assistance recipient may provide and be paid for providing personal care assistance services under medical assistance.

(b) This section expires upon full implementation of community first services and supports under Minnesota Statutes, section 256B.85. The commissioner of human services shall notify the revisor of statutes when this section expires.

**EFFECTIVE DATE.** This section is effective for services rendered on or after October 1, 2024.

Sec. 27. **DIRECTION TO COMMISSIONER; PEDIATRIC HOSPITAL-TO-HOME TRANSITION PILOT PROGRAM.**

(a) The commissioner of human services must award a single competitive grant to a home care nursing provider to develop and implement, in coordination with the commissioner of health, Fairview Masonic Children's Hospital, Gillette Children's Specialty Healthcare, and Children's Minnesota of St. Paul and Minneapolis, a pilot program to expedite and facilitate pediatric hospital-to-home discharges for patients receiving services in this state under medical assistance, including under the community alternative care waiver, community access for disability inclusion waiver, and developmental disabilities waiver.

(b) Grant money awarded under this section must be used only to support the administrative, training, and auxiliary services necessary to reduce:

(1) delayed discharge days due to unavailability of home care nursing staffing to accommodate complex pediatric patients;

(2) avoidable rehospitalization days for pediatric patients;

(3) unnecessary emergency department utilization by pediatric patients following discharge;

(4) long-term nursing needs for pediatric patients; and

(5) the number of school days missed by pediatric patients.

(c) Grant money must not be used to supplement payment rates for services covered under Minnesota Statutes, chapter 256B.

(d) No later than December 15, 2026, the commissioner must prepare a report summarizing the impact of the pilot program that includes but is not limited to: (1) the number of delayed discharge days eliminated; (2) the number of rehospitalization days eliminated; (3) the number of unnecessary emergency department admissions eliminated; (4) the number of missed school days eliminated; and (5) an estimate of the return on investment of the pilot program.

(e) The commissioner must submit the report under paragraph (d) to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy.

Sec. 28. **OWN HOME SERVICES PROVIDER CAPACITY-BUILDING GRANTS.**

Subdivision 1. **Establishment.** The commissioner of human services shall establish a onetime grant program to incentivize providers to support individuals to move out of congregate living settings and into an individual's own home as described in Minnesota Statutes, section 256B.492, subdivision 3.

Subd. 2. **Eligible grant recipients.** Eligible grant recipients are providers of home and community-based services under Minnesota Statutes, chapter 245D.

Subd. 3. **Grant application.** In order to receive a grant under this section, providers must apply to the commissioner on the forms and according to the timelines established by the commissioner.

Subd. 4. **Allowable uses of grant money.** Allowable uses of grant money include:

(1) enhancing resources and staffing to support people and families in understanding housing options;

(2) housing expenses related to moving an individual into their own home, if the person is not eligible for other available housing services;

(3) implementing and testing innovative approaches to better support people with disabilities and their families in living in their own homes;

(4) financial incentives for providers that have successfully moved an individual out of congregate living and into their own home;

(5) moving expenses that are not covered by other available housing services; and

(6) other activities approved by the commissioner.

Subd. 5. **Expiration.** This section expires June 30, 2026.

Sec. 29. **REPEALER.**

(a) Minnesota Statutes 2022, sections 252.021; and 252.27, subdivisions 1a, 2, 3, 4a, 5, and 6, are repealed.

(b) Minnesota Statutes 2023 Supplement, section 252.27, subdivision 2a, is repealed.

## ARTICLE 2 AGING SERVICES

### Section 1. **[144G.195] FACILITY RELOCATION.**

Subdivision 1. **New license not required.** (a) Effective March 15, 2025, an assisted living facility with a licensed resident capacity of ten residents or fewer may operate under the licensee's current license if the facility is relocated with the approval of the commissioner of health during the period the current license is valid.

(b) A licensee is not required to apply for a new license solely because the licensee receives approval to relocate a facility. The licensee's license for the relocated facility remains valid until the expiration date specified on the existing license. The commissioner of health must apply the licensing and survey cycle previously established for the facility's prior location to the facility's new location.

(c) A licensee must notify the commissioner of health, on a form developed by the commissioner, of the licensee's intent to relocate the licensee's facility. The licensee must obtain plan review approval for the building to which the licensee intends to relocate the facility and a certificate of occupancy from the commissioner of labor and industry or the commissioner of labor and industry's delegated authority for the building. Upon issuance of a certificate of occupancy, the commissioner of health must review and inspect the building to which the licensee intends to relocate the facility and approve or deny the license relocation within 30 calendar days.

(d) A licensee that receives approval from the commissioner to relocate a facility must provide each resident with a new assisted living contract and comply with the coordinated move requirements under section 144G.55.

(e) A licensee denied approval by the commissioner of health to relocate a facility may continue to operate the facility in its current location, follow the requirements in section 144G.57 and close the facility, or notify the commissioner of health of the licensee's intent to relocate the facility to an alternative new location. If the licensee notifies the commissioner of the licensee's intent to relocate the facility to an alternative new location, paragraph (c) applies, including the timelines for approving or denying the license relocation for the alternative new location.

**Subd. 2. Limited exemption from the customized living setting moratorium and age limitations.** (a) A licensee that receives approval from the commissioner of health under subdivision 1 to relocate a facility that is also enrolled with the Department of Human Services as a customized living setting to deliver 24-hour customized living services and customized living services as defined by the brain injury and community access for disability inclusion home and community-based services waiver plans and under section 256B.49 must inform the commissioner of human services of the licensee's intent to relocate.

(b) If the licensee at the time of the intended relocation is providing customized living or 24-hour customized living services under the brain injury and community access for disability inclusion home and community-based services waiver plans and section 256B.49 to at least one individual, and the licensee intends to continue serving that individual in the new location, the licensee must inform the commissioner of human services of the licensee's intention to do so and meet the requirements specified under section 256B.49, subdivision 28a.

**EFFECTIVE DATE.** This section is effective August 1, 2024, except subdivision 2 is effective August 1, 2024, or 90 days after federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 2. Minnesota Statutes 2022, section 144G.30, subdivision 5, is amended to read:

**Subd. 5. Correction orders.** (a) A correction order may be issued whenever the commissioner finds upon survey or during a complaint investigation that a facility, a managerial official, an agent of the facility, or an employee of the facility is not in compliance with this chapter. The correction order shall cite the specific statute and document areas of noncompliance and the time allowed for correction.

(b) The commissioner shall mail or email copies of any correction order to the facility within 30 calendar days after the survey exit date. A copy of each correction order and copies of any documentation supplied to the commissioner shall be kept on file by the facility and public documents shall be made available for viewing by any person upon request. Copies may be kept electronically.

(c) By the correction order date, the facility must:

(1) document in the facility's records any action taken to comply with the correction order. The commissioner may request a copy of this documentation and the facility's action to respond to the correction order in future surveys, upon a complaint investigation, and as otherwise needed; and

(2) post or otherwise make available, in a manner or location readily accessible to residents and others, the most recent plan of correction documenting the actions taken by the facility to comply with the correction order.

(d) After the plan of correction is posted or otherwise made available under paragraph (c), clause (2), the facility must provide a copy of the facility's most recent plan of correction to any individual who requests it. A copy of the most recent plan of correction must be provided within 30 days after the request and in a format determined by the facility, except the facility must make reasonable accommodations in providing the plan of correction in another format upon request.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to correction orders issued on or after that date.

Sec. 3. Minnesota Statutes 2022, section 144G.63, subdivision 1, is amended to read:

Subdivision 1. **Orientation of staff and supervisors.** (a) All staff providing and supervising direct services must complete an orientation to assisted living facility licensing requirements and regulations before providing assisted living services to residents. The orientation may be incorporated into the training required under subdivision 5. The orientation need only be completed once for each staff person and is not transferable to another facility, except as provided in paragraph (b).

(b) A staff person is not required to repeat the orientation required under subdivision 2 if the staff person transfers from one licensed assisted living facility to another facility operated by the same licensee or by a licensee affiliated with the same corporate organization as the licensee of the first facility, or to another facility managed by the same entity managing the first facility. The facility to which the staff person transfers must document that the staff person completed the orientation at the prior facility. The facility to which the staff person transfers must nonetheless provide the transferred staff person with supplemental orientation specific to the facility and document that the supplemental orientation was provided. The supplemental orientation must include the types of assisted living services the staff person will be providing, the facility's category of licensure, and the facility's emergency procedures. A staff person cannot transfer to an assisted living facility with dementia care without satisfying the additional training requirements under section 144G.83.

Sec. 4. Minnesota Statutes 2022, section 144G.70, subdivision 2, is amended to read:

Subd. 2. **Initial reviews, assessments, and monitoring.** (a) Residents who are not receiving any assisted living services shall not be required to undergo an initial nursing assessment.

(b) An assisted living facility shall conduct a nursing assessment by a registered nurse of the physical and cognitive needs of the prospective resident and propose a temporary service plan prior to the date on which a prospective resident executes a contract with a facility or the date on which a prospective resident moves in, whichever is earlier. If necessitated by either the geographic distance between the prospective resident and the facility, or urgent or unexpected circumstances, the assessment may be conducted using telecommunication methods based on practice standards that meet the resident's needs and reflect person-centered planning and care delivery.

(c) Resident reassessment and monitoring must be conducted ~~no more than 14 calendar days after initiation of services. Ongoing resident reassessment and monitoring must be conducted as needed based on changes in the needs of the resident and cannot exceed 90 calendar days from the last date of the assessment.~~ by a registered nurse:

(1) no more than 14 calendar days after initiation of services;

(2) as needed based upon changes in the needs of the resident;

(3) not to exceed 180 calendar days; and

(4) annually.

(d) Focused assessments of the health status of the resident as described in section 148.171, subdivision 14, must be conducted by a registered nurse or licensed practical nurse to address Minnesota Rules, part 4659.0150, subpart 2, item B; item D, subitems (2) to (4), unit (h); item D, subitems (7) and (8); item E, subitems (2) and (3); item F, subitem (2); items G to L; and item M, subitems (1) to (5) and (7) to (9), and be scheduled to not exceed 90 days since the last reassessment or focused assessment. Annual assessments conducted by a registered nurse may take the place of a scheduled 90-day reassessment.

(d) (e) For residents only receiving assisted living services specified in section 144G.08, subdivision 9, clauses (1) to (5), the facility shall complete an individualized initial review of the resident's needs and preferences. The initial review must be completed within 30 calendar days of the start of services. Resident monitoring and review must be conducted as needed based on changes in the needs of the resident and cannot exceed 90 calendar days from the date of the last review.

(e) (f) A facility must inform the prospective resident of the availability of and contact information for long-term care consultation services under section 256B.0911, prior to the date on which a prospective resident executes a contract with a facility or the date on which a prospective resident moves in, whichever is earlier.

Sec. 5. Minnesota Statutes 2022, section 256B.49, is amended by adding a subdivision to read:

Subd. 28a. **Limited exemption from the customized living setting moratorium and age limitations.** (a) For the purposes of this subdivision, "operational" has the meaning given in subdivision 28.

(b) This paragraph applies only to customized living settings enrolled and operational on or before June 30, 2021, and customized living settings that have previously been exempt from the customized living moratorium under this paragraph. A setting for which a provider receives approval from the commissioner of health under section 144G.195, subdivision 1, to relocate a licensed assisted living facility that is also enrolled as a customized living setting to deliver 24-hour customized living services and customized living services as defined by the brain injury and community access for disability inclusion home and community-based services waiver plans and under this section is exempt from the customized living moratorium under subdivision 28.

(c) This paragraph applies only to customized living settings enrolled and operational on or before January 11, 2021, and customized living settings that have previously been deemed a tier 1 customized living setting under this paragraph. A setting for which a provider receives approval from the commissioner of health under section 144G.195, subdivision 1, to relocate a licensed assisted living facility that is also enrolled as a customized living setting to deliver 24-hour customized living services and customized living services as defined by the brain injury and community access for disability inclusion home and community-based services waiver plans and under this section must be deemed a current customized living setting, or tier 1 setting, for the purposes of the application of the home and community-based residential tiered standards under Minnesota's Home and Community-Based Services Rule Statewide Transition Plan.

**EFFECTIVE DATE.** This section is effective August 1, 2024, or 90 days after federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2023 Supplement, section 256R.55, is amended to read:

**256R.55 ~~FINANCIALLY DISTRESSED NURSING FACILITY~~ **LONG-TERM SERVICES AND SUPPORTS LOAN PROGRAM.****

Subdivision 1. ~~Financially distressed nursing facility loans~~ **Long-term services and supports loan program.** The commissioner of human services shall establish a competitive ~~financially distressed nursing facility~~ loan program to provide operating loans to eligible ~~nursing long-term services and supports providers and~~ facilities. The commissioner shall initiate the application process for the loan described in this section at least once annually if money is available. A second application process may be initiated each year at the discretion of the commissioner.



Subd. 2. **Eligibility.** To be an eligible applicant for a loan under this section, a ~~nursing facility provider~~ must submit to the commissioner of human services a loan application in the form and according to the timelines established by the commissioner. In its loan application, a loan applicant must demonstrate ~~that~~ the following:

(1) for nursing facilities with a medical assistance provider agreement that are licensed as a nursing home or boarding care home according to section 256R.02, subdivision 33:

~~(1)~~ (i) the total net income of the nursing facility is not generating sufficient revenue to cover the nursing facility's operating expenses;

~~(2)~~ (ii) the nursing facility is at risk of closure; and

~~(3)~~ (iii) additional operating revenue is necessary to either preserve access to nursing facility services within the community or support people with complex, high-acuity support needs; and

(2) for other long-term services and supports providers:

(i) demonstration that the provider is enrolled in a Minnesota health care program and provides one or more of the following services in a Minnesota health care program:

(A) home and community-based services under chapter 245D;

(B) personal care assistance services under section 256B.0659;

(C) community first services and supports under section 256B.85;

(D) early intensive developmental and behavioral intervention services under section 256B.0949;

(E) home care services as defined under section 256B.0651, subdivision 1, paragraph (d); or

(F) customized living services as defined in section 256S.02; and

(ii) additional operating revenue is necessary to preserve access to services within the community, expand services to people within the community, expand services to new communities, or support people with complex, high-acuity support needs.

Subd. 2a. **Allowable uses of loan money.** (a) A loan awarded to a nursing facility under subdivision 2, clause (1), must only be used to cover the facility's short-term operating expenses. Nursing facilities receiving loans must not use the loan proceeds to pay related organizations as defined in section 256R.02, subdivision 43.

(b) A loan awarded to a long-term services and supports provider under subdivision 2, clause (2), must only be used to cover expenses related to achieving outcomes identified in subdivision 2, clause (2), item (ii).

Subd. 3. **Approving loans.** The commissioner must evaluate all loan applications on a competitive basis and award loans to successful applicants within available appropriations for this purpose. The commissioner's decisions are final and not subject to appeal.

Subd. 4. **Disbursement schedule.** Successful loan applicants under this section may receive loan disbursements as a lump sum, ~~or on an agreed upon disbursement schedule, or as a time limited line of credit.~~ The commissioner shall approve disbursements to successful loan applicants through a memorandum of understanding. Memoranda of understanding must specify the amount and schedule of loan disbursements.

Subd. 5. **Loan administration.** The commissioner may contract with an independent third party to administer the loan program under this section.

Subd. 6. **Loan payments.** The commissioner shall negotiate the terms of the loan repayment, including the start of the repayment plan, the due date of the repayment, and the frequency of the repayment installments. Repayment installments must not begin until at least 18 months after the first disbursement date. The memoranda of understanding must specify the amount and schedule of loan payments. The repayment term must not exceed 72 months. If any loan payment to the commissioner is not paid within the time specified by the memoranda of understanding, the late payment must be assessed a penalty rate of 0.01 percent of the original loan amount each month the payment is past due. For nursing facilities, this late fee is not an allowable cost on the department's cost report. The commissioner shall have the power to abate penalties when discrepancies occur resulting from but not limited to circumstances of error and mail delivery.

Subd. 7. **Loan repayment.** (a) If a borrower is more than 60 calendar days delinquent in the timely payment of a contractual payment under this section, the provisions in paragraphs (b) to (e) apply.

(b) The commissioner may withhold some or all of the amount of the delinquent loan payment, together with any penalties due and owing on those amounts, from any money the department owes to the borrower. The commissioner may, at the commissioner's discretion, also withhold future contractual payments from any money the commissioner owes the provider as those contractual payments become due and owing. The commissioner may continue this withholding until the commissioner determines there is no longer any need to do so.

(c) The commissioner shall give prior notice of the commissioner's intention to withhold by mail, facsimile, or email at least ten business days before the date of the first payment period for which the withholding begins. The notice must be deemed received as of the date of mailing or receipt of the facsimile or electronic notice. The notice must:

(1) state the amount of the delinquent contractual payment;

(2) state the amount of the withholding per payment period;

(3) state the date on which the withholding is to begin;

(4) state whether the commissioner intends to withhold future installments of the provider's contractual payments; and

(5) state other contents as the commissioner deems appropriate.

(d) The commissioner, or the commissioner's designee, may enter into written settlement agreements with a provider to resolve disputes and other matters involving unpaid loan contractual payments or future loan contractual payments.

(e) Notwithstanding any law to the contrary, all unpaid loans, plus any accrued penalties, are overpayments for the purposes of section 256B.0641, subdivision 1. The current owner of a nursing home ~~or~~ boarding care home, or long-term services and supports provider is liable for the overpayment amount owed by a former owner for any facility sold, transferred, or reorganized.

Subd. 8. **Audit.** Loan money allocated under this section is subject to audit to determine whether the money was spent as authorized under this section.

Subd. 8a. **Special revenue account.** A long-term services and supports loan account is created in the special revenue fund in the state treasury. Money appropriated for the purposes of this section must be transferred to the long-term services and supports loan account. All payments received under subdivision 6, along with fees, penalties, and interest, must be deposited into the special revenue account and are appropriated to the commissioner for the purposes of this section.

Subd. 9. **Carryforward.** Notwithstanding section 16A.28, subdivision 3, ~~any appropriation money in the long-term services and supports loan account~~ for the purposes under this section carries forward and does not lapse ~~until the close of the fiscal year in which this section expires.~~

~~Subd. 10. **Expiration.** This section expires June 30, 2029.~~

**EFFECTIVE DATE.** This section is effective July 1, 2024, except that subdivision 8a is effective retroactively from July 1, 2023.

Sec. 7. Minnesota Statutes 2022, section 256S.205, subdivision 2, is amended to read:

Subd. 2. **Rate adjustment application.** (a) Effective through September 30, 2023, a facility may apply to the commissioner for designation as a disproportionate share facility. Applications must be submitted annually between September 1 and September 30. The applying facility must apply in a manner determined by the commissioner. The applying facility must document each of the following on the application:

(1) the number of customized living residents in the facility on September 1 of the application year, broken out by specific waiver program; and

(2) the total number of people residing in the facility on September 1 of the application year.

(b) Effective October 1, 2023, the commissioner must not process any further applications for disproportionate share facilities after the September 1 through September 30, 2023, application period.

(c) This subdivision expires January 1, 2025.

Sec. 8. Minnesota Statutes 2022, section 256S.205, subdivision 3, is amended to read:

Subd. 3. **Rate adjustment eligibility criteria.** (a) Effective through September 30, 2023, only facilities satisfying all of the following conditions on September 1 of the application year are eligible for designation as a disproportionate share facility:

(1) at least 83.5 percent of the residents of the facility are customized living residents; and

(2) at least 70 percent of the customized living residents are elderly waiver participants.

(b) This subdivision expires January 1, 2025.

Sec. 9. Minnesota Statutes 2022, section 256S.205, subdivision 5, is amended to read:

Subd. 5. **Rate adjustment; rate floor.** (a) Effective through December 31, 2024, notwithstanding the 24-hour customized living monthly service rate limits under section 256S.202, subdivision 2, and the component service rates established under section 256S.201, subdivision 4, the commissioner must establish a rate floor equal to \$119 per resident per day for 24-hour customized living services provided to an elderly waiver participant in a designated disproportionate share facility.

(b) The commissioner must apply the rate floor to the services described in paragraph (a) provided during the rate year.

(c) The commissioner must adjust the rate floor by the same amount and at the same time as any adjustment to the 24-hour customized living monthly service rate limits under section 256S.202, subdivision 2.

(d) The commissioner shall not implement the rate floor under this section if the customized living rates established under sections 256S.21 to 256S.215 will be implemented at 100 percent on January 1 of the year following an application year.

(e) This subdivision expires January 1, 2025.

Sec. 10. Laws 2023, chapter 61, article 9, section 2, subdivision 14, is amended to read:

Subd. 14. <b>Grant Programs; Aging and Adult Services Grants</b>	164,626,000	34,795,000
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(a) **Vulnerable Adult Act Redesign Phase Two.** \$17,129,000 in fiscal year 2024 is for adult protection grants to counties and Tribes under Minnesota Statutes, section 256M.42. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. The base for this appropriation is \$866,000 in fiscal year 2026 and \$867,000 in fiscal year 2027.

(b) **Caregiver Respite Services Grants.** \$1,800,000 in fiscal year 2025 is for caregiver respite services grants under Minnesota Statutes, section 256.9756. This is a onetime appropriation.

(c) **Live Well at Home Grants.** \$4,575,000 in fiscal year 2024 is for live well at home grants under Minnesota Statutes, section 256.9754, subdivision 3f. This is a onetime appropriation and is available until June 30, 2025.

(d) **Senior Nutrition Program.** \$10,552,000 in fiscal year 2024 is for the senior nutrition program. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) **Age-Friendly Community Grants.** \$3,000,000 in fiscal year 2024 is for the continuation of age-friendly community grants under Laws 2021, First Special Session chapter 7, article 17, section 8, subdivision 1. Notwithstanding Minnesota Statutes, section 16A.28, this is a onetime appropriation and is available until June 30, 2027.

(f) **Age-Friendly Technical Assistance Grants.** \$1,725,000 in fiscal year 2024 is for the continuation of age-friendly technical assistance grants under Laws 2021, First Special Session chapter 7, article 17, section 8, subdivision 2. Notwithstanding Minnesota Statutes, section 16A.28, this is a onetime appropriation and is available until June 30, 2027.

(g) **Financially Distressed Nursing Facility Long-Term Services and Supports Loan Program.** \$93,200,000 in fiscal year 2024 is for the financially distressed nursing facility long-term services and supports loan program under Minnesota Statutes, section 256R.55, and is available as provided therein.

(h) **Base Level Adjustment.** The general fund base is \$33,861,000 in fiscal year 2026 and \$33,862,000 in fiscal year 2027.

Sec. 11. **PACE IMPLEMENTATION.**

By January 15, 2025, the commissioner of human services shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services a proposal for the implementation of a PACE program in Minnesota, as authorized under section 9412(b)(2) of the federal Omnibus Reconciliation Act of 1986, Public Law 99-509, and Minnesota Statutes, section 256B.69, subdivision 23. The commissioner's proposal must include:

(1) timelines for submission of any necessary Medicaid state plan amendments;

(2) details for issuing a request for proposals for PACE; and

(3) any administrative framework required to implement PACE, award contracts, and monitor beneficiary enrollment in PACE by January 1, 2027, or upon federal approval, whichever is later.

Sec. 12. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 256R.55, as Minnesota Statutes, section 256.4792, and correct all cross-references.

Sec. 13. **REPEALER.**

Minnesota Statutes 2022, section 256S.205, subdivision 4, is repealed.

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

ARTICLE 3  
SUBSTANCE USE DISORDER SERVICES

Section 1. Minnesota Statutes 2022, section 151.065, subdivision 7, is amended to read:

Subd. 7. **Deposit of fees.** (a) The license fees collected under this section, with the exception of the fees identified in paragraphs (b) and (c), shall be deposited in the state government special revenue fund.

