

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 4041

(SENATE AUTHORS: KORAN, Draheim and Benson)

DATE
03/16/2022

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OFFICIAL STATUS
Introduction and first reading
Referred to Human Services Reform Finance and Policy

1.1 A bill for an act
1.2 relating to state government; creating a Health and Human Services Coordinating
1.3 and Financing Board to coordinate health and human services programs;
1.4 restructuring the Department of Human Services by establishing a Department of
1.5 Health Care Services, Department of Forensic Services, Department of Direct Care
1.6 Services, and Office of Eligibility Services; transferring duties from the Department
1.7 of Human Services and other state agencies to the new state agencies and office;
1.8 transferring other duties among state agencies; requiring a report; amending
1.9 Minnesota Statutes 2020, sections 15A.0815, subdivision 2; 299A.015; Minnesota
1.10 Statutes 2021 Supplement, sections 15.01; 15.06, subdivision 1; 43A.08, subdivision
1.11 1a; proposing coding for new law in Minnesota Statutes, chapters 60A; 144A;
1.12 256; proposing coding for new law as Minnesota Statutes, chapters 246C; 246D;
1.13 256T; 256U.

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

1.15 **ARTICLE 1**

1.16 **HEALTH AND HUMAN SERVICES COORDINATING AND FINANCING BOARD**

1.17 Section 1. **[256.0165] HEALTH AND HUMAN SERVICES COORDINATING AND**
1.18 **FINANCING BOARD.**

1.19 Subdivision 1. **Establishment; duties.** The governor shall establish a Health and Human
1.20 Services Coordinating and Financing Board. The board shall coordinate the implementation,
1.21 administration, and financing of health and human services programs and initiatives that
1.22 are managed by or impact multiple state and county agencies to:

1.23 (1) deliver state and county services more effectively and efficiently, improve service
1.24 integration, and reduce duplication of services;

2.1 (2) set funding and outcome priorities for programs and initiatives that are managed by
 2.2 or impact multiple state and county agencies, and allocate federal, state, and local funds
 2.3 across these programs, initiatives, and agencies, according to these priorities;

2.4 (3) improve responsiveness to consumer needs and concerns and improve the consumer
 2.5 experience;

2.6 (4) address problems in service delivery and service quality promptly and effectively;
 2.7 and

2.8 (5) reduce state and county administrative costs.

2.9 Subd. 2. **Membership.** The board is comprised of:

2.10 (1) the commissioners of commerce, direct care services, employment and economic
 2.11 development, forensic services, health, health care services, human services, and public
 2.12 safety;

2.13 (2) the director of the Office of Eligibility Services; and

2.14 (3) three county representatives, with one member representing a large county, one
 2.15 representing an intermediate county, and one representing a small county by population,
 2.16 appointed by the governor upon the recommendation of the Association of Minnesota
 2.17 Counties.

2.18 Subd. 3. **Governance.** (a) The commissioners of health care services and health shall
 2.19 serve as cochairs. The board is governed by section 15.0575. The board shall meet at least
 2.20 once per month.

2.21 (b) The board shall appoint an executive director, who shall serve in the unclassified
 2.22 service. The constituent state and county agencies shall, using existing resources, make staff
 2.23 available to the board who shall serve under the executive director.

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

2.25 **ARTICLE 2**

2.26 **DEPARTMENT OF HEALTH CARE SERVICES**

2.27 Section 1. Minnesota Statutes 2021 Supplement, section 15.01, is amended to read:

2.28 **15.01 DEPARTMENTS OF THE STATE.**

2.29 The following agencies are designated as the departments of the state government: the
 2.30 Department of Administration; the Department of Agriculture; the Department of Commerce;
 2.31 the Department of Corrections; the Department of Education; the Department of Employment

3.1 and Economic Development; the Department of Health; the Department of Health Care
 3.2 Services; the Department of Human Rights; the Department of Human Services; the
 3.3 Department of Information Technology Services; the Department of Iron Range Resources
 3.4 and Rehabilitation; the Department of Labor and Industry; the Department of Management
 3.5 and Budget; the Department of Military Affairs; the Department of Natural Resources; the
 3.6 Department of Public Safety; ~~the Department of Human Services~~; the Department of
 3.7 Revenue; the Department of Transportation; the Department of Veterans Affairs; and their
 3.8 successor departments.