(b) \$5,000 of each fee collected under subdivision 1, clauses (6) to (9), and (11) to (15), and subdivision 3, clauses (4) to (7), and (9) to (13), and \$55,000 of each fee collected under subdivision 1, clause (16), and subdivision 3, clause (14), shall be deposited in the opiate epidemic response fund established in section 256.043.

~~(c) If the fees collected under subdivision 1, clause (16), or subdivision 3, clause (14), are reduced under section 256.043, \$5,000 of the reduced fee shall be deposited in the opiate epidemic response fund in section 256.043.~~

Sec. 2. Minnesota Statutes 2023 Supplement, section 245.91, subdivision 4, is amended to read:

Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency, facility, or program that provides services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance that is required to be licensed, certified, or registered by the commissioner of human services, health, or education; a sober home as defined in section 254B.01, subdivision 11; peer recovery support services provided by a recovery community organization as defined in section 254B.01, subdivision 8; and an acute care inpatient facility that provides services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance.

Sec. 3. Minnesota Statutes 2022, section 245F.08, subdivision 3, is amended to read:

Subd. 3. **Peer recovery support services.** ~~(a) Peers in recovery serve as mentors or recovery support partners for individuals in recovery, and may provide encouragement, self disclosure of recovery experiences, transportation to appointments, assistance with finding resources that will help locate housing, job search resources, and assistance finding and participating in support groups.~~

~~(b) Peer recovery support services are provided by a recovery peer and must be supervised by the responsible staff person~~ must be provided according to sections 254B.05, subdivision 5, and 254B.052.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 4. Minnesota Statutes 2023 Supplement, section 245G.07, subdivision 2, is amended to read:

Subd. 2. **Additional treatment service.** A license holder may provide or arrange the following additional treatment service as a part of the client's individual treatment plan:

(1) relationship counseling provided by a qualified professional to help the client identify the impact of the client's substance use disorder on others and to help the client and persons in the client's support structure identify and change behaviors that contribute to the client's substance use disorder;

(2) therapeutic recreation to allow the client to participate in recreational activities without the use of mood-altering chemicals and to plan and select leisure activities that do not involve the inappropriate use of chemicals;

(3) stress management and physical well-being to help the client reach and maintain an appropriate level of health, physical fitness, and well-being;

(4) living skills development to help the client learn basic skills necessary for independent living;

(5) employment or educational services to help the client become financially independent;

(6) socialization skills development to help the client live and interact with others in a positive and productive manner;

(7) room, board, and supervision at the treatment site to provide the client with a safe and appropriate environment to gain and practice new skills; and

(8) peer recovery support services must be provided by an individual in a recovery peer qualified according to section 245I.04, subdivision 18. ~~Peer recovery support services include education; advocacy; mentoring through self disclosure of personal recovery experiences; attending recovery and other support groups with a client;~~

~~accompanying the client to appointments that support recovery; assistance accessing resources to obtain housing, employment, education, and advocacy services; and nonclinical recovery support to assist the transition from treatment into the recovery community~~ must be provided according to sections 254B.05, subdivision 5, and 254B.052.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 5. Minnesota Statutes 2023 Supplement, section 245I.04, subdivision 19, is amended to read:

Subd. 19. **Recovery peer scope of practice.** (a) A recovery peer, under the supervision of ~~an~~ a licensed alcohol and drug counselor or mental health professional who meets the qualifications under subdivision 2, must:

- (1) provide individualized peer support and individual recovery planning to each client;
- (2) promote a client's recovery goals, self-sufficiency, self-advocacy, and development of natural supports; and
- (3) support a client's maintenance of skills that the client has learned from other services.

(b) A licensed alcohol and drug counselor or mental health professional providing supervision to a recovery peer must meet with the recovery peer face-to-face, either remotely or in person, at least once per month in order to provide adequate supervision to the recovery peer. Supervision must include reviewing individual recovery plans, as defined in section 254B.01, subdivision 4e, and reviewing documentation of peer recovery support services provided for clients and may include client updates, discussion of ethical considerations, and any other questions or issues relevant to peer recovery support services.

Sec. 6. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 4e. **Individual recovery plan.** "Individual recovery plan" means a person-centered outline of supports that an eligible vendor of peer recovery support services under section 254B.05, subdivision 1, must develop to respond to an individual's peer recovery support services needs and goals.

Sec. 7. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 8a. **Recovery peer.** "Recovery peer" means a person who is qualified according to section 245I.04, subdivision 18, to provide peer recovery support services within the scope of practice provided under section 245I.04, subdivision 19.

Sec. 8. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5). A county is an eligible vendor of peer recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8.

(d) A recovery community organization that meets the requirements of clauses (1) to ~~(10)~~ (12) and meets membership certification or accreditation requirements of ~~the Association of Recovery Community Organizations~~ the Alliance for Recovery Centered Organizations, the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide recovery ~~community~~ organization identified by the commissioner is an eligible vendor of peer recovery support services. A Minnesota statewide recovery organization identified by the commissioner must update recovery community organization applicants for certification or accreditation on the status of the application within 45 days of receipt. If the approved statewide recovery organization denies an application, it must provide a written explanation for the denial to the recovery community organization. Eligible vendors under this paragraph must:

(1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be free from conflicting self-interests, and be autonomous in decision-making, program development, peer recovery support services provided, and advocacy efforts for the purpose of supporting the recovery community organization's mission;

(2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;

(3) primarily focus on recovery from substance use disorders, with missions and visions that support this primary focus have a mission statement and conduct corresponding activities indicating that the organization's primary purpose is to support recovery from substance use disorder;

(4) be grassroots and reflective of and engaged with the community served demonstrate ongoing community engagement with the identified primary region and population served by the organization, including individuals in recovery and their families, friends, and recovery allies;

(5) be accountable to the recovery community through documented priority-setting and participatory decision-making processes that promote the involvement and engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;

(6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building groups, and harm-reduction activities, and provide recovery public education and advocacy;

(7) have written policies that allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;

(8) be purposeful in meeting the diverse maintain organizational practices to meet the needs of Black, Indigenous, and people of color communities, including LGBTQ+ communities, and other underrepresented or marginalized communities. Organizational practices may include board and staff development activities, organizational practices training, service offerings, advocacy efforts, and culturally informed outreach and service plans services;



(9) ~~be stewards of use~~ recovery-friendly language in all media and written materials that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma; ~~and~~

(10) ~~establish and maintain an employee and volunteer~~ a publicly available recovery community organization code of ethics and easily accessible grievance policy and procedures posted in physical spaces, on websites, or on program policies or forms;

(11) provide an orientation for recovery peers that includes an overview of the consumer advocacy services provided by the Ombudsman for Mental Health and Developmental Disabilities and other relevant advocacy services; and

(12) provide notice to peer recovery support services participants that includes the following statement: "If you have a complaint about the provider or the person providing your peer recovery support services, you may contact the Minnesota Alliance of Recovery Community Organizations. You may also contact the Office of Ombudsman for Mental Health and Developmental Disabilities." The statement must also include:

(i) the telephone number, website address, email address, and mailing address of the Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman for Mental Health and Developmental Disabilities;

(ii) the recovery community organization's name, address, email, telephone number, and name or title of the person at the recovery community organization to whom problems or complaints may be directed; and

(iii) a statement that the recovery community organization will not retaliate against a peer recovery support services participant because of a complaint.

(e) ~~A recovery community organizations organization~~ approved by the commissioner before June 30, 2023, shall retain their designation as recovery community organizations must have begun the application process as required by an approved certifying or accrediting entity and have begun the process to meet the requirements under paragraph (d) by September 1, 2024, in order to be considered as an eligible vendor of peer recovery support services.

(f) A recovery community organization that is aggrieved by an accreditation, certification, or membership determination and believes it meets the requirements under paragraph (d) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (15), for reconsideration as an eligible vendor. If the human services judge determines that the recovery community organization meets the requirements under paragraph (d), the recovery community organization is an eligible vendor of peer recovery support services.

(g) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

(h) Hospitals, federally qualified health centers, and rural health clinics are eligible vendors of a comprehensive assessment when the comprehensive assessment is completed according to section 245G.05 and by an individual who meets the criteria of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service.

(i) Any complaints about a recovery community organization or peer recovery support services may be made to and reviewed or investigated by the ombudsperson for behavioral health and developmental disabilities under sections 245.91 and 245.94.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except the amendments adding paragraph (d), clauses (11) and (12), and paragraph (i) are effective July 1, 2025.

Sec. 9. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care:

(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);

(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);

(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5);

(vi) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6); and

(vii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7);

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) withdrawal management services provided according to chapter 245F;

(6) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(7) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

(8) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(9) room and board facilities that meet the requirements of subdivision 1a.

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

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

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

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

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

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

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

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

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

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

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

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

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

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.

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

(f) ~~Subject to federal approval,~~ Substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

(i) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

(j) Eligible vendors of peer recovery support services must:

(1) submit to a review by the commissioner of up to ten percent of all medical assistance and behavioral health fund claims to determine the medical necessity of peer recovery support services for entities billing for peer recovery support services individually and not receiving a daily rate; and

(2) limit an individual client to 14 hours per week for peer recovery support services from an individual provider of peer recovery support services.

(k) Peer recovery support services not provided in accordance with section 254B.052 are subject to monetary recovery under section 256B.064 as money improperly paid.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 10. **[254B.052] PEER RECOVERY SUPPORT SERVICES REQUIREMENTS.**

**Subdivision 1. Peer recovery support services; service requirements.** (a) Peer recovery support services are face-to-face interactions between a recovery peer and a client, on a one-on-one basis, in which specific goals identified in an individual recovery plan, treatment plan, or stabilization plan are discussed and addressed. Peer recovery support services are provided to promote a client's recovery goals, self-sufficiency, self-advocacy, and development of natural supports and to support maintenance of a client's recovery.

(b) Peer recovery support services must be provided according to an individual recovery plan if provided by a recovery community organization or county, a treatment plan if provided in a substance use disorder treatment program under chapter 245G, or a stabilization plan if provided by a withdrawal management program under chapter 245F.

(c) A client receiving peer recovery support services must participate in the services voluntarily. Any program that incorporates peer recovery support services must provide written notice to the client that peer recovery support services will be provided.

(d) Peer recovery support services may not be provided to a client residing with or employed by a recovery peer from whom they receive services.

Subd. 2. **Individual recovery plan.** (a) The individual recovery plan must be developed with the client and must be completed within the first three sessions with a recovery peer.

(b) The recovery peer must document how each session ties into the client's individual recovery plan. The individual recovery plan must be updated as needed. The individual recovery plan must include:

(1) the client's name;

(2) the recovery peer's name;

(3) the name of the recovery peer's supervisor;

(4) the client's recovery goals;

(5) the client's resources and assets to support recovery;

(6) activities that may support meeting identified goals; and

(7) the planned frequency of peer recovery support services sessions between the recovery peer and the client.

Subd. 3. **Eligible vendor documentation requirements.** An eligible vendor of peer recovery support services under section 254B.05, subdivision 1, must keep a secure file for each individual receiving medical assistance peer recovery support services. The file must include, at a minimum:

(1) the client's comprehensive assessment under section 245G.05 that led to the client's referral for peer recovery support services;

(2) the client's individual recovery plan; and

(3) documentation of each billed peer recovery support services interaction between the client and the recovery peer, including the date, start and end time with a.m. and p.m. designations, the client's response, and the name of the recovery peer who provided the service.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 11. Minnesota Statutes 2023 Supplement, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from registration and license fee account.** (a) The appropriations in paragraphs (b) to (n) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

(b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) \$100,000 is appropriated to the commissioner of human services for grants for opiate antagonist distribution. Grantees may utilize funds for opioid overdose prevention, community asset mapping, education, and opiate antagonist distribution.

(d) \$2,000,000 is appropriated to the commissioner of human services for grants to Tribal nations and five urban Indian communities for traditional healing practices for American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce.

(e) \$400,000 is appropriated to the commissioner of human services for competitive grants for opioid-focused Project ECHO programs.

(f) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the commissioner of human services to administer the funding distribution and reporting requirements in paragraph (o).

(g) \$3,000,000 in fiscal year 2025 and \$3,000,000 each year thereafter is appropriated to the commissioner of human services for safe recovery sites start-up and capacity building grants under section 254B.18.

(h) \$395,000 in fiscal year 2024 and \$415,000 each year thereafter is appropriated to the commissioner of human services for the opioid overdose surge alert system under section 245.891.

(i) \$300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

(j) \$261,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (n).

(k) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(l) \$672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining amount is appropriated to the commissioner of human services for distribution to county social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide prevention and child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county social service agencies and Tribal social service agency initiative projects through a formula based on intake data from the previous three calendar years related to substance use and out-of-home placement episodes where parental drug abuse is the primary a reason for the out-of-home placement using data from the previous calendar year. County social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how

the funds were used to provide prevention and child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agency initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

(n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

(o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service agencies and Tribal social service agency initiative projects under paragraph (m) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n) may be distributed on a calendar year basis.

(p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

Sec. 12. **[256B.0761] REENTRY DEMONSTRATION WAIVER.**

Subdivision 1. **Establishment.** The commissioner must submit a waiver application to the Centers for Medicare and Medicaid Services to implement a medical assistance demonstration project to provide health care and coordination services that bridge to community-based services for individuals confined in state, local, or Tribal correctional facilities, or facilities located outside of the seven-county metropolitan area that have an inmate census with a significant proportion of Tribal members or American Indians, prior to community reentry. The demonstration must be designed to:

(1) increase continuity of coverage;

(2) improve access to health care services, including mental health services, physical health services, and substance use disorder treatment services;

(3) enhance coordination between Medicaid systems, health and human services systems, correctional systems, and community-based providers;

(4) reduce overdoses and deaths following release;

(5) decrease disparities in overdoses and deaths following release; and

(6) maximize health and overall community reentry outcomes.

Subd. 2. **Eligible individuals.** Notwithstanding section 256B.055, subdivision 14, individuals are eligible to receive services under this demonstration if they are eligible under section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15, 16, or 17, as determined by the commissioner in collaboration with correctional facilities, local governments, and Tribal governments.

Subd. 3. **Eligible correctional facilities.** (a) The commissioner's waiver application is limited to:

(1) three state correctional facilities to be determined by the commissioner of corrections, one of which must be the Minnesota Correctional Facility-Shakopee;

(2) two facilities for delinquent children and youth licensed under section 241.021, subdivision 2, identified in coordination with the Minnesota Juvenile Detention Association and the Minnesota Sheriffs' Association;

(3) four correctional facilities for adults licensed under section 241.021, subdivision 1, identified in coordination with the Minnesota Sheriffs' Association and the Association of Minnesota Counties; and

(4) one correctional facility owned and managed by a Tribal government or a facility located outside of the seven-county metropolitan area that has an inmate census with a significant proportion of Tribal members or American Indians.

(b) Additional facilities may be added to the waiver contingent on legislative authorization and appropriations.

**Subd. 4. Services and duration.** (a) Services must be provided 90 days prior to an individual's release date or, if an individual's confinement is less than 90 days, during the time period between a medical assistance eligibility determination and the release to the community.

(b) Facilities must offer the following services using either community-based or corrections-based providers:

(1) case management activities to address physical and behavioral health needs, including a comprehensive assessment of individual needs, development of a person-centered care plan, referrals and other activities to address assessed needs, and monitoring and follow-up activities;

(2) drug coverage in accordance with section 256B.0625, subdivision 13, including up to a 30-day supply of drugs upon release;

(3) substance use disorder comprehensive assessments according section 254B.05, subdivision 5, paragraph (b), clause (2);

(4) treatment coordination services according to section 254B.05, subdivision 5, paragraph (b), clause (3);

(5) peer recovery support services according to sections 245I.04, subdivisions 18 and 19, and 254B.05, subdivision 5, paragraph (b), clause (4);

(6) substance use disorder individual and group counseling provided according to sections 245G.07, subdivision 1, paragraph (a), clause (1); 245G.11, subdivision 5; and 254B.05;

(7) mental health diagnostic assessments as required under section 245I.10;

(8) group and individual psychotherapy as required under section 256B.0671;

(9) peer specialist services as required under sections 245I.04 and 256B.0615;

(10) family planning and obstetrics and gynecology services; and

(11) physical health well-being and screenings and care for adults and youth.

(c) Services outlined in this subdivision must only be authorized when an individual demonstrates medical necessity or other eligibility as required under this chapter or applicable state and federal laws.

**Subd. 5. Provider requirements and standards.** (a) Service providers must adhere to applicable licensing and provider requirements under chapters 245A, 245G, 245I, 254B, 256B, and 256I.

(b) Service providers must be enrolled to provide services under Minnesota health care programs.



(c) Services must be provided by eligible providers employed by the correctional facility or by eligible community providers under contract with the correctional facility.

(d) The commissioner must determine whether each facility is ready to participate in this demonstration based on a facility-submitted assessment of the facility's readiness to implement:

(1) prerelease medical assistance application and enrollment processes for inmates not enrolled in medical assistance coverage;

(2) the provision or facilitation of all required prerelease services for a period of up to 90 days prior to release;

(3) coordination among county and Tribal human services agencies and all other entities with a role in furnishing health care and supports to address health related social needs;

(4) appropriate reentry planning, prerelease care management, and assistance with care transitions to the community;

(5) operational approaches to implementing certain Medicaid and CHIP requirements including applications, suspensions, notices, fair hearings, and reasonable promptness for coverage of services;

(6) a data exchange process to support care coordination and transition activities; and

(7) reporting of all requested data to the commissioner of human services to support program monitoring, evaluation, oversight, and all financial data to meet reinvestment requirements.

(e) Participating facilities must detail reinvestment plans for all new federal Medicaid money expended for reentry services that were previously the responsibility of each facility and provide detailed financial reports to the commissioner.

**Subd. 6. Payment rates.** (a) Payment rates for services under this section that are approved under Minnesota's state plan agreement with the Centers for Medicare and Medicaid Services are equal to current and applicable state law and federal requirements.

(b) Case management payment rates are equal to rates authorized by the commissioner for relocation targeted case management under section 256B.0621, subdivision 10.

(c) Claims for covered drugs purchased through discount purchasing programs, such as the Federal Supply Schedule of the United States General Services Administration or the MMCAP Infuse program, must be no more than the actual acquisition cost plus the professional dispensing fee in section 256B.0625, subdivision 13e. Drugs administered to members must be billed on a professional claim in accordance with section 256B.0625, subdivision 13e, paragraph (e), and submitted with the actual acquisition cost for the drug on the claim line. Pharmacy claims must be submitted with the actual acquisition cost as the ingredient cost field and the dispensing fee in section 256B.0625, subdivision 13e, as the dispensing fee field on the claim with the basis of cost indicator of 08. Providers may establish written protocols for establishing or calculating the facility's actual acquisition drug cost based on a monthly, quarterly, or other average of the facility's actual acquisition drug cost through the discount purchasing program. A written protocol must not include an inflation, markup, spread, or margin to be added to the provider's actual purchase price after subtracting all discounts.

**Subd. 7. Reentry services working group.** (a) The commissioner of human services, in collaboration with the commissioner of corrections, must convene a reentry services working group to consider ways to improve the demonstration under this section and related policies for justice-involved individuals.

(b) The working group must be composed of balanced representation, including:

(1) people with lived experience; and

(2) representatives from:

(i) community health care providers;

(ii) the Minnesota Sheriffs' Association;

(iii) the Minnesota Association for County Social Service Administrators;

(iv) the Association of Minnesota Counties;

(v) the Minnesota Juvenile Detention Association;

(vi) the Office of Addiction and Recovery;

(vii) NAMI Minnesota;

(viii) the Minnesota Association of Resources for Recovery and Chemical Health;

(ix) Tribal Nations; and

(x) the Minnesota Alliance of Recovery Community Organizations.

(c) The working group must:

(1) advise on the waiver application, implementation, monitoring, evaluation, and reinvestment plans;

(2) recommend strategies to improve processes that ensure notifications of the individual's release date, current location, postrelease location, and other relevant information are provided to state, county, and Tribal eligibility systems and managed care organizations;

(3) consider the value of expanding, replicating, or adapting the components of the demonstration authorized under this section to additional populations;

(4) consider information technology and other implementation needs for participating correctional facilities; and

(5) recommend ideas to fund expanded reentry services.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later, except subdivision 7 is effective July 1, 2024. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 13. Minnesota Statutes 2022, section 256B.69, subdivision 4, is amended to read:

Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6.

(b) The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice:

- (1) persons eligible for medical assistance according to section 256B.055, subdivision 1;
- (2) persons eligible for medical assistance due to blindness or disability as determined by the Social Security Administration or the state medical review team, unless:
  - (i) they are 65 years of age or older; or
  - (ii) they reside in Itasca County or they reside in a county in which the commissioner conducts a pilot project under a waiver granted pursuant to section 1115 of the Social Security Act;
- (3) recipients who currently have private coverage through a health maintenance organization;
- (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense;
- (5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e);
- (6) children who are both determined to be severely emotionally disturbed and receiving case management services according to section 256B.0625, subdivision 20, except children who are eligible for and who decline enrollment in an approved preferred integrated network under section 245.4682;
- (7) adults who are both determined to be seriously and persistently mentally ill and received case management services according to section 256B.0625, subdivision 20;
- (8) persons eligible for medical assistance according to section 256B.057, subdivision 10;
- (9) persons with access to cost-effective employer-sponsored private health insurance or persons enrolled in a non-Medicare individual health plan determined to be cost-effective according to section 256B.0625, subdivision 15; ~~and~~
- (10) persons who are absent from the state for more than 30 consecutive days but still deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision 1, paragraph (b); and
- (11) persons who are enrolled in the reentry demonstration waiver under section 256B.0761.

Children under age 21 who are in foster placement may enroll in the project on an elective basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective basis. The commissioner may enroll recipients in the prepaid medical assistance program for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending down excess income.

(c) The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state.

(d) The commissioner may require those individuals to enroll in the prepaid medical assistance program who otherwise would have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

(e) Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. The commissioner may assign an individual with private coverage through a health maintenance organization, to the same health maintenance organization for medical assistance coverage, if the health maintenance organization is under contract for medical assistance in the individual's county of residence. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

(f) An infant born to a woman who is eligible for and receiving medical assistance and who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to the month of birth in the same managed care plan as the mother once the child is enrolled in medical assistance unless the child is determined to be excluded from enrollment in a prepaid plan under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 14. Laws 2023, chapter 61, article 9, section 2, subdivision 18, is amended to read:

Subd. 18. **Grant Programs; Chemical Dependency Treatment Support Grants**

Appropriations by Fund

General	54,691,000	5,342,000
Lottery Prize	1,733,000	1,733,000

(a) **Culturally Specific Recovery Community Organization Start-Up Grants.** \$4,000,000 in fiscal year 2024 is for culturally specific recovery community organization start-up grants. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(b) **Safe Recovery Sites.** \$14,537,000 in fiscal year 2024 is from the general fund for start-up and capacity-building grants for organizations to establish safe recovery sites. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is onetime and is available until June 30, 2029.

(c) **Technical Assistance for Culturally Specific Organizations; Culturally Specific Services Grants.** \$4,000,000 in fiscal year 2024 is for grants to culturally specific providers for technical assistance navigating culturally specific and responsive substance use and recovery programs. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027.

(d) **Technical Assistance for Culturally Specific Organizations; Culturally Specific Grant Development Training.** \$400,000 in fiscal year 2024 is for grants for up to four trainings for community members and culturally specific providers for grant writing

training for substance use and recovery-related grants. Notwithstanding Minnesota Statutes, section 16A.28, this is a onetime appropriation and is available until June 30, 2027.

(e) **Harm Reduction Supplies for Tribal and Culturally Specific Programs.** \$7,597,000 in fiscal year 2024 is from the general fund to provide sole source grants to culturally specific communities to purchase syringes, testing supplies, and opiate antagonists. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) **Families and Family Treatment Capacity-Building and Start-Up Grants.** \$10,000,000 in fiscal year 2024 is from the general fund for start-up and capacity-building grants for family substance use disorder treatment programs. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2029. This is a onetime appropriation.

(g) **Start-Up and Capacity Building Grants for Withdrawal Management.** \$500,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for start-up and capacity building grants for withdrawal management.

(h) **Recovery Community Organization Grants.** \$4,300,000 in fiscal year 2024 is from the general fund for grants to recovery community organizations, as defined in Minnesota Statutes, section 254B.01, subdivision 8, that are current grantees as of June 30, 2023. This is a onetime appropriation and is available until June 30, 2025.

(i) **Opioid Overdose Prevention Grants.**

(1) \$125,000 in fiscal year 2024 and \$125,000 in fiscal year 2025 are from the general fund for a grant to Ka Joog, a nonprofit organization in Minneapolis, Minnesota, to be used for collaborative outreach, education, and training on opioid use and overdose, and distribution of opiate antagonist kits in East African and Somali communities in Minnesota. This is a onetime appropriation.

(2) \$125,000 in fiscal year 2024 and \$125,000 in fiscal year 2025 are from the general fund for a grant to the Steve Rummeler Hope Network to be used for statewide outreach, education, and training on opioid use and overdose, and distribution of opiate antagonist kits. This is a onetime appropriation.

(3) \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are from the general fund for a grant to African Career Education and Resource, Inc. to be used for collaborative outreach, education, and training on opioid use and overdose, and distribution of opiate antagonist kits. This is a onetime appropriation.

(j) **Problem Gambling.** \$225,000 in fiscal year 2024 and \$225,000 in fiscal year 2025 are from the lottery prize fund for a grant to a state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, training for individuals and organizations that provide effective treatment services to problem gamblers and their families, and research related to problem gambling.

(k) **Project ECHO.** \$1,310,000 in fiscal year 2024 and \$1,295,000 in fiscal year 2025 are from the general fund for a grant to Hennepin Healthcare to expand the Project ECHO program. The grant must be used to establish at least four substance use disorder-focused Project ECHO programs at Hennepin Healthcare, expanding the grantee's capacity to improve health and substance use disorder outcomes for diverse populations of individuals enrolled in medical assistance, including but not limited to immigrants, individuals who are homeless, individuals seeking maternal and perinatal care, and other underserved populations. The Project ECHO programs funded under this section must be culturally responsive, and the grantee must contract with culturally and linguistically appropriate substance use disorder service providers who have expertise in focus areas, based on the populations served. Grant funds may be used for program administration, equipment, provider reimbursement, and staffing hours. This is a onetime appropriation and is available until June 30, 2027.

(l) **White Earth Nation Substance Use Disorder Digital Therapy Tool.** \$3,000,000 in fiscal year 2024 is from the general fund for a grant to the White Earth Nation to develop an individualized Native American centric digital therapy tool with Pathfinder Solutions. This is a onetime appropriation. The grant must be used to:

(1) develop a mobile application that is culturally tailored to connecting substance use disorder resources with White Earth Nation members;

(2) convene a planning circle with White Earth Nation members to design the tool;

(3) provide and expand White Earth Nation-specific substance use disorder services; and

(4) partner with an academic research institution to evaluate the efficacy of the program.

(m) **Wellness in the Woods.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are from the general fund for a grant to Wellness in the Woods for daily peer support and special sessions for individuals who are in substance use disorder recovery, are transitioning out of incarceration, or who have experienced trauma. These are onetime appropriations.

(n) **Base Level Adjustment.** The general fund base is \$3,247,000 in fiscal year 2026 and \$3,247,000 in fiscal year 2027.

**Sec. 15. DIRECTION TO OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES.**

By September 30, 2025, the ombudsman for mental health and developmental disabilities must provide a report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over human services that contains summary information on complaints received regarding peer recovery support services provided by a recovery community organization as defined in Minnesota Statutes, section 254B.01, and any recommendations to the legislature to improve the quality of peer recovery support services, recovery peer worker misclassification, and peer recovery support services billing codes and procedures.

**Sec. 16. PEER RECOVERY SUPPORT SERVICES AND RECOVERY COMMUNITY ORGANIZATION WORKING GROUP.**

**Subdivision 1. Establishment; duties.** The commissioner of human services must convene a working group to develop recommendations on:

(1) peer recovery support services billing rates and practices, including a billing model for providing services to groups of up to four clients and groups larger than four clients at one time;

(2) acceptable activities to bill for peer recovery services, including group activities and transportation related to individual recovery plans;

(3) ways to address authorization for additional service hours and a review of the amount of peer recovery support services clients may need;

(4) improving recovery peer supervision and reimbursement for the costs of providing recovery peer supervision for provider organizations;

(5) certification or other regulation of recovery community organizations and recovery peers; and

(6) policy and statutory changes to improve access to peer recovery support services and increase oversight of provider organizations.

**Subd. 2. Membership; meetings.** (a) Members of the working group must include but not be limited to:

(1) a representative of the Minnesota Alliance of Recovery Community Organizations;

(2) a representative of the Minnesota Association of Resources for Recovery and Chemical Health;

(3) representatives from at least three recovery community organizations who are eligible vendors of peer recovery support services under Minnesota Statutes, section 254B.05, subdivision 1;

(4) at least two currently practicing recovery peers qualified under Minnesota Statutes, section 245I.04, subdivision 18;

(5) at least two individuals currently providing supervision for recovery peers according to Minnesota Statutes, section 245I.04, subdivision 19;

(6) the commissioner of human services or a designee;

(7) a representative of county social services agencies; and

(8) a representative of a Tribal social services agency.

(b) Members of the working group may include a representative of the Alliance for Recovery Centered Organizations and a representative of the Council on Accreditation of Peer Recovery Support Services.

(c) The commissioner of human services must make appointments to the working group by October 1, 2024, and convene the first meeting of the working group by December 1, 2024.

(d) The commissioner of human services must provide administrative support and meeting space for the working group. The working group may conduct meetings remotely.

Subd. 3. **Report.** The commissioner must complete and submit a report on the recommendations in this section to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on or before August 1, 2025.

Subd. 4. **Expiration.** The working group expires upon submission of the report to the legislature under subdivision 3.

**Sec. 17. CAPACITY BUILDING AND IMPLEMENTATION GRANTS FOR THE MEDICAL ASSISTANCE REENTRY DEMONSTRATION.**

The commissioner of human services must establish capacity-building grants for eligible local correctional facilities as they prepare to implement reentry demonstration services under Minnesota Statutes, section 256B.0761. Allowable expenditures under this grant include:

(1) developing, in coordination with incarcerated individuals and community members with lived experience, processes and protocols listed under Minnesota Statutes, section 256B.0761, subdivision 5, paragraph (d);

(2) establishing or modifying information technology systems to support implementation of the reentry demonstration waiver;

(3) personnel costs; and

(4) other expenses as determined by the commissioner.



Sec. 18. **1115 WAIVER FOR MEDICAL ASSISTANCE REENTRY DEMONSTRATION.**

The commissioner of human services must submit an application to the United States Secretary of Health and Human Services to implement a medical assistance reentry demonstration that covers services for incarcerated individuals as described under Minnesota Statutes, section 256B.0761. Coverage of prerelease services is contingent on federal approval of the demonstration and the required implementation and reinvestment plans.

Sec. 19. **REPEALER.**

Minnesota Statutes 2022, section 256.043, subdivision 4, is repealed.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

ARTICLE 4  
PRIORITY ADMISSIONS AND CIVIL COMMITMENT

Section 1. Minnesota Statutes 2022, section 245I.23, subdivision 19a, is amended to read:

Subd. 19a. **Additional requirements for locked program facility.** (a) A license holder that prohibits clients from leaving the facility by locking exit doors or other permissible methods must meet the additional requirements of this subdivision.

(b) The license holder must meet all applicable building and fire codes to operate a building with locked exit doors. The license holder must have the appropriate license from the Department of Health, as determined by the Department of Health, for operating a program with locked exit doors.

~~(c) The license holder's policies and procedures must clearly describe the types of court orders that authorize the license holder to prohibit clients from leaving the facility.~~

~~(d)~~ (c) For each client present in the facility under a court order, the license holder must maintain documentation of the court order for treatment authorizing the license holder to prohibit the client from leaving the facility.

~~(e)~~ (d) Upon a client's admission to a locked program facility, the license holder must document in the client file that the client was informed:

(1) that the client has the right to leave the facility according to the client's rights under section 144.651, subdivision 21, if the client is not subject to a court order authorizing the license holder to prohibit the client from leaving the facility; or

(2) that the client cannot leave the facility due to a court order for treatment authorizing the license holder to prohibit the client from leaving the facility.

~~(e)~~ (e) If the license holder prohibits a client from leaving the facility, the client's treatment plan must reflect this restriction.

Sec. 2. Minnesota Statutes 2023 Supplement, section 253B.10, subdivision 1, as amended by Laws 2024, chapter 79, article 5, section 8, is amended to read:

Subdivision 1. **Administrative requirements.** (a) When a person is committed, the court shall issue a warrant or an order committing the patient to the custody of the head of the treatment facility, state-operated treatment program, or community-based treatment program. The warrant or order shall state that the patient meets the statutory criteria for civil commitment.

(b) The executive board shall prioritize patients being admitted from jail or a correctional institution or who are referred to a state-operated treatment facility for competency attainment or a competency examination under sections 611.40 to 611.59 for admission to a medically appropriate state-operated direct care and treatment bed based on the decisions of physicians in the executive medical director's office, using a priority admissions framework. The framework must account for a range of factors for priority admission, including but not limited to:

(1) ordered confined in a state-operated treatment program for an examination under Minnesota Rules of Criminal Procedure, rules 20.01, subdivision 4, paragraph (a), and 20.02, subdivision 2 the length of time the person has been on a waiting list for admission to a state-operated direct care and treatment program since the date of the order under paragraph (a);

(2) under civil commitment for competency treatment and continuing supervision under Minnesota Rules of Criminal Procedure, rule 20.01, subdivision 7 the intensity of the treatment the person needs, based on medical acuity;

(3) found not guilty by reason of mental illness under Minnesota Rules of Criminal Procedure, rule 20.02, subdivision 8, and under civil commitment or are ordered to be detained in a state-operated treatment program pending completion of the civil commitment proceedings; or the person's revoked provisional discharge status;

(4) committed under this chapter to the executive board after dismissal of the patient's criminal charges. the person's safety and safety of others in the person's current environment;

(5) whether the person has access to necessary or court-ordered treatment;

(6) distinct and articulable negative impacts of an admission delay on the facility referring the individual for treatment; and

(7) any relevant federal prioritization requirements.

Patients described in this paragraph must be admitted to a state-operated treatment program within 48 hours. The commitment must be ordered by the court as provided in section 253B.09, subdivision 1, paragraph (d). Patients committed to a secure treatment facility or less restrictive setting as ordered by the court under section 253B.18, subdivisions 1 and 2, must be prioritized for admission to a state-operated treatment program using the priority admissions framework in this paragraph.

(c) Upon the arrival of a patient at the designated treatment facility, state-operated treatment program, or community-based treatment program, the head of the facility or program shall retain the duplicate of the warrant and endorse receipt upon the original warrant or acknowledge receipt of the order. The endorsed receipt or acknowledgment must be filed in the court of commitment. After arrival, the patient shall be under the control and custody of the head of the facility or program.

(d) Copies of the petition for commitment, the court's findings of fact and conclusions of law, the court order committing the patient, the report of the court examiners, and the prepetition report, and any medical and behavioral information available shall be provided at the time of admission of a patient to the designated treatment facility or program to which the patient is committed. Upon a patient's referral to the executive board for admission pursuant to subdivision 1, paragraph (b), any inpatient hospital, treatment facility, jail, or correctional facility that has provided care or supervision to the patient in the previous two years shall, when requested by the treatment facility or commissioner, provide copies of the patient's medical and behavioral records to the executive board for purposes of preadmission planning. This information shall be provided by the head of the treatment facility to treatment facility staff in a consistent and timely manner and pursuant to all applicable laws.

(e) Patients described in paragraph (b) must be admitted to a state-operated treatment program within 48 hours of the Office of Executive Medical Director, under section 246C.09, or a designee determining that a medically appropriate bed is available. This paragraph expires on June 30, 2025.

(f) Within four business days of determining which state-operated direct care and treatment program or programs are appropriate for an individual, the executive medical director's office or a designee must notify the source of the referral and the responsible county human services agency, the individual being ordered to direct care and treatment, and the district court that issued the order of the determination. The notice shall include which program or programs are appropriate for the person's priority status. Any interested person may provide additional information or request updated priority status about the individual to the executive medical director's office or a designee while the individual is awaiting admission. Updated priority status of an individual will only be disclosed to interested persons who are legally authorized to receive private information about the individual. When an available bed has been identified, the executive medical director's office or a designee must notify the designated agency and the facility where the individual is awaiting admission that the individual has been accepted for admission to a particular state-operated direct care and treatment program and the earliest possible date the admission can occur. The designated agency or facility where the individual is awaiting admission must transport the individual to the admitting state-operated direct care and treatment program no more than 48 hours after the offered admission date.

(g) A panel appointed by the commissioner, consisting of all members who served on the Task Force on Priority Admissions to State-Operated Treatment Programs under Laws 2023, chapter 61, article 8, section 13, subdivision 2, must:

(1) evaluate the 48-hour timeline for priority admissions required under paragraph (b) and develop policy and legislative proposals related to the priority admissions timeline in order to minimize litigation costs, maximize capacity in and access to state-operated treatment programs, and address issues related to individuals awaiting admission to state-operated treatment programs in jails and correctional institutions; and

(2) by February 1, 2025, submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and human services that includes legislative proposals to amend paragraph (b) to modify the 48-hour priority admissions timeline.

(h) The panel appointed under paragraph (g) must also advise the commissioner on the effectiveness of the framework and priority admissions generally and review de-identified data quarterly for one year following the implementation of the priority admissions framework to ensure that the framework is implemented and applied equitably. If the panel requests to review data that are classified as private or confidential and the commissioner determines the data requested are necessary for the scope of the panel's review, the commissioner is authorized to disclose private or confidential data to the panel under this paragraph and pursuant to section 13.05, subdivision 4, paragraph (b), for private or confidential data collected prior to the effective date of this paragraph.

(i) After the panel completes its year of review, a quality committee established by the Direct Care and Treatment executive board must continue to review data; seek input from counties, hospitals, community providers, and advocates; and provide a routine report to the executive board on the effectiveness of the framework and priority admissions.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 3. Laws 2023, chapter 70, article 20, section 16, subdivision 2, is amended to read:

Subd. 2. **Intensive residential treatment services.** (a) The fiscal year 2023 general fund appropriation in Laws 2022, chapter 99, article 3, section 7, is reduced by \$2,914,000 and that amount is canceled to the general fund.

(b) The general fund base for the appropriation in Laws 2022, chapter 99, article 3, section 7, is reduced by \$180,000 in fiscal year 2024.

~~(c) This act includes \$2,796,000 in fiscal year 2024 from the general fund to the commissioner of human services for start up funds to intensive residential treatment service providers to provide treatment in locked facilities for patients who have been transferred from a jail or who have been deemed incompetent to stand trial and a judge has determined that the patient needs to be in a secure facility.~~

Sec. 4. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; REIMBURSEMENT TO BELTRAMI COUNTY FOR CERTAIN COST OF CARE PAYMENTS.**

(a) Notwithstanding Minnesota Statutes 2021 Supplement, section 246.54, subdivisions 1a and 1b; Minnesota Statutes 2022, section 246.54, subdivisions 1a and 1b; or any other law to the contrary, the commissioner of human services must not sanction or otherwise seek payment from Beltrami County for outstanding debts for the cost of care provided between July 1, 2022, and June 30, 2023, under:

(1) Minnesota Statutes, section 246.54, subdivision 1a, paragraph (a), clause (3), to a person committed as a person who has a mental illness and is dangerous to the public under Minnesota Statutes, section 253B.18, and who was awaiting transfer from Anoka-Metro Regional Treatment Center to another state-operated facility or program; or

(2) Minnesota Statutes, section 246.54, subdivision 1b, paragraph (a), clause (1), to a person committed as a person who has a mental illness and is dangerous to the public under Minnesota Statutes, section 253B.18, and who was awaiting transfer from a state-operated community-based behavioral health hospital to another state-operated facility or program.

(b) The commissioner must reimburse Beltrami County with state-only money any amount previously paid to the state or otherwise recovered by the commissioner from Beltrami County for the cost of care identified in paragraph (a).

(c) Nothing in this section prohibits the commissioner from seeking reimbursement from Beltrami County for the cost of care provided in the Anoka-Metro Regional Treatment Center or a state-operated community-based behavioral health hospital for care not described in paragraph (a).

(d) Notwithstanding any law to the contrary, the client is not responsible for payment of the cost of care under this section.

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

Sec. 5. **MENTALLY ILL AND DANGEROUS CIVIL COMMITMENT REFORM TASK FORCE.**

Subdivision 1. **Establishment; purpose.** The Mentally Ill and Dangerous Civil Commitment Reform Task Force is established to evaluate current statutes related to mentally ill and dangerous civil commitments and develop recommendations to optimize the use of state-operated mental health resources and increase equitable access and outcomes for patients.

Subd. 2. **Membership.** (a) The Mentally Ill and Dangerous Civil Commitment Reform Task Force consists of the members appointed as follows:

- (1) the commissioner of human services or a designee;
  - (2) two members representing the Department of Direct Care and Treatment who have experience with mentally ill and dangerous civil commitments, appointed by the commissioner of human services;
  - (3) the ombudsman for mental health and developmental disabilities;
  - (4) a judge with experience presiding over mentally ill and dangerous civil commitments, appointed by the state court administrator;
  - (5) a court examiner with experience participating in mentally ill and dangerous civil commitments, appointed by the state court administrator;
  - (6) a member of the Special Review Board, appointed by the state court administrator;
  - (7) a county representative, appointed by the Association of Minnesota Counties;
  - (8) a representative appointed by the Minnesota Association of County Social Service Administrators;
  - (9) a county attorney with experience participating in mentally ill and dangerous civil commitments, appointed by the Minnesota County Attorneys Association;
  - (10) an attorney with experience representing respondents in mentally ill and dangerous civil commitments, appointed by the governor;
  - (11) a member appointed by the Minnesota Association of Community Mental Health Programs;
  - (12) a member appointed by the National Alliance on Mental Illness Minnesota;
  - (13) a licensed independent practitioner with experience treating individuals subject to a mentally ill and dangerous civil commitment;
  - (14) an individual with lived experience under civil commitment as mentally ill and dangerous and who is on a provisional discharge or has been discharged from commitment;
  - (15) a family member of an individual with lived experience under civil commitment as mentally ill and dangerous and who is on a provisional discharge or has been discharged from commitment; and
  - (16) at least one Tribal government representative.
- (b) A member of the legislature may not serve as a member of the task force.
- (c) Appointments to the task force must be made no later than July 30, 2024.
- Subd. 3. Compensation; removal; vacancy.** (a) Notwithstanding Minnesota Statutes, section 15.059, subdivision 6, members of the task force may be compensated as provided under Minnesota Statutes, section 15.059, subdivision 3.
- (b) A member may be removed by the appointing authority at any time at the pleasure of the appointing authority. In the case of a vacancy on the task force, the appointing authority shall appoint an individual to fill the vacancy for the remainder of the unexpired term.

Subd. 4. **Officers; meetings.** (a) The commissioner of human services shall convene the first meeting of the task force no later than September 1, 2024.

(b) The task force must elect a chair and vice-chair from among its members and may elect other officers as necessary.

(c) The task force is subject to Minnesota Statutes, chapter 13D.

Subd. 5. **Staff.** The commissioner of human services must provide staff assistance to support the work of the task force.

Subd. 6. **Data usage and privacy.** Any data provided by executive agencies as part of the work and report of the task force are subject to the requirements of Minnesota Statutes, chapter 13, and all other applicable data privacy laws.

Subd. 7. **Duties.** The task force must:

(1) analyze current trends in mentally ill and dangerous civil commitments, including but not limited to the length of stay for individuals committed in Minnesota as compared to other jurisdictions;

(2) review national practices and criteria for civil commitment of individuals who have a mental illness and represent a danger to the public;

(3) develop recommended statutory changes necessary to provide services to the high number of mentally ill and dangerous civilly committed individuals;

(4) develop funding and statutory recommendations for alternatives to the current mentally ill and dangerous civil commitment process;

(5) identify what types of placements and services are necessary to serve individuals civilly committed as mentally ill and dangerous in the community;

(6) make recommendations to reduce barriers to discharge from the forensic mental health program for individuals civilly committed as mentally ill and dangerous;

(7) develop recommended plain language statutory changes to clarify operational definitions for terms used within Minnesota Statutes, section 253B.18;

(8) develop recommended statutory changes to provide clear direction to the commissioner of human services and facilities to which individuals are civilly committed to address situations in which an individual is committed as mentally ill and dangerous and is later determined to not have an organic disorder of the brain or a substantial psychiatric disorder of thought, mood, perception, orientation, or memory; and

(9) evaluate and make statutory and funding recommendations for the voluntary return of individuals civilly committed as mentally ill and dangerous to community facilities.

Subd. 8. **Report required.** By August 1, 2025, the task force shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over mentally ill and dangerous civil commitments a written report that includes the outcome of the duties in subdivision 7, including but not limited to recommended statutory changes.

Subd. 9. **Expiration.** The task force expires January 1, 2026.

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

**Sec. 6. ENGAGEMENT SERVICES PILOT GRANTS.**

Subdivision 1. **Creation.** The engagement services pilot grant program is established in the Department of Human Services to provide grants to counties or certified community behavioral health clinics under section 245.735 that have a letter of support from a county to provide engagement services under section 253B.041. Engagement services must provide culturally responsive early interventions to prevent an individual from meeting the criteria for civil commitment and promote positive outcomes.

Subd. 2. **Allowable grant activities.** (a) Grantees must use grant money to:

(1) develop a system to respond to requests for engagement services;

(2) provide the following engagement services, taking into account an individual's preferences for treatment services and supports:

(i) assertive attempts to engage an individual in voluntary treatment for mental illness for at least 90 days;

(ii) efforts to engage an individual's existing support systems and interested persons, including but not limited to providing education on restricting means of harm and suicide prevention, when the provider determines that such engagement would be helpful; and

(iii) collaboration with the individual to meet the individual's immediate needs, including but not limited to housing access, food and income assistance, disability verification, medication management, and medical treatment;

(3) conduct outreach to families and providers; and

(4) evaluate the impact of engagement services on decreasing civil commitments, increasing engagement in treatment, decreasing police involvement with individuals exhibiting symptoms of serious mental illness, and other measures.

(b) Engagement services staff must have completed training on person-centered care. Staff may include but are not limited to mobile crisis providers under Minnesota Statutes, section 256B.0624; certified peer specialists under Minnesota Statutes, section 256B.0615; community-based treatment programs staff; and homeless outreach workers.

**Sec. 7. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; LIMITED EXCEPTION FOR ADMISSION FROM HOSPITAL SETTINGS.**

The commissioner of human services may immediately approve an exception to add up to ten patients who have been civilly committed and are awaiting admission in hospital settings to the waiting list for admission to medically appropriate direct care and treatment beds under Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b). This section expires upon the commissioner's approval of the exception for ten patients who have been civilly committed and are awaiting admission.

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

**Sec. 8. COUNTY CORRECTIONAL FACILITY MENTAL HEALTH MEDICATION PILOT PROGRAM.**

Subdivision 1. **Authorization.** The commissioner of human services must establish a pilot program that provides payments to counties to support county correctional facilities in delivering injectable medications to prisoners for mental health treatment.

Subd. 2. **Application.** Counties may submit requests for reimbursement for costs incurred pursuant to subdivision 3 on an application form specified by the commissioner. The commissioner must issue an application to each county board at least once per calendar quarter until money for the pilot program is expended.

Subd. 3. **Pilot program payments; allowable uses.** Counties must use payments received under this section for reimbursement of costs incurred during the most recent calendar quarter for:

(1) the delivery of injectable medications to prisoners for mental health treatment in county correctional facilities; and

(2) billable health care costs related to the delivery of injectable medications for mental health treatment.

Subd. 4. **Pilot program payment allocation.** (a) The commissioner may allocate up to one quarter of the total appropriation for the pilot program with each quarterly application. If the amount of money for eligible requests received exceeds the amount of money available in the quarter, the commissioner shall determine an equitable allocation of payments among the applicants.

(b) The commissioner's determination of payment amounts is final and not subject to appeal.

Subd. 5. **Report.** By December 15, 2025, the commissioner must provide a summary report on the pilot program to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health and county correctional facilities.

## ARTICLE 5 DIRECT CARE AND TREATMENT AGENCY

Section 1. Minnesota Statutes 2023 Supplement, section 10.65, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given:

(1) "agency" means the Department of Administration; Department of Agriculture; Department of Children, Youth, and Families; Department of Commerce; Department of Corrections; Department of Education; Department of Employment and Economic Development; Department of Health; Office of Higher Education; Housing Finance Agency; Department of Human Rights; Department of Human Services; Department of Information Technology Services; Department of Iron Range Resources and Rehabilitation; Department of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services; Department of Military Affairs; Metropolitan Council; Department of Natural Resources; Pollution Control Agency; Department of Public Safety; Department of Revenue; Department of Transportation; Department of Veterans Affairs; Direct Care and Treatment; Gambling Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; and the Board of Water and Soil Resources;

(2) "consultation" means the direct and interactive involvement of the Minnesota Tribal governments in the development of policy on matters that have Tribal implications. Consultation is the proactive, affirmative process of identifying and seeking input from appropriate Tribal governments and considering their interest as a necessary and integral part of the decision-making process. This definition adds to statutorily mandated notification procedures. During a consultation, the burden is on the agency to show that it has made a good faith effort to elicit feedback. Consultation is a formal engagement between agency officials and the governing body or bodies of an individual Minnesota Tribal government that the agency or an individual Tribal government may initiate. Formal meetings or communication between top agency officials and the governing body of a Minnesota Tribal government is a necessary element of consultation;



(3) "matters that have Tribal implications" means rules, legislative proposals, policy statements, or other actions that have substantial direct effects on one or more Minnesota Tribal governments, or on the distribution of power and responsibilities between the state and Minnesota Tribal governments;

(4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community; and Upper Sioux Community; and

(5) "timely and meaningful" means done or occurring at a favorable or useful time that allows the result of consultation to be included in the agency's decision-making process for a matter that has Tribal implications.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 13.46, subdivision 1, as amended by Laws 2024, chapter 79, article 9, section 1, and Laws 2024, chapter 80, article 8, section 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(a) "Individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system according to statute or federal law, including but not limited to Native American Tribe programs that provide a service component of the welfare system, the Minnesota family investment program, medical assistance, general assistance, general assistance medical care formerly codified in chapter 256D, the child care assistance program, and child support collections.

(c) "Welfare system" includes the Department of Human Services; ~~the Department of~~ Direct Care and Treatment; the Department of Children, Youth, and Families; local social services agencies; county welfare agencies; county public health agencies; county veteran services agencies; county housing agencies; private licensing agencies; the public authority responsible for child support enforcement; human services boards; community mental health center boards, state hospitals, state nursing homes, the ombudsman for mental health and developmental disabilities; Native American Tribes to the extent a Tribe provides a service component of the welfare system; and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

(d) "Mental health data" means data on individual clients and patients of community mental health centers, established under section 245.62, mental health divisions of counties and other providers under contract to deliver mental health services, ~~Department of~~ Direct Care and Treatment mental health services, or the ombudsman for mental health and developmental disabilities.

(e) "Fugitive felon" means a person who has been convicted of a felony and who has escaped from confinement or violated the terms of probation or parole for that offense.

(f) "Private licensing agency" means an agency licensed by the commissioner of children, youth, and families under chapter 142B to perform the duties under section 142B.30.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 3. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 2, as amended by Laws 2024, chapter 80, article 8, section 2, is amended to read:

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent of the welfare system and an investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;

(6) to administer federal funds or programs;

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

(8) to the Department of Revenue to assess parental contribution amounts for purposes of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs, and prepare the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section 6. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security or individual taxpayer identification numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services; the Department of Employment and Economic Development; the Department of Children, Youth, and Families; Direct Care and Treatment; and, when applicable, the Department of Education, for the following purposes:

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

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

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter 256B or 256L; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

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

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

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

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

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

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

(i) the participant:

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

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

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

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

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

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

(18) the address, Social Security or individual taxpayer identification number, and, if available, photograph of any member of a household receiving SNAP benefits shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

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

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

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

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

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

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

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

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

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

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

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

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

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

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services; Children, Youth, and Families; and Education, on recipients and former recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D;

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

(29) counties and the Department of Children, Youth, and Families operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education;

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

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

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

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

(34) between the Department of Human Services and the Metropolitan Council for the following purposes:

(i) to coordinate special transportation service provided under section 473.386 with services for people with disabilities and elderly individuals funded by or through the Department of Human Services; and

(ii) to provide for reimbursement of special transportation service provided under section 473.386.

The data that may be shared under this clause are limited to the individual's first, last, and middle names; date of birth; residential address; and program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

(b) Information on persons who have been treated for substance use disorder may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

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

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

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 13.46, subdivision 10, as amended by Laws 2024, chapter 79, article 9, section 2, is amended to read:

Subd. 10. **Responsible authority.** (a) Notwithstanding any other provision of this chapter to the contrary, the responsible authority for each component of the welfare system listed in subdivision 1, clause (c), shall be as follows:

- (1) the responsible authority for the Department of Human Services is the commissioner of human services;
  - (2) the responsible authority of a county welfare agency is the director of the county welfare agency;
  - (3) the responsible authority for a local social services agency, human services board, or community mental health center board is the chair of the board;
  - (4) the responsible authority of any person, agency, institution, organization, or other entity under contract to any of the components of the welfare system listed in subdivision 1, clause (c), is the person specified in the contract;
  - (5) the responsible authority of the public authority for child support enforcement is the head of the public authority for child support enforcement;
  - (6) the responsible authority for county veteran services is the county veterans service officer pursuant to section 197.603, subdivision 2; and
  - (7) the responsible authority for ~~the Department of~~ Direct Care and Treatment is the chief executive officer of Direct Care and Treatment ~~executive board~~.
- (b) A responsible authority shall allow another responsible authority in the welfare system access to data classified as not public data when access is necessary for the administration and management of programs, or as authorized or required by statute or federal law.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 5. Minnesota Statutes 2023 Supplement, section 15.01, is amended to read:

#### **15.01 DEPARTMENTS OF THE STATE.**

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Children, Youth, and Families; the Department of Commerce; the Department of Corrections; ~~the Department of Direct Care and Treatment~~; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Human Services; the Department of Information Technology Services; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 6. Minnesota Statutes 2023 Supplement, section 15.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to the following departments or agencies: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; ~~Direct Care and Treatment~~; Education; Employment and Economic Development; Health; Human Rights; Human Services; Labor and Industry; Management and Budget; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range Resources and Rehabilitation; the Department of Information Technology Services; the Bureau of Mediation Services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 7. Minnesota Statutes 2023 Supplement, section 15A.082, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered year to establish the compensation of constitutional officers and the heads of state and metropolitan agencies identified in section 15A.0815, ~~and~~ to assist the legislature in establishing the compensation of justices of the supreme court and judges of the court of appeals and district court, and to determine the daily compensation for voting members of the Direct Care and Treatment executive board.

Sec. 8. Minnesota Statutes 2023 Supplement, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **Submission of recommendations and determination.** (a) By April 1 in each odd-numbered year, the Compensation Council shall submit to the speaker of the house and the president of the senate salary recommendations for justices of the supreme court, and judges of the court of appeals and district court. The recommended salaries take effect on July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council recommends thereafter, unless the legislature by law provides otherwise. The salary recommendations take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected.

(b) By April 1 in each odd-numbered year, the Compensation Council must prescribe salaries for constitutional officers, and for the agency and metropolitan agency heads identified in section 15A.0815. The prescribed salary for each office must take effect July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council determines thereafter, unless the legislature by law provides otherwise. An appropriation by the legislature to fund the relevant office, branch, or agency of an amount sufficient to pay the salaries prescribed by the council constitutes a prescription by law as provided in the Minnesota Constitution, article V, sections 4 and 5.

(c) By April 1 in each odd-numbered year, the Compensation Council must prescribe daily compensation for voting members of the Direct Care and Treatment executive board. The recommended daily compensation takes effect on July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council recommends thereafter, unless the legislature by law provides otherwise.

Sec. 9. Minnesota Statutes 2023 Supplement, section 15A.082, subdivision 7, is amended to read:

Subd. 7. **No ex parte communications.** Members may not have any communication with a constitutional officer, a head of a state agency, ~~or a~~ a member of the judiciary, ~~or a member of the Direct Care and Treatment executive board~~ during the period after the first meeting is convened under this section and the date the prescribed and recommended salaries and daily compensation are submitted under subdivision 3.

Sec. 10. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;
- (7) employees of the Washington, D.C., office of the state of Minnesota;
- (8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;
- (10) officers and enlisted persons in the National Guard;
- (11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;
- (12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;
- (13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;
- (14) examination monitors and intermittent training instructors employed by the Departments of Management and Budget and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;
- (15) student workers;



(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) the chief executive officers in the Department of Human Services, officer of Direct Care and Treatment.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 11. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; ~~Direct Care and Treatment~~; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services; the Offices of the Attorney General, Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; Direct Care and Treatment; and the Minnesota Zoological Board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 145.61, subdivision 5, is amended to read:

Subd. 5. **Review organization.** "Review organization" means a nonprofit organization acting according to clause (l), a committee as defined under section 144E.32, subdivision 2, or a committee whose membership is limited to professionals, administrative staff, and consumer directors, except where otherwise provided for by state or federal law, and which is established by one or more of the following: a hospital, a clinic, a nursing home, an ambulance service or first responder service regulated under chapter 144E, one or more state or local associations of professionals, an organization of professionals from a particular area or medical institution, a health maintenance organization as defined in chapter 62D, a community integrated service network as defined in chapter 62N, a nonprofit health service plan corporation as defined in chapter 62C, a preferred provider organization, a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., a medical review agent established to meet the requirements of section 256B.04, subdivision 15, the Department of Human Services, Direct Care and Treatment, or a nonprofit corporation that owns, operates, or is established by one or more of the above referenced entities, to gather and review information relating to the care and treatment of patients for the purposes of:

- (a) evaluating and improving the quality of health care;
- (b) reducing morbidity or mortality;
- (c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;
- (d) developing and publishing guidelines showing the norms of health care in the area or medical institution or in the entity or organization that established the review organization;
- (e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;
- (f) developing and publishing guidelines designed to improve the safety of care provided to individuals;
- (g) reviewing the safety, quality, or cost of health care services provided to enrollees of health maintenance organizations, community integrated service networks, health service plans, preferred provider organizations, and insurance companies;
- (h) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;
- (i) determining whether a professional shall be granted staff privileges in a medical institution, membership in a state or local association of professionals, or participating status in a nonprofit health service plan corporation, health maintenance organization, community integrated service network, preferred provider organization, or insurance company, or whether a professional's staff privileges, membership, or participation status should be limited, suspended or revoked;
- (j) reviewing, ruling on, or advising on controversies, disputes or questions between:
  - (1) health insurance carriers, nonprofit health service plan corporations, health maintenance organizations, community integrated service networks, self-insurers and their insureds, subscribers, enrollees, or other covered persons;
  - (2) professional licensing boards and health providers licensed by them;

- (3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;
- (4) professionals and health insurance carriers, nonprofit health service plan corporations, health maintenance organizations, community integrated service networks, or self-insurers concerning a charge or fee for health care services provided to an insured, subscriber, enrollee, or other covered person;
- (5) professionals or their patients and the federal, state, or local government, or agencies thereof;
- (k) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;
- (l) acting as a medical review agent under section 256B.04, subdivision 15;
- (m) providing recommendations on the medical necessity of a health service, or the relevant prevailing community standard for a health service;
- (n) providing quality assurance as required by United States Code, title 42, sections 1396r(b)(1)(b) and 1395i-3(b)(1)(b) of the Social Security Act;
- (o) providing information to group purchasers of health care services when that information was originally generated within the review organization for a purpose specified by this subdivision;
- (p) providing information to other, affiliated or nonaffiliated review organizations, when that information was originally generated within the review organization for a purpose specified by this subdivision, and as long as that information will further the purposes of a review organization as specified by this subdivision; or
- (q) participating in a standardized incident reporting system, including Internet-based applications, to share information for the purpose of identifying and analyzing trends in medical error and iatrogenic injury.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 246.018, subdivision 3, as amended by Laws 2024, chapter 79, article 1, section 6, is amended to read:

Subd. 3. **Duties.** The executive medical director shall:

- (1) oversee the clinical provision of inpatient mental health services provided in the state's regional treatment centers;
- (2) recruit and retain psychiatrists to serve on the direct care and treatment medical staff established in subdivision 4;
- (3) consult with the executive board, ~~the chief executive officer, and~~ community mental health center directors, ~~and the state-operated services governing body~~ to develop standards for treatment and care of patients in state-operated service programs;
- (4) develop and oversee a continuing education program for members of the medical staff; and
- (5) participate and cooperate in the development and maintenance of a quality assurance program for state-operated services that assures that residents receive continuous quality inpatient, outpatient, and postdischarge care.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 246.13, subdivision 2, as amended by Laws 2024, chapter 79, article 2, section 4, is amended to read:

Subd. 2. **Definitions; risk assessment and management.** (a) As used in this section:

(1) "appropriate and necessary medical and other records" includes patient medical records and other protected health information as defined by Code of Federal Regulations, title 45, section 164.501, relating to a patient in a state-operated services facility including but not limited to the patient's treatment plan and abuse prevention plan pertinent to the patient's ongoing care, treatment, or placement in a community-based treatment facility or a health care facility that is not operated by state-operated services, including information describing the level of risk posed by a patient when the patient enters the facility;

(2) "community-based treatment" means the community support services listed in section 253B.02, subdivision 4b;

(3) "criminal history data" means data maintained or used by the Departments of Corrections and Public Safety and by the supervisory authorities listed in section 13.84, subdivision 1, that relate to an individual's criminal history or propensity for violence, including data in the:

(i) Corrections Offender Management System (COMS);

(ii) Statewide Supervision System (S3);

(iii) Bureau of Criminal Apprehension criminal history data as defined in section 13.87;

(iv) Integrated Search Service as defined in section 13.873; and

(v) Predatory Offender Registration (POR) system;

(4) "designated agency" means the agency defined in section 253B.02, subdivision 5;

(5) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release;

(6) "predatory offender" and "offender" mean a person who is required to register as a predatory offender under section 243.166; and

(7) "treatment facility" means a facility as defined in section 253B.02, subdivision 19.

(b) To promote public safety and for the purposes and subject to the requirements of this paragraph, the executive board or the executive board's designee shall have access to, and may review and disclose, medical and criminal history data as provided by this section, as necessary to comply with Minnesota Rules, part 1205.0400, to:

(1) determine whether a patient is required under state law to register as a predatory offender according to section 243.166;

(2) facilitate and expedite the responsibilities of the special review board and end-of-confinement review committees by corrections institutions and state treatment facilities;

(3) prepare, amend, or revise the abuse prevention plans required under section 626.557, subdivision 14, and individual patient treatment plans required under section 253B.03, subdivision 7;

(4) facilitate the custody, supervision, and transport of individuals transferred between the Department of Corrections and ~~the Department of~~ Direct Care and Treatment; and

(5) effectively monitor and supervise individuals who are under the authority of the Department of Corrections, ~~the Department of~~ Direct Care and Treatment, and the supervisory authorities listed in section 13.84, subdivision 1.

(c) The state-operated services treatment facility or a designee must make a good faith effort to obtain written authorization from the patient before releasing information from the patient's medical record.

(d) If the patient refuses or is unable to give informed consent to authorize the release of information required under this subdivision, the chief executive officer ~~for state-operated services~~ or a designee shall provide the appropriate and necessary medical and other records. The chief executive officer or a designee shall comply with the minimum necessary privacy requirements.

(e) The executive board may have access to the National Crime Information Center (NCIC) database through the Department of Public Safety in support of the public safety functions described in paragraph (b).

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 246.234, as amended by Laws 2024, chapter 79, article 1, section 11, is amended to read:

**246.234 RECIPROCAL EXCHANGE OF CERTAIN PERSONS.** The executive board is ~~hereby~~ authorized with the approval of the governor to enter into reciprocal agreements with duly authorized authorities of ~~any other another~~ state or states regarding the mutual exchange, return, and transportation of persons with a mental illness or developmental disability who are within the confines of one state but have legal residence or legal settlement for the purposes of relief in another state. ~~Such agreements~~ Any agreement entered into under this subdivision must not contain ~~provisions conflicting~~ any provision that conflicts with any ~~law of this state law~~.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 246.36, as amended by Laws 2024, chapter 79, article 1, section 14, is amended to read:

**246.36 ACCEPTANCE OF VOLUNTARY, UNCOMPENSATED SERVICES.** For the purpose of carrying out a duty, the executive board ~~shall have authority to~~ may accept uncompensated and voluntary services and ~~to~~ may enter into contracts or agreements with private or public agencies, organizations, or persons for uncompensated and voluntary services as the executive board deems practicable. Uncompensated and voluntary services do not include services mandated by licensure and certification requirements for health care facilities. The volunteer agencies, organizations, or persons who provide services to residents of state facilities operated under the authority of the executive board are not subject to the procurement requirements of chapters 16A and 16C. ~~The agencies, organizations, or persons may purchase supplies, services, and equipment to be used in providing services to residents of state facilities through the Department of Administration.~~

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 17. Minnesota Statutes 2023 Supplement, section 246C.01, is amended to read:

**246C.01 TITLE.**

This chapter may be cited as the "~~Department of~~ Direct Care and Treatment Act."

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 18. Minnesota Statutes 2023 Supplement, section 246C.02, as amended by Laws 2024, chapter 79, article 1, section 19, is amended to read:

**246C.02 DEPARTMENT OF DIRECT CARE AND TREATMENT; ESTABLISHMENT.**

Subdivision 1. **Establishment.** ~~The Department of Direct Care and Treatment is created as an agency headed by an executive board. An executive board shall head the Department of Direct Care and Treatment.~~

Subd. 2. **Mission.** (a) ~~The executive board shall develop and maintain direct care and treatment in a manner consistent with applicable law, including chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256.~~

(b) ~~The executive board shall provide direct care and treatment services in coordination with the commissioner of human services, counties, and other vendors.~~

Subd. 3. **Direct care and treatment services.** Direct Care and Treatment services shall provide direct care and treatment services that include specialized inpatient programs at secure treatment facilities, community preparation services, regional treatment centers, enterprise services, consultative services, aftercare services, community-based services and programs, transition services, nursing home services, and other services consistent with the mission of the Department of Direct Care and Treatment state law, including this chapter and chapters 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256. Direct Care and Treatment shall provide direct care and treatment services in coordination with the commissioner of human services, counties, and other vendors.

Subd. 4. **Statewide services.** (a) The administrative structure of state-operated services must be statewide in character.

(b) The state-operated services staff may deliver services at any location throughout the state.

Subd. 5. **Department of Human Services as state agency.** The commissioner of human services continues to constitute the "state agency" as defined by the Social Security Act of the United States and the laws of this state for all purposes relating to mental health and mental hygiene.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 19. Minnesota Statutes 2023 Supplement, section 246C.04, as amended by Laws 2024, chapter 79, article 1, section 21, is amended to read:

**246C.04 TRANSFER OF DUTIES.**

Subdivision 1. **Transfer of duties.** (a) Section 15.039 applies to the transfer of duties responsibilities from the Department of Human Services to Direct Care and Treatment required by this chapter.

(b) The commissioner of administration, with the governor's approval, shall issue reorganization orders under section 16B.37 as necessary to carry out the transfer of duties required by section 246C.03 this chapter. The provision of section 16B.37, subdivision 1, stating that transfers under section 16B.37 may only be to an agency that has existed for at least one year does not apply to transfers to an agency created by this chapter.

(c) ~~The initial salary for the health systems chief executive officer of the Department of Direct Care and Treatment is the same as the salary for the health systems chief executive officer of direct care and treatment at the Department of Human Services immediately before July 1, 2024.~~

Subd. 2. **Transfer of custody of civilly committed persons.** The commissioner of human services shall continue to exercise all authority and responsibility for and retain custody of persons subject to civil commitment under chapter 253B or 253D until July 1, 2025. Effective July 1, 2025, custody of persons subject to civil commitment under chapter 253B or 253D and in the custody of the commissioner of human services as of that date is hereby transferred to the executive board without any further act or proceeding. Authority and responsibility for the commitment of such persons is transferred to the executive board on July 1, 2025.

Subd. 3. **Control of direct care and treatment.** The commissioner of human services shall continue to exercise all authorities and responsibilities under this chapter and chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, with reference to any state-operated service, program, or facility subject to transfer under this act until July 1, 2025. Effective July 1, 2025, the powers and duties vested in or imposed upon the commissioner of human services with reference to any state-operated service, program, or facility are hereby transferred to, vested in, and imposed upon the executive board according to this chapter and applicable state law. Effective July 1, 2025, the executive board is hereby charged with and has the exclusive power of administration and management of all state hospitals for persons with a developmental disability, mental illness, or substance use disorder. Effective July 1, 2025, the executive board has the power and authority to determine all matters relating to the development of all of the foregoing institutions and of such other institutions vested in the executive board. Effective July 1, 2025, the powers, functions, and authority vested in the commissioner of human services relative to such state institutions are hereby transferred to the executive board according to this chapter and applicable state law.

Subd. 4. **Appropriations.** There is hereby appropriated to such persons or institutions as are entitled to such sums as are provided for in this section, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make such payment.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 20. Minnesota Statutes 2023 Supplement, section 246C.05, as amended by Laws 2024, chapter 79, article 1, section 22, is amended to read:

**246C.05 EMPLOYEE PROTECTIONS FOR ESTABLISHING THE NEW DEPARTMENT OF DIRECT CARE AND TREATMENT.** (a) Personnel whose duties relate to the functions assigned to the executive board in ~~section 246C.03~~ this chapter are transferred to ~~the Department of~~ Direct Care and Treatment effective 30 days after approval by the commissioner of management and budget.

(b) Before the executive board is appointed, personnel whose duties relate to the functions in this ~~section~~ chapter may be transferred beginning July 1, 2024, with 30 days' notice from the commissioner of management and budget.

(c) The following protections shall apply to employees who are transferred from the Department of Human Services to ~~the Department of~~ Direct Care and Treatment:

(1) No transferred employee shall have their employment status and job classification altered as a result of the transfer.

(2) Transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer.

(3) The applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer.

(4) The state shall have the obligation to meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement.

(5) When an employee in a temporary unclassified position is transferred to ~~the Department of~~ Direct Care and Treatment, the total length of time that the employee has served in the appointment shall include all time served in the appointment at the transferring agency and the time served in the appointment at ~~the Department of~~ Direct Care and Treatment. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

(6) In the event that the state transfers ownership or control of any of the facilities, services, or operations of ~~the Department of~~ Direct Care and Treatment to another entity, whether private or public, by subcontracting, sale, assignment, lease, or other transfer, the state shall require as a written condition of such transfer of ownership or control the following provisions:

(i) Employees who perform work in transferred facilities, services, or operations must be offered employment with the entity acquiring ownership or control before the entity offers employment to any individual who was not employed by the transferring agency at the time of the transfer.

(ii) The wage and benefit standards of such transferred employees must not be reduced by the entity acquiring ownership or control through the expiration of the collective bargaining agreement in effect at the time of the transfer or for a period of two years after the transfer, whichever is longer.

(d) There is no liability on the part of, and no cause of action arises against, the state of Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership or control of any facilities, services, or operations of ~~the Department of~~ Direct Care and Treatment.

(e) This section expires upon the completion of the transfer of duties to the executive board under ~~section 246C.03~~ this chapter. The commissioner of human services shall notify the revisor of statutes when the transfer of duties is complete.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 21. **[246C.07] POWERS AND DUTIES OF EXECUTIVE BOARD.**

Subdivision 1. Generally. (a) The executive board must operate the agency according to this chapter and applicable state and federal law. The overall management and control of the agency is vested in the executive board in accordance with this chapter.

(b) The executive board must appoint a chief executive officer according to section 246C.08. The chief executive officer is responsible for the administrative and operational duties of Direct Care and Treatment in accordance with this chapter.

(c) The executive board may delegate duties imposed by this chapter and under applicable state and federal law as deemed appropriate by the board and in accordance with this chapter. Any delegation of a specified statutory duty or power to an employee of Direct Care and Treatment other than the chief executive officer must be made by written order and filed with the secretary of state. Only the chief executive officer shall have the powers and duties of the executive board as specified in section 246C.08.



Subd. 2. **Principles.** The executive board, in undertaking its duties and responsibilities and within Direct Care and Treatment resources, shall act according to the following principles:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the agency as efficiently as possible;
- (3) coordinate Direct Care and Treatment activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government; and
- (5) utilize constructive and cooperative labor management practices to the extent otherwise required by chapter 43A or 179A.

Subd. 3. **Powers and duties.** (a) The executive board has the power and duty to:

- (1) set the overall strategic direction for Direct Care and Treatment, ensuring that Direct Care and Treatment delivers exceptional care and supports the well-being of all individuals served by Direct Care and Treatment;
- (2) establish policies and procedures to govern the operation of the facilities, programs, and services under the direct authority of Direct Care and Treatment;
- (3) employ personnel and delegate duties and responsibilities to personnel as deemed appropriate by the executive board, subject to chapters 43A and 179A and in accordance with this chapter;
- (4) review and approve the operating budget proposal for Direct Care and Treatment;
- (5) accept and use gifts, grants, or contributions from any nonstate source or refuse to accept any gift, grant, or contribution if acceptance would not be in the best interest of the state;
- (6) deposit all money received as gifts, grants, or contributions pursuant to section 246C.091, subdivision 1;
- (7) expend or use any gift, grant, or contribution as nearly in accordance with the conditions of the gift, grant, or contribution identified by the donor for a certain institution or purpose, compatible with the best interests of the individuals under the jurisdiction of the executive board and of the state;
- (8) comply with all conditions and requirements necessary to receive federal aid or block grants with respect to the establishment, construction, maintenance, equipment, or operation of adequate facilities and services consistent with the mission of Direct Care and Treatment;
- (9) enter into information-sharing agreements with federal and state agencies and other entities, provided the agreements include adequate protections with respect to the confidentiality and integrity of the information to be shared and comply with all applicable state and federal laws, regulations, and rules;
- (10) enter into interagency or service level agreements with a state department listed in section 15.01; a multimember state agency described in section 15.012, paragraph (a); or the Department of Information Technology Services;

(11) enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota;

(12) enter into contracts with public and private agencies, private and nonprofit organizations, and individuals using appropriated money;

(13) establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all programs or divisions of Direct Care and Treatment;

(14) authorize the method of payment to or from Direct Care and Treatment as part of programs administered by Direct Care and Treatment, including authorization of the receipt or disbursement of money held by Direct Care and Treatment in a fiduciary capacity as part of the programs administered by Direct Care and Treatment;

(15) inform Tribal Nations and county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to Tribal or county agency administration of Direct Care and Treatment programs and services;

(16) report to the legislature on the performance of Direct Care and Treatment operations and the accomplishment of Direct Care and Treatment goals in its biennial budget in accordance with section 16A.10, subdivision 1;

(17) recommend to the legislature appropriate changes in law necessary to carry out the principles and improve the performance of Direct Care and Treatment; and

(18) exercise all powers reasonably necessary to implement and administer the requirements of this chapter and applicable state and federal law.

(b) The specific enumeration of powers and duties as set forth in this section shall not be construed as a limitation upon the general transfer of Direct Care and Treatment facilities, programs, and services from the Department of Human Services to Direct Care and Treatment under this chapter.

Subd. 4. **Creation of bylaws.** The board may establish bylaws governing its operations and the operations of Direct Care and Treatment in accordance with this chapter.

Subd. 5. **Advisory committee.** (a) The executive board shall establish an advisory committee to provide state legislators, counties, union representatives, the National Alliance on Mental Illness Minnesota, people being served by direct care and treatment programs, and other stakeholders the opportunity to advise the executive board regarding the operation of Direct Care and Treatment. The legislative members of the advisory committee must be appointed as follows: (1) one member appointed by the speaker of the house of representatives; (2) one member appointed by the minority leader of the house of representatives; and (3) two members appointed by the senate committee on committees, one member representing the majority caucus and one member representing the minority caucus.

(b) The executive board shall regularly consult with the advisory committee.

(c) The advisory committee under this subdivision expires December 31, 2027.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 22. **[246C.08] CHIEF EXECUTIVE OFFICER; SERVICE; DUTIES.**

Subdivision 1. **Service.** (a) The Direct Care and Treatment chief executive officer is appointed by the executive board and serves at the pleasure of the executive board, with the advice and consent of the senate.

(b) The chief executive officer shall serve in the unclassified service in accordance with section 43A.08 and shall be governed by a compensation plan prepared by the executive board, submitted to the commissioner of management and budget for review and comment, and approved by the Legislative Coordinating Commission and the legislature in accordance with section 3.855.

Subd. 2. **Powers and duties.** (a) The chief executive officer's primary duty is to assist the executive board. The chief executive officer is responsible for the administrative and operational management of the agency.

(b) The chief executive officer shall have all the powers of the executive board unless the executive board directs otherwise. The chief executive officer shall have the authority to speak for the executive board and Direct Care and Treatment within and outside the agency.

(c) In the event that a vacancy occurs for any reason within the chief executive officer position, the executive medical director appointed under section 246.018 shall immediately become the temporary chief executive officer until the executive board appoints a new chief executive officer. During this period, the executive medical director shall have all the powers and authority delegated to the chief executive officer by the board and specified in this chapter.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 23. **[246C.091] DIRECT CARE AND TREATMENT ACCOUNTS.**

Subdivision 1. **Gifts, grants, and contributions account.** (a) A gifts, grants, and contributions account is created in the special revenue fund in the state treasury. All money received by the executive board as a gift, grant, or contribution must be deposited in the gifts, grants, and contributions account. Beginning July 1, 2025, except as provided in paragraph (b), money in the account is annually appropriated to the Direct Care and Treatment executive board to accomplish the purposes of this chapter. Gifts, grants, or contributions received by the executive board exceeding current agency needs must be invested by the State Board of Investment in accordance with section 11A.24. Disbursements from the gifts, grants, and contributions account must be made in the manner provided for the issuance of other state payments.

(b) If the gift or contribution is designated for a certain person, institution, or purpose, the Direct Care and Treatment executive board must use the gift or contribution as specified in accordance with the conditions of the gift or contribution if compatible with the best interests of the person and the state. If a gift or contribution is accepted for the use and benefit of a person with a developmental disability, including those within a state hospital, research relating to persons with a developmental disability must be considered an appropriate use of the gift or contribution. Such money must not be used for any structures or installations which by their nature would require state expenditures for their operation or maintenance without specific legislative enactment.

Subd. 2. **Facilities management account.** A facilities management account is created in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the account is appropriated to the Direct Care and Treatment executive board and may be used to maintain buildings, acquire facilities, renovate existing buildings, or acquire land for the design and construction of buildings for Direct Care and Treatment use. Money received for maintaining state property under control of the executive board may be deposited into this account.

**Subd. 3. Direct Care and Treatment systems account.** (a) The Direct Care and Treatment systems account is created in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the account is appropriated to the Direct Care and Treatment executive board and may be used for security systems and information technology projects, services, and support under the control of the executive board.

(b) The commissioner of human services shall transfer all money allocated to the Direct Care and Treatment systems projects under section 256.014 to the Direct Care and Treatment systems account by June 30, 2026.

**Subd. 4. Cemetery maintenance account.** The cemetery maintenance account is created in the special revenue fund of the state treasury. Money in the account is appropriated to the executive board for the maintenance of cemeteries under control of the executive board. Money allocated to Direct Care and Treatment cemeteries may be transferred to this account.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 24. Minnesota Statutes 2022, section 256.88, is amended to read:

**256.88 SOCIAL WELFARE FUND ESTABLISHED.**

Except as otherwise expressly provided, all moneys and funds held by the commissioner of human services, the Direct Care and Treatment executive board, and the local social services agencies of the several counties in trust or for the benefit of children with a disability and children who are dependent, neglected, or delinquent, children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children, persons determined to have developmental disability, mental illness, or substance use disorder, or other wards or beneficiaries, under any law, shall be kept in a single fund to be known as the "social welfare fund" which shall be deposited at interest, held, or disbursed as provided in sections 256.89 to 256.92.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 25. Minnesota Statutes 2022, section 256.89, is amended to read:

**256.89 FUND DEPOSITED IN STATE TREASURY.**

The social welfare fund and all accretions thereto shall be deposited in the state treasury, as a separate and distinct fund, to the credit of the commissioner of human services and the Direct Care and Treatment executive board as ~~trustee trustees~~ for the their respective beneficiaries ~~thereof~~ in proportion to ~~their~~ the beneficiaries' several interests. The commissioner of management and budget shall be responsible only to the commissioner of human services and the Direct Care and Treatment executive board for the sum total of the fund, and shall have no duties nor direct obligations toward the beneficiaries thereof individually. Subject to the applicable rules of the commissioner of human services or the Direct Care and Treatment executive board, money so received by a local social services agency may be deposited by the executive secretary of the local social services agency in a local bank carrying federal deposit insurance, designated by the local social services agency for this purpose. The amount of such deposit in each such bank at any one time shall not exceed the amount protected by federal deposit insurance.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 26. Minnesota Statutes 2022, section 256.90, is amended to read:

**256.90 SOCIAL WELFARE FUND; USE; DISPOSITION; DEPOSITORIES.**

The commissioner of human services, in consultation with the Direct Care and Treatment executive board, at least 30 days before the first day of January and the first day of July in each year shall file with the commissioner of management and budget an estimate of the amount of the social welfare fund to be held in the treasury during the succeeding six-month period, subject to current disbursement. Such portion of the remainder thereof as may be at any time designated by the request of the commissioner of human services may be invested by the commissioner of management and budget in bonds in which the permanent trust funds of the state of Minnesota may be invested, upon approval by the State Board of Investment. The portion of such remainder not so invested shall be placed by the commissioner of management and budget at interest for the period of six months, or when directed by the commissioner of human services, for the period of 12 months thereafter at the highest rate of interest obtainable in a bank, or banks, designated by the board of deposit as a suitable depository therefor. All the provisions of law relative to the designation and qualification of depositories of other state funds shall be applicable to sections 256.88 to 256.92, except as herein otherwise provided. Any bond given, or collateral assigned or both, to secure a deposit hereunder may be continuous in character to provide for the repayment of any moneys belonging to the fund theretofore or thereafter at any time deposited in such bank until its designation as such depository is revoked and the security thereof shall be not impaired by any subsequent agreement or understanding as to the rate of interest to be paid upon such deposit, or as to time for its repayment. The amount of money belonging to the fund deposited in any bank, including other state deposits, shall not at any time exceed the amount of the capital stock thereof. In the event of the closing of the bank any sum deposited therein shall immediately become due and payable.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 27. Minnesota Statutes 2022, section 256.91, is amended to read:

**256.91 PURPOSES.**

From that part of the social welfare fund held in the state treasury subject to disbursement as provided in section 256.90 the commissioner of human services or the Direct Care and Treatment executive board at any time may pay out such amounts as the commissioner or executive board deems proper for the support, maintenance, or other legal benefit of any of the children with a disability and children who are dependent, neglected, or delinquent, children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children, persons with developmental disability, substance use disorder, or mental illness, or other wards or persons entitled thereto, not exceeding in the aggregate to or for any person the principal amount previously received for the benefit of the person, together with the increase in it from an equitable apportionment of interest realized from the social welfare fund.

When any such person dies or is finally discharged from the guardianship, care, custody, and control of the commissioner of human services or the Direct Care and Treatment executive board, the amount then remaining subject to use for the benefit of the person shall be paid as soon as may be from the social welfare fund to the persons thereto entitled by law.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 28. Minnesota Statutes 2022, section 256.92, is amended to read:

**256.92 COMMISSIONER OF HUMAN SERVICES AND DIRECT CARE AND TREATMENT,  
ACCOUNTS.**

It shall be the duty of the commissioner of human services, the Direct Care and Treatment executive board, and of the local social services agencies of the several counties of this state to cause to be deposited with the commissioner of management and budget all moneys and funds in their possession or under their control and designated by section 256.91 as and for the social welfare fund; and all such moneys and funds shall be so deposited in the state treasury as soon as received. The commissioner of human services, in consultation with the Direct Care and Treatment executive board, shall keep books of account or other records showing separately the principal amount received and deposited in the social welfare fund for the benefit of any person, together with the name of such person, and the name and address, if known to the commissioner of human services or the Direct Care and Treatment executive board, of the person from whom such money was received; and, at least once every two years, the amount of interest, if any, which the money has earned in the social welfare fund shall be apportioned thereto and posted in the books of account or records to the credit of such beneficiary.

The provisions of sections 256.88 to 256.92 shall not apply to any fund or money now or hereafter deposited or otherwise disposed of pursuant to the lawful orders, decrees, judgments, or other directions of any district court having jurisdiction thereof.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 29. Laws 2023, chapter 61, article 8, section 1, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

Sec. 30. Laws 2023, chapter 61, article 8, section 2, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

Sec. 31. Laws 2023, chapter 61, article 8, section 3, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

Sec. 32. Laws 2023, chapter 61, article 8, section 8, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

Sec. 33. Laws 2024, chapter 79, article 1, section 18, is amended to read:

Sec. 18. **246C.015 DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Chief executive officer.** "Chief executive officer" means the ~~Department~~ of Direct Care and Treatment chief executive officer appointed according to section 246C.08.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of human services.

Subd. 4. **Community preparation services.** "Community preparation services" means specialized inpatient or outpatient services operated outside of a secure environment but administered by a secure treatment facility.

Subd. 5. **County of financial responsibility.** "County of financial responsibility" has the meaning given in section 256G.02, subdivision 4.

Subd. 5a. **Direct Care and Treatment.** "Direct Care and Treatment" means the agency of Direct Care and Treatment established under this chapter.

Subd. 6. **Executive board.** "Executive board" means the ~~Department of~~ Direct Care and Treatment executive board established under section 246C.06.

Subd. 7. **Executive medical director.** "Executive medical director" means the licensed physician serving as executive medical director in ~~the Department of~~ Direct Care and Treatment under section 246C.09.

Subd. 8. **Head of the facility or head of the program.** "Head of the facility" or "head of the program" means the person who is charged with overall responsibility for the professional program of care and treatment of the facility or program.

Subd. 9. **Indian.** "Indian" has the meaning given in section 260.755, subdivision 7.

Subd. 10. **Secure treatment facility.** "Secure treatment facility" means a facility as defined in section 253B.02, subdivision 18a, or 253D.02, subdivision 13.

Subd. 11. **Tobacco; tobacco-related device.** "Tobacco" and "tobacco-related device" have the meanings given in section 609.685, subdivision 1.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 34. Laws 2024, chapter 79, article 1, section 23, is amended to read:

Sec. 23. **246C.06 EXECUTIVE BOARD; POWERS AND DUTIES MEMBERSHIP; GOVERNANCE.**

Subdivision 1. **Establishment.** The Direct Care and Treatment executive board ~~of the Department of Direct Care and Treatment~~ is established.

Subd. 2. **Membership of the executive board.** ~~The executive board shall consist of no more than five members, all appointed by the governor.~~ (a) The Direct Care and Treatment executive board consists of nine members with seven voting members and two nonvoting members. The seven voting members must include six members appointed by the governor with the advice and consent of the senate in accordance with paragraph (b) and the commissioner of human services or a designee. The two nonvoting members must be appointed in accordance with paragraph (c). Section 15.0597 applies to all executive board appointments except for the commissioner of human services.

(b) The executive board voting members appointed by the governor must meet the following qualifications:

(1) one member must be a licensed physician who is a psychiatrist or has experience in serving behavioral health patients;

(2) two members must have experience serving on a hospital or nonprofit board; and

(3) three members must have experience working: (i) in the delivery of behavioral health services or care coordination or in traditional healing practices; (ii) as a licensed health care professional; (iii) within health care administration; or (iv) with residential services.

(c) The executive board nonvoting members must be appointed as follows:

(1) one member appointed by the Association of Counties; and

(2) one member who has an active role as a union representative representing staff at Direct Care and Treatment appointed by joint representatives of the following unions: American Federation of State, County and Municipal Employees (AFSCME); Minnesota Association of Professional Employees (MAPE); Minnesota Nurses Association (MNA); Middle Management Association (MMA); and State Residential Schools Education Association (SRSEA).

(d) Membership on the board must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

(e) A voting member of the executive board must not be or must not have been within one year prior to appointment: (1) an employee of Direct Care and Treatment; (2) an employee of a county, including a county commissioner; (3) an active employee or representative of a labor union that represents employees of Direct Care and Treatment; or (4) a member of the state legislature. This paragraph does not apply to the nonvoting members or the commissioner of human services or designee.

~~Subd. 3. **Qualifications of members Procedures.** An executive board member's qualifications must be appropriate for overseeing a complex behavioral health system, such as experience serving on a hospital or nonprofit board, serving as a public sector labor union representative, delivering behavioral health services or care coordination, or working as a licensed health care provider in an allied health profession or in health care administration. Except as otherwise provided in this section, the membership terms and removal and filling of vacancies for the executive board are governed by section 15.0575.~~

~~Subd. 4. **Accepting contributions or gifts Compensation.** (a) The executive board has the power and authority to accept, on behalf of the state, contributions and gifts of money and personal property for the use and benefit of the residents of the public institutions under the executive board's control. All money and securities received must be deposited in the state treasury subject to the order of the executive board. Notwithstanding section 15.0575, subdivision 3, paragraph (a), the nonvoting members of the executive board must not receive daily compensation for executive board activities. Nonvoting members of the executive board may receive expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Nonvoting members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred may be reimbursed for those expenses upon board authorization.~~

~~(b) If the gift or contribution is designated by the donor for a certain institution or purpose, the executive board shall expend or use the money as nearly in accordance with the conditions of the gift or contribution, compatible with the best interests of the individuals under the jurisdiction of the executive board and the state. Notwithstanding section 15.0575, subdivision 3, paragraph (a), the Compensation Council under section 15A.082 must determine the compensation for voting members of the executive board per day spent on executive board activities authorized by the executive board. Voting members of the executive board may also receive the expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Voting members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred may be reimbursed for those expenses upon board authorization.~~

(c) The commissioner of management and budget must publish the daily compensation rate for voting members of the executive board determined under paragraph (b) on the Department of Management and Budget's website.



(d) Voting members of the executive board must adopt internal standards prescribing what constitutes a day spent on board activities for the purposes of making payments authorized under paragraph (b).

(e) All other requirements under section 15.0575, subdivision 3, apply to the compensation of executive board members.

~~Subd. 5. **Federal aid or block grants** **Acting chair; officers.** The executive board may comply with all conditions and requirements necessary to receive federal aid or block grants with respect to the establishment, constructions, maintenance, equipment, or operation of adequate facilities and services consistent with the mission of the Department of Direct Care and Treatment. (a) The governor shall designate one member from the voting membership appointed by the governor as acting chair of the executive board.~~

(b) At the first meeting of the executive board, the executive board must elect a chair from among the voting membership appointed by the governor.

(c) The executive board must annually elect a chair from among the voting membership appointed by the governor.

(d) The executive board must elect officers from among the voting membership appointed by the governor. The elected officers shall serve for one year.

~~Subd. 6. **Operation of a communication systems account** **Terms.** (a) The executive board may operate a communications systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the regional treatment centers the executive board supervises. Except for the commissioner of human services, executive board members must not serve more than two consecutive terms unless service beyond two consecutive terms is approved by the majority of voting members. The commissioner of human services or a designee shall serve until replaced by the governor.~~

~~(b) Each account must be used to manage shared communication costs necessary for the operations of the regional treatment centers the executive board supervises. The executive board may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time, and other costs as determined by the executive board. An executive board member may resign at any time by giving written notice to the executive board.~~

~~(c) Nonprofit organizations and state, county, and local government agencies involved in the operation of regional treatment centers the executive board supervises may participate in the use of the executive board's communication technology and share in the cost of operation. The initial term of the member appointed under subdivision 2, paragraph (b), clause (1), is two years. The initial term of the members appointed under subdivision 2, paragraph (b), clause (2), is three years. The initial term of the members appointed under subdivision 2, paragraph (b), clause (3), and the members appointed under subdivision 2, paragraph (c), is four years.~~

~~(d) The executive board may accept on behalf of the state any gift, bequest, devise, personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities under this section. Any money received for this purpose must be deposited into the executive board's communication systems account. Money collected by the executive board for the use of communication systems must be deposited into the state communication systems account and is appropriated to the executive board for purposes of this section. After the initial term, the term length of all appointed executive board members is four years.~~

~~Subd. 7. **Conflicts of interest.** Executive board members must recuse themselves from discussion of and voting on an official matter if the executive board member has a conflict of interest. A conflict of interest means an association, including a financial or personal association, that has the potential to bias or have the appearance of biasing an executive board member's decision in matters related to Direct Care and Treatment or the conduct of activities under this chapter.~~

Subd. 8. **Meetings.** The executive board must meet at least four times per fiscal year at a place and time determined by the executive board.

Subd. 9. **Quorum.** A majority of the voting members of the executive board constitutes a quorum. The affirmative vote of a majority of the voting members of the executive board is necessary and sufficient for action taken by the executive board.

Subd. 10. **Immunity; indemnification.** (a) Members of the executive board are immune from civil liability for any act or omission occurring within the scope of the performance of their duties under this chapter.

(b) When performing executive board duties or actions, members of the executive board are employees of the state for purposes of indemnification under section 3.736, subdivision 9.

Subd. 11. **Rulemaking.** (a) The executive board is authorized to adopt, amend, and repeal rules in accordance with chapter 14 to the extent necessary to implement this chapter or any responsibilities of Direct Care and Treatment specified in state law.

(b) Until July 1, 2027, the executive board may adopt rules using the expedited rulemaking process in section 14.389.

(c) In accordance with section 15.039, all orders, rules, delegations, permits, and other privileges issued or granted by the Department of Human Services with respect to any function of Direct Care and Treatment and in effect at the time of the establishment of Direct Care and Treatment shall continue in effect as if such establishment had not occurred. The executive board may amend or repeal rules applicable to Direct Care and Treatment that were established by the Department of Human Services in accordance with chapter 14.

(d) The executive board must not adopt rules that go into effect or enforce rules prior to July 1, 2025.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 35. Laws 2024, chapter 79, article 1, section 24, is amended to read:

Sec. 24. **246C.10 FORENSIC SERVICES.**

Subdivision 1. **Maintenance of forensic services.** (a) The executive board shall create and maintain forensic services programs.

(b) The executive board must provide forensic services in coordination with counties and other vendors.

(c) Forensic services must include specialized inpatient programs at secure treatment facilities, consultive services, aftercare services, community-based services and programs, transition services, nursing home services, or other services consistent with the mission of ~~the Department of~~ Direct Care and Treatment.

(d) The executive board ~~shall~~ may adopt rules to carry out the provision of this section and to govern the operation of the services and programs under the direct administrative authority of the executive board.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 36. Laws 2024, chapter 79, article 1, section 25, subdivision 3, is amended to read:

Subd. 3. **Comprehensive system of services.** The establishment of state-operated, community-based programs must be within the context of a comprehensive definition of the role of state-operated services in the state. The role of state-operated services must be defined within the context of a comprehensive system of services for persons with developmental disability.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 37. Laws 2024, chapter 79, article 10, section 1, is amended to read:

Section 1. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each provision of Minnesota Statutes listed in column A as amended in this act to the number listed in column B.

Column A	Column B
245.036	246C.16, subdivision 1
245.037	246C.16, subdivision 2
245.041	246C.15
245.474, subdivision 1	246C.12, subdivision 1
245.474, subdivision 2	246C.12, subdivision 2
245.474, subdivision 3	246C.12, subdivision 3
245.474, subdivision 4	246C.12, subdivision 4
246.0135, paragraph (a)	246C.18, subdivision 2, paragraph (a)
246.0135, paragraph (b)	246C.18, subdivision 2, paragraph (b)
246.0135, paragraph (c)	246C.18, subdivision 2, paragraph (c)
246.0135, paragraph (d)	246C.18, subdivision 3
246.018, subdivision 1	246C.09, subdivision 1
246.018, subdivision 2	246C.09, subdivision 2
246.018, subdivision 3	246C.09, subdivision 3
246.018, subdivision 4	246C.09, subdivision 4
246.12	<del>246C.06, subdivision 7</del> <u>246C.07, subdivision</u> <u>7</u>
246.128	246C.18, subdivision 1
246.129	246C.18, subdivision 4
246.14	246C.16, subdivision 3
246.23, subdivision 2	246.555, subdivision 1
246.23, subdivision 3	246.555, subdivision 2
246.23, subdivision 4	246.555, subdivision 3
246.23, subdivision 5	246.555, subdivision 4
246.23, subdivision 6	246.555, subdivision 5
246.234	<del>246C.06, subdivision 8</del> <u>246C.07, subdivision</u> <u>5</u>
246.24	246C.16, subdivision 4
246.27	246C.19
246.36	<del>246C.06, subdivision 9</del> <u>246C.07, subdivision</u> <u>6</u>
<del>246.41, subdivision 1</del>	<del>246C.06, subdivision 10, paragraph (a)</del>
<del>246.41, subdivision 2</del>	<del>246C.06, subdivision 10, paragraph (b)</del>
<del>246.41, subdivision 3</del>	<del>246C.06, subdivision 10, paragraph (c)</del>

246.70	246C.18, subdivision 5
246B.02	246C.13
251.012, subdivision 1	246.575, subdivision 1
251.012, subdivision 2	246.575, subdivision 2
251.012, subdivision 3	246.575, subdivision 3
251.012, subdivision 4	246.575, subdivision 4
251.041	176.87
251.042	176.871
251.043, subdivision 1	176.872, subdivision 1
251.043, subdivision 1a	176.872, subdivision 2
251.043, subdivision 1b	176.872, subdivision 3
251.043, subdivision 2	176.872, subdivision 4
251.043, subdivision 3	176.872, subdivision 5
251.044	176.873
251.051	176.874
251.052	176.875
251.053	176.876
251.15, subdivision 1	176.872, subdivision 6, paragraph (a)
251.15, subdivision 2	176.872, subdivision 6, paragraph (b)
251.17	246C.14
252.50, subdivision 2	246C.16, subdivision 5
252.50, subdivision 4	246C.10, subdivision 2
252.50, subdivision 6	246.65
252.50, subdivision 7	246.585
252.50, subdivision 8	246.588
252.50, subdivision 10	246.611
253.015, subdivision 1	253B.10, subdivision 6
253.016	246.554
253.017, subdivision 1	246.591
253.017, subdivision 2	246C.10, subdivision 3
253.017, subdivision 3	246C.10, subdivision 4
253.13	253.245
253C.01, subdivision 1	245A.27, subdivision 1
253C.01, subdivision 2	245A.27, subdivision 2
253C.01, subdivision 3	245A.27, subdivision 3
256.0121, subdivision 1	246.595, subdivision 1
256.0121, subdivision 2	246.595, subdivision 2
256.0121, subdivision 3	246.595, subdivision 3

Sec. 38. Laws 2024, chapter 79, article 10, section 6, is amended to read:

Sec. 6. **EFFECTIVE DATE.**

~~(a) Article 1, section 23, is effective July 1, 2024.~~ This act is effective July 1, 2024.

~~(b) Article 1, sections 1 to 22 and 24 to 31, and articles 2 to 10 are effective January 1, 2025.~~

Sec. 39. **INITIAL APPOINTMENTS AND COMPENSATION OF THE DIRECT CARE AND TREATMENT EXECUTIVE BOARD AND CHIEF EXECUTIVE OFFICER.**

Subdivision 1. **Executive board.** (a) The initial appointments of the members of the Direct Care and Treatment executive board under Minnesota Statutes, section 246C.06, must be made by January 1, 2025.

(b) Prior to the first Compensation Council determination of the daily compensation rate for voting members of the executive board under Minnesota Statutes, section 246C.06, subdivision 4, paragraph (b), voting members of the executive board must be paid the per diem rate provided for in Minnesota Statutes, section 15.0575, subdivision 3, paragraph (a).

(c) The executive board is exempt from Minnesota Statutes, section 13D.01, until the authority and responsibilities for Direct Care and Treatment are transferred to the executive board in accordance with Minnesota Statutes, section 246C.04.

Subd. 2. **Chief executive officer.** (a) The Direct Care and Treatment executive board must appoint as the initial chief executive officer for Direct Care and Treatment under Minnesota Statutes, section 246C.07, the chief executive officer of the direct care and treatment division of the Department of Human Services holding that position at the time the initial appointment is made by the board. The initial appointment of the chief executive officer must be made by the executive board by July 1, 2025. The initial appointment of the chief executive officer is subject to confirmation by the senate.

(b) Notwithstanding Minnesota Statutes, section 246C.08, the salary of the initial chief executive officer must not be less than the amount paid to the chief executive officer of the direct care and treatment division of the Department of Human Services as of the date of the initial appointment.

Subd. 3. **Commissioner of human services to consult.** In preparing the budget estimates required under Minnesota Statutes, section 16A.10, for the direct care and treatment division for the 2026-2027 biennial budget and any legislative proposals for the 2025 legislative session that involve direct care and treatment operations, the commissioner of human services must consult with the Direct Care and Treatment executive board before submitting the budget estimates or legislative proposals. If the executive board is not appointed by the date the budget estimates must be submitted to the commissioner of management and budget, the commissioner of human services must provide the executive board with a summary of the budget estimates that were submitted.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 40. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the term "Department of Human Services" to "Direct Care and Treatment" wherever the term appears in respect to the governmental entity with programmatic direction and fiscal control over state-operated services, programs, or facilities under Minnesota Statutes, chapter 246C. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

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

Sec. 41. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the term "Department of Direct Care and Treatment" to "Direct Care and Treatment" wherever the term appears in respect to the governmental entity with programmatic direction and fiscal control over state-operated services, programs, or facilities under Minnesota Statutes, chapter 246C. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

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

Sec. 42. **REVISOR INSTRUCTION.**

The revisor of statutes, in consultation with the House Research Department; the Office of Senate Counsel, Research, and Fiscal Analysis; the Department of Human Services; and Direct Care and Treatment, shall make necessary cross-reference changes to conform with this act. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text. The revisor may alter the coding in this act to incorporate statutory changes made by other law in the 2024 regular legislative session.

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

Sec. 43. **REPEALER.**

(a) Minnesota Statutes 2022, section 246.41, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 246C.03, is repealed.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

ARTICLE 6  
HUMAN SERVICES RESPONSE CONTINGENCY ACCOUNT

Section 1. **[256.044] HUMAN SERVICES RESPONSE CONTINGENCY ACCOUNT.**

Subdivision 1. **Human services response contingency account.** A human services response contingency account is created in the special revenue fund in the state treasury. Money in the human services response contingency account does not cancel and is appropriated to the commissioner of human services for the purposes specified in this section.

Subd. 2. **Definition.** For purposes of this section, "human services response" means activities deemed necessary by the commissioner of human services to respond to emerging or immediate needs related to supporting the health, welfare, or safety of people.

Subd. 3. **Use of money.** (a) The commissioner may make expenditures from the human services response contingency account to respond to needs as defined in subdivision 2 and for which no other funding or insufficient funding is available.

(b) When the commissioner determines that a human services response is needed, the commissioner may make expenditures from the human services response contingency account for the following uses to implement the human services response:

(1) services, supplies, and equipment to support the health, welfare, or safety of people;

(2) training and coordination with service providers, Tribal Nations, and local government entities;

(3) communication with and outreach to impacted people;

(4) informational technology; and

(5) staffing.

(c) The commissioner may transfer money within the Department of Human Services and to the Department of Children, Youth, and Families for eligible uses under paragraph (b) as necessary to implement a human services response.

(d) Notwithstanding any other law or rule to the contrary, when implementing a human services response, the commissioner may allocate funds from the human services response contingency account to programs, providers, and organizations for eligible uses under paragraph (b) through one or more fiscal agents chosen by the commissioner. In contracting with a fiscal agent, the commissioner may use a sole-source contract and is not subject to the solicitation requirements of chapter 16B or 16C.

(e) Programs, providers, and organizations receiving funds from the human services response contingency account under paragraph (d) must describe how the money will be used. If a program, provider, or organization receiving money from the human services response contingency account receives money from a nonstate source other than a local unit of government or Tribe for the same human services response, the entity must notify the commissioner of the amount received from the nonstate source. If the commissioner determines that the total amount received under this section and from the nonstate source exceeds the entity's total costs for the human services response, the entity must pay the commissioner the amount that exceeds the costs up to the amount of funding provided to the entity under this section. All money paid to the commissioner under this paragraph must be deposited in the human services response contingency account.

Subd. 4. **Assistance from other sources.** (a) As a condition of making expenditures from the human services response contingency account, the commissioner must seek any appropriate assistance from other available sources, including the federal government, to assist with costs attributable to the human services response.

(b) If the commissioner recovers eligible costs for the human services response from a nonstate source after making expenditures from the human services response contingency account, the commissioner shall reimburse the human services response contingency account for those costs up to the amount recovered for eligible costs from the nonstate source.

Subd. 5. **Reporting.** The commissioner must develop required reporting for entities receiving human services response contingency account money. Entities receiving money from the commissioner of human services from the human services response contingency account must submit reports to the commissioner of human services with detailed information in a manner determined by the commissioner, including but not limited to:

- (1) amounts expended by category of expenditure;
- (2) outcomes achieved, including estimated individuals served;
- (3) documentation necessary to verify that funds were spent in compliance with this section;
- (4) expenditure reports for the purpose of requesting reimbursement from other available sources; and
- (5) data necessary to comply with an audit of human services response contingency account expenditures.

Subd. 6. **Report.** By March 1 of each year, the commissioner shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over human services finance and health and human services finance detailing expenditures made in the previous calendar year from the human services response contingency account. This report is exempt from section 256.01, subdivision 42.

ARTICLE 7  
MISCELLANEOUS

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

Subd. 44. **Homelessness and Housing Support Office.** (a) The Homelessness and Housing Support Office is established in the Department of Human Services. The office shall be under the supervision of an assistant commissioner appointed by the commissioner.

(b) The commissioner, working with the assistant commissioner for homelessness and housing support, shall:

(1) administer the following programs:

(i) housing stabilization services under section 256B.051, subdivision 7;

(ii) general assistance under sections 256D.01 to 256D.17;

(iii) Minnesota supplemental aid under sections 256D.33 to 256D.54;

(iv) the transitional housing program under section 256E.33;

(v) the emergency services program under section 256E.36;

(vi) the emergency solutions grant;

(vii) bridging benefits;

(viii) the housing support program under chapter 256I;

(ix) community living infrastructure grants under section 256I.09;

(x) long-term homeless supportive services under section 256K.26;

(xi) the Homeless Youth Act under section 256K.45;

(xii) the shelter-linked youth mental health grant program under section 256K.46;

(xiii) safe harbor shelter and housing under section 256K.47;

(xiv) emergency shelter facilities grants under Laws 2023, chapter 70, article 11, section 14; and

(xv) the homeless youth cash stipend pilot project under Laws 2023, chapter 70, article 11, section 13;

(2) coordinate with the Interagency Council on Homelessness;

(3) make recommendations to the legislature on improving access to homeless services and supportive housing, improving service delivery, and improving the effectiveness of the state's homeless and supportive housing system;

(4) engage with other state agencies, counties, Tribes, advocacy organizations, and other stakeholders on issues related to homelessness in Minnesota; and



(5) perform other duties related to the provision of services to people experiencing homelessness in the state.

(c) By January 15 of each year, the assistant commissioner must submit an annual report to the legislative committees with jurisdiction over human services policy and finance detailing the activities of the office and making recommendations for system improvements, including any necessary draft legislation.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

**Sec. 2. [462A.291] INTERAGENCY COUNCIL ON HOMELESSNESS; HOMELESSNESS DATA REPORTING.**

(a) By January 15 of each year, the Minnesota Interagency Council on Homelessness, in consultation with the commissioner of human services and other relevant state agencies, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over homelessness policy and finance key trends and other relevant summary data on the state of homelessness in Minnesota, including but not limited to:

(1) the number of people experiencing homelessness, including the sheltered and unsheltered populations;

(2) the demographic composition of people experiencing homelessness;

(3) information on the intersection between homelessness and other relevant factors, including but not limited to mental health and substance use disorder;

(4) the change in the number and subpopulations of people experiencing homelessness from year to year; and

(5) any other relevant data on homelessness trends and outcomes in Minnesota.

(b) The Minnesota Interagency Council on Homelessness may use publicly available data from the United States Department of Housing and Urban Development's annual point-in-time count, the homeless management information system, and other relevant sources for the information collected and reported under paragraph (a). The information must also be available on the website of the Minnesota Interagency Council on Homelessness.

**Sec. 3. DIRECTION TO COMMISSIONER; TARGETED CASE MANAGEMENT REDESIGN.**

The commissioner of human services must consult with members of the Minnesota Association of County Social Service Administrators to improve case management information systems and identify the necessary changes needed to comply with regulations related to federal certified public expenditures. The changes must facilitate transition to use of a 15-minute unit rate or improved financial reporting for fee-for-service targeted case management services provided by counties. The Social Service Information System and adjacent systems must be modified to support any increase in the intensity of time reporting requirements prior to any implementation of proposed changes to targeted case management rate setting, reimbursement, and reconciliation processes.

**Sec. 4. DIRECTION TO COMMISSIONER; FEDERAL WAIVERS FOR HEALTH-RELATED SOCIAL NEEDS.**

(a) The commissioner of human services shall develop a strategy to implement interventions to address unmet health-related social needs, including but not limited to nutrition support, housing support, case management, and violence prevention. In developing such a strategy, the commissioner shall consider whether services could be reimbursed under section 1115 of the Social Security Act, other federal waivers, or existing state authority.

(b) The commissioner shall collaborate with the commissioner of health and community and other external partners providing services in nutrition, housing, case management, and violence prevention to medical assistance recipients on specific interventions to include in the proposed strategy.

(c) By March 1, 2025, the commissioner shall provide the strategy developed under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and must include:

(1) a proposed timeline for implementation;

(2) an estimate of the administrative and programmatic costs associated with implementing and evaluating any proposed federal waivers; and

(3) any statutory changes necessary to seek ongoing state funding and federal authority for the proposed strategies.

(d) The commissioner may perform the steps necessary to develop a federal waiver or other strategies identified in paragraph (c) in preparation for enactment of the strategies.

(e) The commissioner is exempt from the requirements of Minnesota Statutes, chapter 16C, when entering into a new contract or amending an existing contract to complete the work under this section.

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

Sec. 5. **DIRECTION TO COMMISSIONER; STUDY OF NAVIGATOR REIMBURSEMENT.**

(a) The commissioner of human services, in collaboration with the board of directors of MNSure, shall conduct an analysis of the navigator and in-person assister programs in Minnesota Statutes, section 62V.05, subdivision 4. The analysis must consider the incentive program in Minnesota Statutes, section 256.962, subdivision 5, including examining reimbursement levels and methodologies used in other states and recommending a sustainable source of funding for the navigator program. The analysis must also include consultation with individual navigators and navigator organizations.

(b) By October 1, 2025, the commissioner shall submit the analysis under this section and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and health care finance.

Sec. 6. **WORKING GROUP ON SIMPLIFYING SUPPORTIVE HOUSING RESOURCES.**

Subdivision 1. **Establishment.** A working group on simplifying supportive housing resources is established to streamline access, eligibility, and administration of state-funded supportive housing resources for people experiencing homelessness.

Subd. 2. **Membership.** (a) The working group must prioritize membership from individuals and organizations that use or administer state-funded supportive housing resources and must include the following:

(1) the commissioner of the Minnesota Housing Finance Agency or designee;

(2) the commissioner of human services or designee;

(3) two representatives from the Minnesota Coalition for the Homeless;

(4) eight representatives from organizations providing services to people experiencing homelessness, including organizations that provide services to youth experiencing homelessness and populations that disproportionately experience homelessness, and a coordinated entry provider;

(5) one representative with lived experience of homelessness;

(6) one representative from the Minnesota Tribal Collaborative;

(7) one representative from Hennepin County;

(8) one representative from St. Louis County;

(9) two members from the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader; and

(10) two members from the senate appointed by the senate committee on committees, one representing the majority caucus and one representing the minority caucus.

(b) The members listed in paragraph (a), clauses (3) to (8), must be appointed by the commissioner of human services.

(c) All appointing authorities must make their appointments to the working group by August 1, 2024.

**Subd. 3. Duties.** (a) The working group must study supportive housing resources to streamline access, eligibility, and administration of state-funded supportive housing resources for people experiencing homelessness, including the following programs:

(1) the housing support program;

(2) long-term homeless supportive services;

(3) housing with supports for adults with serious mental illness;

(4) the housing trust fund; and

(5) other capital and operating funds administered by the Minnesota Housing Finance Agency.

(b) In studying supportive housing resources, the working group must identify the processes, procedures, and technological or personnel resources that would be necessary to enable the state, county or Tribal agencies, and providers responsible for administering public supportive housing funds to meet the following goals:

(1) reduce administrative complexities;

(2) enhance equity and accessibility, including coordinated entry;

(3) streamline and simplify eligibility criteria, paperwork, and funding distribution; and

(4) accelerate the transition of individuals from homelessness to sustainable long-term solutions.

**Subd. 4. Compensation.** Notwithstanding Minnesota Statutes, section 15.059, subdivision 3, members of the working group shall not be compensated, except for the member with lived experience of homelessness.

Subd. 5. **Meetings; facilitation.** (a) The commissioner of human services may contract with a third-party vendor to facilitate the working group and convene the first meeting by January 15, 2025.

(b) The working group must meet at regular intervals as often as necessary to fulfill the duties under subdivision 3.

(c) Meetings of the working group are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 6. **Consultation.** The working group must consult with other individuals and organizations that have expertise and experience in providing supportive services that may assist the working group in fulfilling its responsibilities, including entities engaging in additional external stakeholder input from those with lived experience of homelessness and administrators of state-funded supportive housing not included on the working group.

Subd. 7. **Report required.** The working group shall submit a final report by January 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over housing and homelessness finance and policy detailing the recommendations to streamline access, eligibility, and administration of state-funded supportive housing resources for people experiencing homelessness. The report shall include draft legislation required to implement the proposed legislation.

Subd. 8. **Expiration.** The working group expires January 15, 2026.

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

Sec. 7. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering:

<u>Column A</u>	<u>Column B</u>
<u>256E.33</u>	<u>256K.48</u>
<u>256E.36</u>	<u>256K.49</u>

## ARTICLE 8 APPROPRIATIONS

Section 1. **HUMAN SERVICES APPROPRIATION.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70, article 20, and chapter 61, article 9, from the general fund or any fund named for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
<u>2024</u>		<u>2025</u>

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

<u>Subdivision 1. <b>Total General Fund Appropriation</b></u>	<u><b>\$(7,107,000)</b></u>	<u><b>\$53,502,000</b></u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Central Office; Operations**(3,030,000)2,609,000

**(a) Feasibility Study of Department of Human Services Background Studies Fingerprinting and Process Reform.** \$500,000 in fiscal year 2025 is for a feasibility study of the Department of Human Services becoming an FBI-approved fingerprinting channeler, evaluating fingerprinting options, and identifying critical needs in the background study system. The commissioner shall contract with an independent contractor to complete the study and submit a report to the department. This is a onetime appropriation and is available until June 30, 2026.

**(b) Carryforward Authority.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$504,000 in fiscal year 2025 is available until June 30, 2027, and \$592,000 in fiscal year 2025 is available until June 30, 2027.

**(c) Base Level Adjustment.** The general fund base is increased by \$373,000 in fiscal year 2026 and each year thereafter.

**Subd. 3. Central Office; Health Care**-0-2,568,000

**(a) Study of Navigator Reimbursement.** \$577,000 in fiscal year 2025 is for a contract and staffing related to navigator reimbursement. This is a onetime appropriation and is available until June 30, 2026.

**(b) Base Level Adjustment.** The general fund base is increased by \$726,000 in fiscal year 2026 and increased by \$730,000 in fiscal year 2027.

**(c) Health-Related Social Needs 1115 Waiver.** \$1,043,000 is for a contract and staffing related to developing an 1115 waiver related to nutrition supports as a covered service under medical assistance. This is a onetime appropriation.

**Subd. 4. Central Office; Aging and Disability Services**(1,281,000)4,577,000

**(a) Tribal vulnerable Adult And Developmental Disabilities Targeted Case Management Medical Assistance Benefit.** \$666,000 in fiscal year 2025 is for the development of a Tribal vulnerable adult and developmental disabilities targeted case management medical assistance benefit under Minnesota Statutes, section 256B.0924. This is a onetime appropriation and is available until June 30, 2027.

**(b) Disability Services Person-Centered Engagement and Navigation Study.** \$600,000 in fiscal year 2025 is for the disability services person-centered engagement and navigation study. This is a onetime appropriation and is available until June 30, 2026.

**(c) Own Home Services Provider Capacity-Building Grants Administration.** \$200,000 in fiscal year 2025 is for a contract related to own home services provider capacity-building grants. This is a onetime appropriation.

**(d) Pediatric Hospital-to-Home Transition Pilot Program Administration.** \$300,000 in fiscal year 2025 is for a contract related to the pediatric hospital-to-home transition pilot program. This is a onetime appropriation and is available until June 30, 2027.

**(e) Personal Care Assistance in Hospitals.** \$504,000 in fiscal year 2025 is for the policy development of providing personal care assistance in hospital settings. This is a onetime appropriation and is available until June 30, 2026.

**(f) Carryforward Authority.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, \$1,281,000 in fiscal year 2025 is available until June 30, 2027.

**Subd. 5. Central Office; Behavioral Health, Housing, and Deaf and Hard of Hearing Services**

-0-

3,981,000

**(a) Medical Assistance Reentry Demonstration.** \$600,000 in fiscal year 2025 is for engagement with people with lived experience, families, and community partners on the development and implementation of the medical assistance reentry demonstration benefit under Minnesota Statutes, section 256B.0761. This is a onetime appropriation and is available until June 30, 2027.

**(b) Working Group on Simplifying Housing Support Resources.** \$434,000 in fiscal year 2025 is for administration of a working group to streamline access, eligibility, and administration of state-funded supportive housing resources for people experiencing homelessness. This is a onetime appropriation and is available until June 30, 2026.

**(c) Base Level Adjustment.** The general fund base is increased by \$2,876,000 in fiscal year 2026 and each year thereafter.

**Subd. 6. Forecasted Programs; Medical Assistance**

-0-

3,290,000

**Subd. 7. Forecasted Programs; Alternative Care**

-0-

48,000

**Subd. 8. Grant Programs; Refugee Services Grants**

-0-

1,656,000

**Human Services Response Contingency Account.** \$1,656,000 in fiscal year 2025 is for the human services response contingency account under Minnesota Statutes, section 256.044. This is a onetime appropriation.

**Subd. 9. Grant Programs; Health Care Grants**-0-1,000,000

**County Correctional Facility Mental Health Medication Pilot Program.** \$1,000,000 in fiscal year 2025 is for the county correctional facility mental health medication pilot program. This is a onetime appropriation and is available until June 30, 2026.

**Subd. 10. Grant Programs; Other Long-Term Care Grants**-0-10,185,000

**(a) Long-Term Services and Supports Loan Program.** \$7,685,000 is for the long-term services and supports loan program. This is a onetime appropriation.

**(b) Provider Capacity Grant for Rural and Underserved Communities.** \$2,500,000 in fiscal year 2025 is for provider capacity grants for rural and underserved communities. This is a onetime appropriation and is available until June 30, 2027.

(1) Of this amount, \$575,000 is for a competitive grant to a nonprofit organization with experience serving the West African immigrant community for a health awareness hub pilot project. The pilot project must seek to address health care education and the physical and mental wellness needs of elderly individuals within the African immigrant community by offering culturally relevant support, resources, and preventive care education from medical practitioners who have a similar background and by making appropriate referrals to culturally competent programs, supports, and medical care. Within six months of the conclusion of the pilot project, the grantee must provide the commissioner with an evaluation of the project as determined by the commissioner.

(2) Of this amount, \$450,000 is for a competitive grant to a nonprofit organization to support minority providers licensed under Minnesota Statutes, chapter 245D, as intensive support services providers to build skills and the infrastructure needed to increase the quality of services provided to the people they serve while complying with the requirements of Minnesota Statutes, chapter 245D, and to enable the providers to accept clients with high behavioral needs.

(3) Of this amount, \$250,000 is for a grant to a nonprofit organization to conduct a culturally specific outreach and education campaign toward existing customized living providers that might more appropriately serve their clients under a different home and community-based services program or license.

**Subd. 11. Grant Programs; Disabilities Grants**8,900,0005,183,000

(a) **Dakota County Disability Services Workforce Shortage Pilot Project.** \$1,000,000 in fiscal year 2025 is for a grant to Dakota County for innovative solutions to the disability workforce shortage. The grant must be used: (1) to develop and test an online application for matching requests for services from people with disabilities to available staff; and (2) to develop a communities-for-all program that engages businesses, community organizations, neighbors, and informal support systems to promote community inclusion of people with disabilities. By October 1, 2026, the commissioner shall report the outcomes and recommendations of these pilot projects to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy. This is a onetime appropriation.

(b) **Own Home Services Provider Capacity-Building Grants.** \$1,332,000 in fiscal year 2025 is for the own home services provider capacity-building grant program. This is a onetime appropriation.

(c) **Pediatric Hospital-to-Home Transition Pilot Program.** \$1,040,000 in fiscal year 2025 is for the pediatric hospital-to-home transition pilot program. This is a onetime appropriation and is available until June 30, 2027.

(d) **Base Level Adjustment.** The general fund base is increased by \$1,811,000 in fiscal year 2026 and each year thereafter.

**Subd. 12. Grant Programs; Adult Mental Health Grants**(11,696,000)5,520,000

(a) **Medical Assistance Reentry Demonstration Grants.** \$2,500,000 in fiscal year 2025 is for capacity building and implementation grants for the medical assistance reentry demonstration under Minnesota Statutes, section 256B.0761. Money appropriated in fiscal year 2025 is available until June 30, 2027. The base for this appropriation is \$77,000 in fiscal year 2026 and each year thereafter.

(b) **Locked Intensive Residential Treatment Services.** \$1,000,000 in fiscal year 2025 is for start-up funds to intensive residential treatment services providers to provide treatment in locked facilities for patients meeting medical necessity criteria and when a judge has determined that the patient needs to be in a secure facility due to the severity of their mental illness and the risk of harming others. This is a onetime appropriation and is available until June 30, 2027.



(c) **Engagement Services Pilot Grants.** \$1,500,000 in fiscal year 2025 is for engagement services pilot grants. This is a onetime appropriation and is available until June 30, 2026.

(d) **Mental Health Innovation Grant Program.** \$2,331,000 in fiscal year 2025 is for the mental health innovation grant program under Minnesota Statutes, section 245.4662. This is a onetime appropriation and is available until June 30, 2026.

(e) **Base Level Adjustment.** The general fund base is decreased by \$1,734,000 in fiscal year 2026 and \$1,734,000 in fiscal year 2027.

**Subd. 13. Grant Programs; Child Mental Health Grants**

-0-

500,000

(a) **Youth Peer Recovery Support Services Pilot Project.** \$500,000 in fiscal year 2025 is for a grant to Hennepin County to conduct a two-year pilot project to provide peer recovery support services under Minnesota Statutes, section 245G.07, subdivision 2, clause (8), to youth between 13 and 18 years of age. The pilot project must be conducted in partnership with a community organization that provides culturally specific peer recovery support services to East African individuals and that is working to expand peer recovery support services for youth in Hennepin County. At the conclusion of the pilot project, Hennepin County must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services detailing the implementation, operation, and outcomes of the pilot project and providing recommendations on expanding youth peer recovery support services statewide.

(b) This appropriation is from the opioid emergency response fund settlement account and is a onetime appropriation.

**Subd. 14. Direct Care and Treatment - Mental Health and Substance Abuse**

-0-

977,000

**Base Level Adjustment.** The general fund base is increased by \$977,000 in fiscal year 2026 and each year thereafter.

**Subd. 15. Direct Care and Treatment - Forensic Services**

-0-

7,182,000

**Base Level Adjustment.** The general fund base is increased by \$6,612,000 in fiscal year 2026 and each year thereafter.

**Subd. 16. Direct Care and Treatment - Operations**

-0-

4,726,000

(a) **Direct Care and Treatment Capacity; Miller Building.** \$1,796,000 in fiscal year 2025 is to design a replacement facility for the Miller Building on the Anoka Metro Regional Treatment Center campus. This is a onetime appropriation and is available until June 30, 2026.

**(b) Direct Care and Treatment County Correctional Facility Support Pilot Program.** \$2,387,000 in fiscal year 2025 is to establish a two-year county correctional facility support pilot program. The pilot program must: (1) provide education and support to counties and county correctional facilities on protocols and best practices for the provision of involuntary medications for mental health treatment; (2) provide technical assistance to expand access to injectable psychotropic medications in county correctional facilities; and (3) survey county correctional facilities and their contracted medical providers on their capacity to provide injectable psychotropic medications, including involuntary administration of medications, and barriers to providing these services. This is a onetime appropriation and is available until June 30, 2026.

**(c) Advisory Committee for Direct Care and Treatment.** \$482,000 in fiscal year 2025 is for the administration of an advisory committee for the operation of Direct Care and Treatment under Minnesota Statutes, section 246C.07, subdivision 7. This is a onetime appropriation and is available until June 30, 2028.

**(d) Base Level Adjustment.** The general fund base is increased by \$31,000 in fiscal year 2026 and \$0 in fiscal year 2027.

Sec. 3. **DEPARTMENT OF CORRECTIONS**

**\$0**

**\$1,649,000**

**Medical Assistance Reentry Demonstration.** \$1,649,000 in fiscal year 2025 is from the general fund for planning and implementation of the medical assistance reentry demonstration. The base for this appropriation is \$1,924,000 in fiscal year 2026 and \$2,364,000 in fiscal year 2027.

Sec. 4. Minnesota Statutes 2023 Supplement, section 256R.55, subdivision 9, is amended to read:

Subd. 9. **Carryforward.** Notwithstanding section 16A.28, subdivision 3, any appropriation for the purposes under this section ~~carries forward and does not lapse until the close of the fiscal year in which this section expires~~ is available until June 30, 2029.

Sec. 5. Laws 2023, chapter 61, article 4, section 11, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective January 1, ~~2024~~ 2026, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Laws 2023, chapter 61, article 9, section 2, subdivision 5, is amended to read:

Subd. 5. **Central Office; Aging and Disability Services**

40,115,000

11,995,000

**(a) Employment Supports Alignment Study.** \$50,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are to conduct an interagency employment supports alignment study. The base for this appropriation is \$150,000 in fiscal year 2026 and \$100,000 in fiscal year 2027.

(b) **Case Management Training Curriculum.** \$377,000 in fiscal year 2024 and \$377,000 in fiscal year 2025 are to develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to fulfill support planning and coordination responsibilities for individuals who use home and community-based disability services and live in own-home settings. This is a onetime appropriation.

(c) **Office of Ombudsperson for Long-Term Care.** \$875,000 in fiscal year 2024 and \$875,000 in fiscal year 2025 are for additional staff and associated direct costs in the Office of Ombudsperson for Long-Term Care.

(d) **Direct Care Services Corps Pilot Project.** \$500,000 in fiscal year 2024 is from the general fund for a grant to the Metropolitan Center for Independent Living for the direct care services corps pilot project. Up to \$25,000 may be used by the Metropolitan Center for Independent Living for administrative costs. This is a onetime appropriation.

(e) **Research on Access to Long-Term Care Services and Financing.** Any unexpended amount of the fiscal year 2023 appropriation referenced in Laws 2021, First Special Session chapter 7, article 17, section 16, estimated to be \$300,000, is canceled. The amount canceled is appropriated in fiscal year 2024 for the same purpose.

(f) **Native American Elder Coordinator.** \$441,000 in fiscal year 2024 and \$441,000 in fiscal year 2025 are for the Native American elder coordinator position under Minnesota Statutes, section 256.975, subdivision 6.

(g) **Grant Administration Carryforward.**

(1) Of this amount, ~~\$8,154,000~~ \$9,501,000 in fiscal year 2024 is available until June 30, 2027.

(2) Of this amount, \$1,071,000 in fiscal year 2025 is available until June 30, 2027.

(3) Of this amount, \$19,000,000 in fiscal year 2024 is available until June 30, 2029.

(h) **Base Level Adjustment.** The general fund base is increased by \$8,189,000 in fiscal year 2026 and increased by \$8,093,000 in fiscal year 2027.

Sec. 7. Laws 2023, chapter 61, article 9, section 2, subdivision 16, as amended by Laws 2023, chapter 70, article 15, section 8, is amended to read:

Subd. 16. <b>Grant Programs; Disabilities Grants</b>	113,684,000	30,377,000
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(a) **Temporary Grants for Small Customized Living Providers.** \$5,450,000 in fiscal year 2024 is for grants to assist small customized living providers to transition to community residential services licensure or integrated community supports licensure. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(b) **Lead Agency Capacity Building Grants.** \$444,000 in fiscal year 2024 and \$2,396,000 in fiscal year 2025 are for grants to assist organizations, counties, and Tribes to build capacity for employment opportunities for people with disabilities. The base for this appropriation is \$2,413,000 in fiscal year 2026 and \$2,411,000 in fiscal year 2027.

(c) **Employment and Technical Assistance Center Grants.** \$450,000 in fiscal year 2024 and \$1,800,000 in fiscal year 2025 are for employment and technical assistance grants to assist organizations and employers in promoting a more inclusive workplace for people with disabilities.

(d) **Case Management Training Grants.** \$37,000 in fiscal year 2024 and \$123,000 in fiscal year 2025 are for grants to provide case management training to organizations and employers to support the state's disability employment supports system. The base for this appropriation is \$45,000 in fiscal year 2026 and \$45,000 in fiscal year 2027.

(e) **Self-Directed Bargaining Agreement; Electronic Visit Verification Stipends.** \$6,095,000 in fiscal year 2024 is for onetime stipends of \$200 to bargaining members to offset the potential costs related to people using individual devices to access the electronic visit verification system. Of this amount, \$5,600,000 is for stipends and \$495,000 is for administration. This is a onetime appropriation and is available until June 30, 2025.

(f) **Self-Directed Collective Bargaining Agreement; Temporary Rate Increase Memorandum of Understanding.** \$1,600,000 in fiscal year 2024 is for onetime stipends for individual providers covered by the SEIU collective bargaining agreement based on the memorandum of understanding related to the temporary rate increase in effect between December 1, 2020, and February 7, 2021. Of this amount, \$1,400,000 of the appropriation is for stipends and \$200,000 is for administration. This is a onetime appropriation.

(g) **Self-Directed Collective Bargaining Agreement; Retention Bonuses.** \$50,750,000 in fiscal year 2024 is for onetime retention bonuses covered by the SEIU collective bargaining agreement. Of this amount, \$50,000,000 is for retention bonuses and \$750,000 is for administration of the bonuses. This is a onetime appropriation and is available until June 30, 2025.

(h) **Self-Directed Bargaining Agreement; Training Stipends.** \$2,100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for onetime stipends of \$500 for collective bargaining unit members who complete designated, voluntary trainings made available through or recommended by the State Provider Cooperation Committee. Of this amount, \$2,000,000 in fiscal year 2024 is for stipends, and \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for administration. This is a onetime appropriation.

(i) **Self-Directed Bargaining Agreement; Orientation Program.** \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for onetime \$100 payments to collective bargaining unit members who complete voluntary orientation requirements. Of this amount, \$1,500,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for the onetime \$100 payments, and \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for orientation-related costs. This is a onetime appropriation.

(j) **Self-Directed Bargaining Agreement; Home Care Orientation Trust.** \$1,000,000 in fiscal year 2024 is for the Home Care Orientation Trust under Minnesota Statutes, section 179A.54, subdivision 11. The commissioner shall disburse the appropriation to the board of trustees of the Home Care Orientation Trust for deposit into an account designated by the board of trustees outside the state treasury and state's accounting system. This is a onetime appropriation and is available until June 30, 2025.

(k) **HIV/AIDS Supportive Services.** \$12,100,000 in fiscal year 2024 is for grants to community-based HIV/AIDS supportive services providers as defined in Minnesota Statutes, section 256.01, subdivision 19, and for payment of allowed health care costs as defined in Minnesota Statutes, section 256.9365. This is a onetime appropriation and is available until June 30, 2025.

(l) **Motion Analysis Advancements Clinical Study and Patient Care.** \$400,000 in fiscal year 2024 is for a grant to the Mayo Clinic Motion Analysis Laboratory and Limb Lab for continued research in motion analysis advancements and patient care. This is a onetime appropriation and is available through June 30, 2025.

(m) **Grant to Family Voices in Minnesota.** \$75,000 in fiscal year 2024 and \$75,000 in fiscal year 2025 are for a grant to Family Voices in Minnesota under Minnesota Statutes, section 256.4776.

(n) **Parent-to-Parent Programs.**

(1) \$550,000 in fiscal year 2024 and \$550,000 in fiscal year 2025 are for grants to organizations that provide services to underserved communities with a high prevalence of autism spectrum disorder. This is a onetime appropriation and is available until June 30, 2025.

(2) The commissioner shall give priority to organizations that provide culturally specific and culturally responsive services.

(3) Eligible organizations must:

(i) conduct outreach and provide support to newly identified parents or guardians of a child with special health care needs;

(ii) provide training to educate parents and guardians in ways to support their child and navigate the health, education, and human services systems;

(iii) facilitate ongoing peer support for parents and guardians from trained volunteer support parents; and

(iv) communicate regularly with other parent-to-parent programs and national organizations to ensure that best practices are implemented.

(4) Grant recipients must use grant money for the activities identified in clause (3).

(5) For purposes of this paragraph, "special health care needs" means disabilities, chronic illnesses or conditions, health-related educational or behavioral problems, or the risk of developing disabilities, illnesses, conditions, or problems.

(6) Each grant recipient must report to the commissioner of human services annually by January 15 with measurable outcomes from programs and services funded by this appropriation the previous year including the number of families served and the number of volunteer support parents trained by the organization's parent-to-parent program.

(o) **Self-Advocacy Grants for Persons with Intellectual and Developmental Disabilities.** \$323,000 in fiscal year 2024 and \$323,000 in fiscal year 2025 are for self-advocacy grants under Minnesota Statutes, section 256.477. This is a onetime appropriation. Of these amounts, \$218,000 in fiscal year 2024 and

\$218,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 1, paragraph (a), clauses (5) to (7), and for administrative costs, and \$105,000 in fiscal year 2024 and \$105,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 2.

(p) **Technology for Home Grants.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for technology for home grants under Minnesota Statutes, section 256.4773.

(q) **Community Residential Setting Transition.** \$500,000 in fiscal year 2024 is for a grant to Hennepin County to expedite approval of community residential setting licenses subject to the corporate foster care moratorium exception under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (5).

(r) **Base Level Adjustment.** The general fund base is \$27,343,000 in fiscal year 2026 and \$27,016,000 in fiscal year 2027.

Sec. 8. **REIMBURSEMENT TO BELTRAMI COUNTY FOR CERTAIN COST OF CARE PAYMENTS.**

(a) This act includes \$336,680 for both reimbursement of prior payments by Beltrami County and the forgiveness of existing Beltrami County debt, either of which is attributable to the cost of care provided between July 1, 2022, and June 30, 2023, under either:

(1) Minnesota Statutes, section 246.54, subdivision 1a, paragraph (a), clause (3), to a person committed as a person who has a mental illness and is dangerous to the public under Minnesota Statutes, section 253B.18, and who was awaiting transfer from Anoka-Metro Regional Treatment Center to another state-operated facility or program; or

(2) Minnesota Statutes, section 246.54, subdivision 1b, paragraph (a), clause (1), to a person committed as a person who has a mental illness and is dangerous to the public under Minnesota Statutes, section 253B.18, and who was awaiting transfer from a state-operated community-based behavioral health hospital to another state-operated facility or program.

(b) This appropriation is available until June 30, 2025.

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

Sec. 9. **REVIVAL AND REENACTMENT.**

Minnesota Statutes 2022, section 256B.051, subdivision 7, is revived and reenacted effective retroactively from August 1, 2023. Any time frames within or dependent on the subdivision are based on the original effective date in Laws 2017, First Special Session chapter 6, article 2, section 10.

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

Sec. 10. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2024 legislative session, the appropriation or transfer must be given effect once.

Sec. 11. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2025, unless a different expiration date is explicit.

Sec. 12. **REPEALER.**

Laws 2023, chapter 25, section 190, subdivision 10, is repealed.

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

Sec. 13. **EFFECTIVE DATE.**

This article is effective July 1, 2024, unless a different effective date is specified."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions governing disability services, aging services, substance use disorder services, and priority admissions and civil commitment; establishing the Direct Care and Treatment executive board, the human services response contingency account, the Homelessness and Housing Support Office, workgroups, and councils; requiring studies and reports; providing for rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 13.46, subdivisions 1, as amended, 10, as amended; 144G.30, subdivision 5; 144G.63, subdivision 1; 144G.70, subdivision 2; 145.61, subdivision 5; 151.065, subdivision 7; 245.821, subdivision 1; 245.825, subdivision 1; 245F.08, subdivision 3; 245I.23, subdivision 19a; 246.018, subdivision 3, as amended; 246.13, subdivision 2, as amended; 246.234, as amended; 246.36, as amended; 246.511, as amended; 252.27, subdivision 2b; 252.282, subdivision 1, by adding a subdivision; 254B.01, by adding subdivisions; 256.01, by adding a subdivision; 256.88; 256.89; 256.90; 256.91; 256.92; 256B.02, subdivision 11; 256B.076, by adding a subdivision; 256B.0911, subdivision 20; 256B.0924, subdivision 3; 256B.49, by adding a subdivision; 256B.69, subdivision 4; 256B.77, subdivision 7a; 256S.07, subdivision 1; 256S.205, subdivisions 2, 3, 5; 447.42, subdivision 1; Minnesota Statutes 2023 Supplement, sections 10.65, subdivision 2; 13.46, subdivision 2, as amended; 15.01; 15.06, subdivision 1; 15A.082, subdivisions 1, 3, 7; 43A.08, subdivisions 1, 1a; 245.91, subdivision 4; 245G.07, subdivision 2; 245I.04, subdivision 19; 246C.01; 246C.02, as amended; 246C.04, as amended; 246C.05, as amended; 253B.10, subdivision 1, as amended; 254B.05, subdivisions 1, 5; 256.043, subdivision 3; 256B.0911, subdivision 13; 256B.092, subdivision 1a; 256B.0949, subdivision 15; 256B.49, subdivision 13; 256R.55; 270B.14, subdivision 1; Laws 2023, chapter 61, article 1, section 67, subdivision 3; article 4, section 11; article 8, sections 1; 2; 3; 8; article 9, section 2, subdivisions 5, 14, 16, as amended, 18; Laws 2023, chapter 70, article 20, section 16, subdivision 2; Laws 2024, chapter 79, article 1, sections 18; 23; 24; 25, subdivision 3; article 10, sections 1; 6; proposing coding for new law in Minnesota Statutes, chapters 144G; 246C; 254B; 256; 256B; 462A; repealing Minnesota Statutes 2022, sections 246.41; 252.021; 252.27, subdivisions 1a, 2, 3, 4a, 5, 6; 256.043, subdivision 4; 256S.205, subdivision 4; Minnesota Statutes 2023 Supplement, sections 246C.03; 252.27, subdivision 2a; Laws 2023, chapter 25, section 190, subdivision 10."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.



**SECOND READING OF HOUSE BILLS**

H. F. No. 4738 was read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. No. 5335 was read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Knudsen introduced:

H. F. No. 5447, A bill for an act relating to capital investment; appropriating money for Phase 2 of a multiuse trail to connect Itasca State Park to the Heartland Trail; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Engen, Niska, Rarick, Zeleznikar and Knudsen introduced:

H. F. No. 5448, A bill for an act relating to taxation; individual income; establishing an income tax subtraction for expenses related to parking at a health facility; amending Minnesota Statutes 2022, section 290.0132, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Backer; Murphy; Schultz; Altendorf; Torkelson; Knudsen; Zeleznikar; Anderson, P. H., and Burkel introduced:

H. F. No. 5449, A bill for an act relating to health; establishing a rural EMS uncompensated care pool payment program; appropriating money.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

REPORT FROM THE COMMITTEE ON RULES  
AND LEGISLATIVE ADMINISTRATION

Long from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bill to be placed on the Calendar for the Day for Monday, May 6, 2024 and established a prefiling requirement for amendments offered to the following bill:

S. F. No. 5335.

**MOTIONS AND RESOLUTIONS**

TAKEN FROM THE TABLE

Long moved that H. F. No. 4300 be taken from the table. The motion prevailed.

H. F. No. 4300 was reported to the House.

The Speaker called Her to the Chair.

Becker-Finn moved to amend H. F. No. 4300, the second engrossment, as follows:

Page 3, after line 8, insert:

"(5) being used at a lawfully organized educational or instructional course on firearm safety or the safe use of firearms pursuant to section 97B.015 or 624.714, subdivision 2a;

(6) being used for hunting in compliance with the requirements of chapter 97B;"

Page 3, line 9, delete "(5)" and insert "(7)"

Page 3, line 11, delete "(6)" and insert "(8)"

The motion prevailed and the amendment was adopted.

Myers moved to amend H. F. No. 4300, the second engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 609.666, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following words have the meanings given.

(a) "Firearm" means a device designed to be used as a weapon, from which is expelled a projectile by the force of any explosion or force of combustion.

(b) "Child" means a person under the age of 18 years.

(c) "Loaded" means the firearm has ammunition in the chamber or magazine, if the magazine is in the firearm; ~~unless the firearm is incapable of being fired by a child who is likely to gain access to the firearm.~~

Sec. 2. Minnesota Statutes 2022, section 609.666, subdivision 2, is amended to read:

Subd. 2. **Access to firearms.** A person is guilty of a gross misdemeanor who negligently stores or leaves a loaded firearm in a location where the person knows, or reasonably should know, that a child or a person prohibited from possessing firearms under section 624.713, subdivision 1, is likely to gain access, unless reasonable action is taken to secure the firearm against access by the child or the person prohibited from possessing firearms."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Myers amendment and the roll was called. There were 63 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mekeland	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mueller	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Murphy	Perryman	Torkelson
Backer	Franson	Joy	Myers	Petersburg	West
Bakeberg	Garofalo	Kiel	Nadeau	Pfarr	Wiener
Bennett	Gillman	Knudsen	Nash	Quam	Wiens
Bliss	Grossell	Koznick	Nelson, N.	Rarick	Witte
Burkel	Harder	Kresha	Neu Brindley	Robbins	Zeleznikar
Davids	Heintzeman	Lawrence	Niska	Schomacker	
Davis	Hudella	Lislegard	Norris	Schultz	
Demuth	Hudson	McDonald	Novotny	Scott	

Those who voted in the negative were:

Acomb	Curran	Hansen, R.	Hussein	Long	Reyer
Agbaje	Edelson	Hanson, J.	Jordan	Moller	Sencer-Mura
Bahner	Elkins	Hassan	Keeler	Nelson, M.	Smith
Becker-Finn	Feist	Hemmingsen-Jaeger	Klevorn	Newton	Stephenson
Berg	Finke	Her	Koegel	Noor	Tabke
Bierman	Fischer	Hicks	Kotyza-Witthuhn	Olson, L.	Vang
Brand	Frazier	Hill	Kraft	Pérez-Vega	Virmig
Carroll	Frederick	Hollins	Lee, F.	Pinto	Wolgamott
Cha	Freiberg	Hornstein	Lee, K.	Pryor	Xiong
Clardy	Gomez	Howard	Liebling	Pursell	Youakim
Coulter	Greenman	Huot	Lillie	Rehm	Spk. Hortman

The motion did not prevail and the amendment was not adopted.

Franson moved to amend H. F. No. 4300, the second engrossment, as amended, as follows:

Page 3, after line 8, insert:

"(5) stored, kept, or left by a person who:

(i) has been the victim of harassment or stalking under section 609.749;

(ii) is the petitioner in an active order for protection issued pursuant to section 518B.01; or

(iii) is the petitioner in an active harassment restraining order issued pursuant to section 609.748;"

Page 3, line 9, delete "(5)" and insert "(6)"

Page 3, line 11, delete "(6)" and insert "(7)"

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the Franson amendment and the roll was called. There were 64 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	McDonald	O'Driscoll	Skraba
Anderson, P. E.	Dotseth	Igo	Mekeland	Olson, B.	Swedzinski
Anderson, P. H.	Engen	Jacob	Mueller	Perryman	Torkelson
Backer	Fogelman	Johnson	Murphy	Petersburg	Urdahl
Bakeberg	Franson	Joy	Myers	Pfarr	West
Baker	Garofalo	Kiel	Nadeau	Quam	Wiener
Bennett	Gillman	Knudsen	Nash	Rarick	Wiens
Bliss	Grossell	Koznick	Nelson, N.	Robbins	Witte
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Zeleznikar
Davids	Heintzeman	Lawrence	Niska	Schultz	
Davis	Hudella	Lislegard	Novotny	Scott	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Noor	Tabke
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Norris	Vang
Bahner	Feist	Her	Kotyza-Witthuhn	Olson, L.	Virmig
Becker-Finn	Finke	Hicks	Kraft	Pérez-Vega	Wolgamott
Berg	Fischer	Hill	Lee, F.	Pinto	Xiong
Bierman	Frazier	Hollins	Lee, K.	Pryor	Youakim
Brand	Frederick	Hornstein	Liebling	Pursell	Spk. Hortman
Carroll	Freiberg	Howard	Lillie	Rehm	
Cha	Gomez	Huot	Long	Reyer	
Clardy	Greenman	Hussein	Moller	Sencer-Mura	
Coulter	Hansen, R.	Jordan	Nelson, M.	Smith	
Curran	Hanson, J.	Keeler	Newton	Stephenson	

The motion did not prevail and the amendment was not adopted.

Franson moved to amend H. F. No. 4300, the second engrossment, as amended, as follows:

Page 3, after line 8, insert:

"(5) owned or possessed by a person who fears imminent danger from a family member;"

Page 3, line 9, delete "(5)" and insert "(6)"

Page 3, line 11, delete "(6)" and insert "(7)"

A roll call was requested and properly seconded.

The question was taken on the Franson amendment and the roll was called. There were 64 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	McDonald	O'Driscoll	Skraba
Anderson, P. E.	Dotseth	Igo	Mekeland	Olson, B.	Swedzinski
Anderson, P. H.	Engen	Jacob	Mueller	Perryman	Torkelson
Backer	Fogelman	Johnson	Murphy	Petersburg	Urdahl
Bakeberg	Franson	Joy	Myers	Pfarr	West
Baker	Garofalo	Kiel	Nadeau	Quam	Wiener
Bennett	Gillman	Knudsen	Nash	Rarick	Wiens
Bliss	Grossell	Koznick	Nelson, N.	Robbins	Witte
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Zeleznikar
Davids	Heintzeman	Lawrence	Niska	Schultz	
Davis	Hudella	Lislegard	Novotny	Scott	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Noor	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Norris	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Olson, L.	Vang
Becker-Finn	Finke	Hicks	Kraft	Pelowski	Virmig
Berg	Fischer	Hill	Lee, F.	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, K.	Pinto	Xiong
Brand	Frederick	Hornstein	Liebling	Pryor	Youakim
Carroll	Freiberg	Howard	Lillie	Pursell	Spk. Hortman
Cha	Gomez	Huot	Long	Rehm	
Clardy	Greenman	Hussein	Moller	Reyer	
Coulter	Hansen, R.	Jordan	Nelson, M.	Sencer-Mura	
Curran	Hanson, J.	Keeler	Newton	Smith	

The motion did not prevail and the amendment was not adopted.

Novotny moved to amend H. F. No. 4300, the second engrossment, as amended, as follows:

Page 3, after line 8, insert:

"(5) if the violation occurs as a result of an unlawful entry;"

Page 3, line 9, delete "(5)" and insert "(6)"

Page 3, line 11, delete "(6)" and insert "(7)"

The Speaker called Vang to the Chair.

A roll call was requested and properly seconded.

The question was taken on the Novotny amendment and the roll was called. There were 64 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	McDonald	O'Driscoll	Skraba
Anderson, P. E.	Dotseth	Igo	Mekeland	Olson, B.	Swedzinski
Anderson, P. H.	Engen	Jacob	Mueller	Perryman	Torkelson
Backer	Fogelman	Johnson	Murphy	Petersburg	Urdahl
Bakeberg	Franson	Joy	Myers	Pfarr	West
Baker	Garofalo	Kiel	Nadeau	Quam	Wiener
Bennett	Gillman	Knudsen	Nash	Rarick	Wiens
Bliss	Grossell	Koznick	Nelson, N.	Robbins	Witte
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Zeleznikar
Davids	Heintzeman	Lawrence	Niska	Schultz	
Davis	Hudella	Lislegard	Novotny	Scott	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Noor	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Norris	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Olson, L.	Vang
Becker-Finn	Finke	Hicks	Kraft	Pelowski	Virmig
Berg	Fischer	Hill	Lee, F.	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, K.	Pinto	Xiong
Brand	Frederick	Hornstein	Liebling	Pryor	Youakim
Carroll	Freiberg	Howard	Lillie	Pursell	Spk. Hortman
Cha	Gomez	Huot	Long	Rehm	
Clardy	Greenman	Hussein	Moller	Reyer	
Coulter	Hansen, R.	Jordan	Nelson, M.	Sencer-Mura	
Curran	Hanson, J.	Keeler	Newton	Smith	

The motion did not prevail and the amendment was not adopted.

H. F. No. 4300, A bill for an act relating to firearms; establishing standards for the safe storage of firearms and criminal penalties for failing to meet those standards; appropriating money; amending Minnesota Statutes 2022, section 609.666.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Noor	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Norris	Tabke
Bahner	Feist	Her	Kotyza-Witthuhn	Olson, L.	Vang
Becker-Finn	Finke	Hicks	Kraft	Pelowski	Virmig
Berg	Fischer	Hill	Lee, F.	Pérez-Vega	Wolgamott
Bierman	Frazier	Hollins	Lee, K.	Pinto	Xiong
Brand	Frederick	Hornstein	Liebling	Pryor	Youakim
Carroll	Freiberg	Howard	Lillie	Pursell	Spk. Hortman
Cha	Gomez	Huot	Long	Rehm	
Clardy	Greenman	Hussein	Moller	Reyer	
Coulter	Hansen, R.	Jordan	Nelson, M.	Sencer-Mura	
Curran	Hanson, J.	Keeler	Newton	Smith	

Those who voted in the negative were:

Altendorf	Demuth	Hudson	McDonald	O'Driscoll	Skraba
Anderson, P. E.	Dotseth	Igo	Mekeland	Olson, B.	Swedzinski
Anderson, P. H.	Engen	Jacob	Mueller	Perryman	Torkelson
Backer	Fogelman	Johnson	Murphy	Petersburg	Urdahl
Bakeberg	Franson	Joy	Myers	Pfarr	West
Baker	Garofalo	Kiel	Nadeau	Quam	Wiener
Bennett	Gillman	Knudsen	Nash	Rarick	Wiens
Bliss	Grossell	Koznick	Nelson, N.	Robbins	Witte
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Zeleznikar
Davids	Heintzeman	Lawrence	Niska	Schultz	
Davis	Hudella	Lislegard	Novotny	Scott	

The bill was passed, as amended, and its title agreed to.

#### TAKEN FROM THE TABLE

Long moved that H. F. No. 4975 be taken from the table. The motion prevailed.

H. F. No. 4975 was reported to the House.

Long moved that H. F. No. 4975 be re-referred to the Committee on Ways and Means. The motion prevailed.

There being no objection, the order of business reverted to Calendar for the Day.

**CALENDAR FOR THE DAY**

H. F. No. 4411 was reported to the House.

**LAY ON THE TABLE**

Long moved that H. F. No. 4411 be laid on the table. The motion prevailed.

H. F. No. 5247 was reported to the House.

**LAY ON THE TABLE**

Long moved that H. F. No. 5247 be laid on the table. The motion prevailed.

**MOTIONS AND RESOLUTIONS****TAKEN FROM THE TABLE**

Long moved that H. F. No. 2609 be taken from the table. The motion prevailed.

H. F. No. 2609 was reported to the House.

Novotny moved to amend H. F. No. 2609, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 299A.642, subdivision 15, is amended to read:

Subd. 15. **Required reports.** (a) By February 1 of each year, the commissioner of public safety shall submit the following reports to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding:

- (1) a report containing a summary of all audits conducted on multijurisdictional entities under subdivision 4;
- (2) a report on the results of audits conducted on data submitted to the criminal gang investigative data system under section 299C.091;
- (3) a report on the activities and goals of the coordinating council; and
- (4) a report on how funds appropriated for violent crime reduction strategies were used.



(b) The report submitted under paragraph (a), clause (4), must include the following information regarding actions taken by the Bureau of Criminal Apprehension and Violent Crime Enforcement Teams receiving funding under this section:

- (1) the number of firearms seized;
- (2) the number of gun trafficking investigations conducted; and
- (3) a summary of the types of investigations conducted.

Sec. 2. Minnesota Statutes 2022, section 624.7141, is amended to read:

**624.7141 TRANSFER TO INELIGIBLE PERSON.**

Subdivision 1. **Transfer prohibited.** (a) A person is guilty of a ~~gross misdemeanor~~ felony and may be sentenced to imprisonment for up to two years and to payment of a fine of not more than \$10,000 if the person intentionally transfers a ~~pistol or semiautomatic military-style assault weapon~~ firearm to another ~~if~~ and the person knows or reasonably should know that the transferee:

(1) has been denied a permit to carry under section 624.714 because the transferee is not eligible under section 624.713 to possess a pistol or semiautomatic military-style assault weapon or any other firearm;

(2) has been found ineligible to possess a pistol or semiautomatic military-style assault weapon by a chief of police or sheriff as a result of an application for a transferee permit or a transfer report; or

(3) is disqualified under section 624.713 from possessing a pistol or semiautomatic military-style assault weapon or any other firearm.

(b) Paragraph (a) does not apply to the transfer of a firearm other than a pistol or semiautomatic military-style assault weapon to a person under the age of 18 who is not disqualified from possessing any other firearm.

Subd. 2. **Felony Aggravated offense.** A ~~violation of this section is a felony~~ person who violates this section may be sentenced to imprisonment for up to five years and to payment of a fine of not more than \$20,000 if the transferee possesses or uses the weapon within one year after the transfer in furtherance of a felony crime of violence.

Subd. 3. **Subsequent eligibility.** This section is not applicable to a transfer to a person who became eligible to possess a pistol or semiautomatic military-style assault weapon under section 624.713 after the transfer occurred but before the transferee used or possessed the weapon in furtherance of any crime.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date."

Amend the title accordingly

A roll call was requested and properly seconded.

Witte moved to amend the Novotny amendment, H. F. No. 2609, the first engrossment, as follows:

Page 2, line 19, before "A" insert "(a)"

Page 2, after line 22, insert:

"(b) A person who violates this section may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$40,000, or both if the transferee possesses or uses the weapon in furtherance of an assault of a public safety officer or any other offense that causes bodily harm to a public safety officer. As used in this paragraph, "public safety officer" has the meaning given in section 299A.41, subdivision 4."

A roll call was requested and properly seconded.

The question was taken on the Witte amendment to the Novotny amendment and the roll was called. There were 113 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Hassan	Koznick	Newton	Schomacker
Altendorf	Davis	Heintzeman	Kraft	Niska	Schultz
Anderson, P. E.	Demuth	Hemmingsen-Jaeger	Kresha	Norris	Scott
Anderson, P. H.	Dotseth	Her	Lawrence	Novotny	Skraba
Backer	Edelson	Hicks	Lee, K.	O'Driscoll	Stephenson
Bahner	Elkins	Hill	Liebling	Olson, B.	Swedzinski
Bakeberg	Engen	Howard	Lillie	Pelowski	Tabke
Baker	Feist	Hudella	Lislegard	Pérez-Vega	Torkelson
Bennett	Fischer	Hudson	McDonald	Perryman	Urdahl
Berg	Fogelman	Huot	Mekeland	Petersburg	Vang
Bierman	Franson	Igo	Moller	Pfarr	Virnig
Bliss	Frederick	Jacob	Mueller	Pinto	West
Brand	Freiberg	Johnson	Murphy	Pryor	Wiener
Burkel	Garofalo	Joy	Myers	Pursell	Wiens
Carroll	Gillman	Kiel	Nadeau	Quam	Witte
Cha	Grossell	Klevorn	Nash	Rarick	Wolgamott
Clardy	Hansen, R.	Knudsen	Nelson, M.	Rehm	Zelevnikar
Coulter	Hanson, J.	Koegel	Nelson, N.	Reyer	Spk. Hortman
Curran	Harder	Kotyza-Witthuhn	Neu Brindley	Robbins	

Those who voted in the negative were:

Agbaje	Gomez	Hussein	Long	Smith
Becker-Finn	Greenman	Jordan	Noor	Xiong
Finke	Hollins	Keeler	Olson, L.	Youakim
Frazier	Hornstein	Lee, F.	Sencer-Mura	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Novotny amendment, as amended, and the roll was called. There were 65 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	McDonald	O'Driscoll	Skraba
Anderson, P. E.	Dotseth	Igo	Mekeland	Olson, B.	Swedzinski
Anderson, P. H.	Engen	Jacob	Mueller	Perryman	Torkelson
Backer	Fogelman	Johnson	Murphy	Petersburg	Urdahl
Bakeberg	Franson	Joy	Myers	Pfarr	West
Baker	Garofalo	Kiel	Nadeau	Quam	Wiener
Bennett	Gillman	Knudsen	Nash	Rarick	Wiens
Bliss	Grossell	Koznick	Nelson, N.	Robbins	Witte
Burkel	Harder	Kresha	Neu Brindley	Schomacker	Wolgamott
Davids	Heintzeman	Lawrence	Niska	Schultz	Zeleznikar
Davis	Hudella	Lislegard	Novotny	Scott	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Noor	Stephenson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Norris	Tabke
Bahner	Feist	Her	Kotzya-Witthuhn	Olson, L.	Vang
Becker-Finn	Finke	Hicks	Kraft	Pelowski	Virmig
Berg	Fischer	Hill	Lee, F.	Pérez-Vega	Xiong
Bierman	Frazier	Hollins	Lee, K.	Pinto	Youakim
Brand	Frederick	Hornstein	Liebling	Pryor	Spk. Hortman
Carroll	Freiberg	Howard	Lillie	Pursell	
Cha	Gomez	Huot	Long	Rehm	
Clardy	Greenman	Hussein	Moller	Reyer	
Coulter	Hansen, R.	Jordan	Nelson, M.	Sencer-Mura	
Curran	Hanson, J.	Keeler	Newton	Smith	

The motion did not prevail and the amendment, as amended, was not adopted.

Pursuant to rule 1.50, Long moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

H. F. No. 2609, A bill for an act relating to public safety; requiring a report on gun trafficking investigations and firearm seizures by the Bureau of Criminal Apprehension and Violent Crime Enforcement Teams; amending the definition of trigger activator; increasing penalties for transferring firearms to certain persons who are ineligible to possess firearms; amending Minnesota Statutes 2022, section 624.7141; Minnesota Statutes 2023 Supplement, sections 299A.642, subdivision 15; 609.67, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 71 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Acomb	Becker-Finn	Brand	Clardy	Edelson	Finke
Agbaje	Berg	Carroll	Coulter	Elkins	Fischer
Bahner	Bierman	Cha	Curran	Feist	Frazier

Frederick	Hicks	Klevorn	Moller	Pinto	Vang
Freiberg	Hill	Koegel	Myers	Pryor	Virmig
Gomez	Hollins	Kotyza-Witthuhn	Nelson, M.	Pursell	Wiens
Greenman	Hornstein	Kraft	Newton	Rehm	Witte
Hansen, R.	Howard	Lee, F.	Noor	Reyer	Wolgamott
Hanson, J.	Huot	Lee, K.	Norris	Sencer-Mura	Xiong
Hassan	Hussein	Liebling	Olson, L.	Smith	Youakim
Hemmingsen-Jaeger	Jordan	Lillie	Pelowski	Stephenson	Spk. Hortman
Her	Keeler	Long	Pérez-Vega	Tabke	

Those who voted in the negative were:

Altendorf	Davis	Hudella	Lawrence	Niska	Schomacker
Anderson, P. E.	Demuth	Hudson	Lislegard	Novotny	Schultz
Anderson, P. H.	Dotseth	Igo	McDonald	O'Driscoll	Skraba
Backer	Engen	Jacob	Mekeland	Olson, B.	Swedzinski
Bakeberg	Fogelman	Johnson	Mueller	Perryman	Torkelson
Baker	Franson	Joy	Murphy	Petersburg	Urdahl
Bennett	Gillman	Kiel	Nadeau	Pfarr	West
Bliss	Grossell	Knudsen	Nash	Quam	Wiener
Burkel	Harder	Koznick	Nelson, N.	Rarick	Zeleznikar
Davids	Heintzeman	Kresha	Neu Brindley	Robbins	

The bill was passed and its title agreed to.

#### TAKEN FROM THE TABLE

Long moved that H. F. No. 3757 be taken from the table. The motion prevailed.

H. F. No. 3757 was reported to the House.

H. F. No. 3757, A bill for an act relating to public safety; establishing a felony offense for reporting a fictitious emergency and directing the emergency response to the home of certain individuals; making a conforming change; amending Minnesota Statutes 2022, section 609.78, subdivision 3, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Bierman	Demuth	Frederick	Hemmingsen-Jaeger	Igo
Agbaje	Bliss	Dotseth	Freiberg	Her	Jacob
Altendorf	Brand	Edelson	Garofalo	Hicks	Johnson
Anderson, P. E.	Burkel	Elkins	Gillman	Hill	Jordan
Anderson, P. H.	Carroll	Engen	Greenman	Hollins	Joy
Backer	Cha	Feist	Grossell	Hornstein	Keeler
Bahner	Clardy	Finke	Hansen, R.	Howard	Kiel
Bakeberg	Coulter	Fischer	Hanson, J.	Hudella	Klevorn
Baker	Curran	Fogelman	Harder	Hudson	Knudsen
Bennett	Davids	Franson	Hassan	Huot	Koegel
Berg	Davis	Frazier	Heintzeman	Hussein	Kotyza-Witthuhn

Koznick	Mekeland	Niska	Pinto	Skraba	Wiens
Kraft	Moller	Norris	Pryor	Smith	Witte
Kresha	Mueller	Novotny	Pursell	Stephenson	Wolgamott
Lawrence	Murphy	O'Driscoll	Quam	Swedzinski	Youakim
Lee, F.	Myers	Olson, B.	Rarick	Tabke	Zelevnikar
Lee, K.	Nadeau	Olson, L.	Rehm	Torkelson	Spk. Hortman
Liebling	Nash	Pelowski	Reyer	Urdahl	
Lillie	Nelson, M.	Pérez-Vega	Robbins	Vang	
Lislegard	Nelson, N.	Perryman	Schomacker	Virnig	
Long	Neu Brindley	Petersburg	Schultz	West	
McDonald	Newton	Pfarr	Scott	Wiener	

The bill was passed and its title agreed to.

Clardy moved that the name of Wiens be added as an author on H. F. No. 4088. The motion prevailed.

Moller moved that the name of Curran be added as an author on H. F. No. 5216. The motion prevailed.

Niska moved that the name of Neu Brindley be added as an author on H. F. No. 5409. The motion prevailed.

Skraba moved that the name of Altendorf be added as an author on H. F. No. 5441. The motion prevailed.

#### ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:30 p.m., Friday, May 3, 2024. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:30 p.m., Friday, May 3, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