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

3.10 Sec. 2. Minnesota Statutes 2021 Supplement, section 15.06, subdivision 1, is amended to
 3.11 read:

3.12 Subdivision 1. **Applicability.** This section applies to the following departments or
 3.13 agencies: the Departments of Administration;₂ Agriculture, Commerce;₂ Corrections;₂
 3.14 Education;₂ Employment and Economic Development;₂ Health;₂ Health Care Services;
 3.15 Human Rights;₂ Human Services; Labor and Industry;₂ Management and Budget;₂ Natural
 3.16 Resources;₂ Public Safety, ~~Human Services~~;₂ Revenue;₂ Transportation;₂ and Veterans
 3.17 Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner
 3.18 of Iron Range Resources and Rehabilitation; the Department of Information Technology
 3.19 Services; the Bureau of Mediation Services; and their successor departments and agencies.
 3.20 The heads of the foregoing departments or agencies are "commissioners."

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

3.22 Sec. 3. Minnesota Statutes 2020, section 15A.0815, subdivision 2, is amended to read:

3.23 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision shall
 3.24 not exceed 133 percent of the salary of the governor. This limit must be adjusted annually
 3.25 on January 1. The new limit must equal the limit for the prior year increased by the percentage
 3.26 increase, if any, in the Consumer Price Index for all urban consumers from October of the
 3.27 second prior year to October of the immediately prior year. The commissioner of management
 3.28 and budget must publish the limit on the department's website. This subdivision applies to
 3.29 the following positions:

3.30 Commissioner of administration;

3.31 Commissioner of agriculture;

3.32 Commissioner of education;

- 4.1 Commissioner of commerce;
- 4.2 Commissioner of corrections;
- 4.3 Commissioner of health;
- 4.4 Commissioner of health care services;
- 4.5 Commissioner, Minnesota Office of Higher Education;
- 4.6 Commissioner, Housing Finance Agency;
- 4.7 Commissioner of human rights;
- 4.8 Commissioner of human services;
- 4.9 Commissioner of labor and industry;
- 4.10 Commissioner of management and budget;
- 4.11 Commissioner of natural resources;
- 4.12 Commissioner, Pollution Control Agency;
- 4.13 Commissioner of public safety;
- 4.14 Commissioner of revenue;
- 4.15 Commissioner of employment and economic development;
- 4.16 Commissioner of transportation; and
- 4.17 Commissioner of veterans affairs.
- 4.18 **EFFECTIVE DATE.** This section is effective July 1, 2023.

4.19 Sec. 4. Minnesota Statutes 2021 Supplement, section 43A.08, subdivision 1a, is amended
4.20 to read:

4.21 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
4.22 agencies may designate additional unclassified positions according to this subdivision: the
4.23 Departments of Administration; Agriculture; Commerce; Corrections; Education;
4.24 Employment and Economic Development; Explore Minnesota Tourism; Management and
4.25 Budget; Health; Health Care Services; Human Rights; Human Services; Labor and Industry;
4.26 Natural Resources; Public Safety; ~~Human Services~~; Revenue; Transportation; and Veterans
4.27 Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State
4.28 Board of Investment; the Office of Administrative Hearings; the Department of Information
4.29 Technology Services; the Offices of the Attorney General, Secretary of State, and State

5.1 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
5.2 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

5.3 A position designated by an appointing authority according to this subdivision must
5.4 meet the following standards and criteria:

5.5 (1) the designation of the position would not be contrary to other law relating specifically
5.6 to that agency;

5.7 (2) the person occupying the position would report directly to the agency head or deputy
5.8 agency head and would be designated as part of the agency head's management team;

5.9 (3) the duties of the position would involve significant discretion and substantial
5.10 involvement in the development, interpretation, and implementation of agency policy;

5.11 (4) the duties of the position would not require primarily personnel, accounting, or other
5.12 technical expertise where continuity in the position would be important;

5.13 (5) there would be a need for the person occupying the position to be accountable to,
5.14 loyal to, and compatible with, the governor and the agency head, the employing statutory
5.15 board or commission, or the employing constitutional officer;

5.16 (6) the position would be at the level of division or bureau director or assistant to the
5.17 agency head; and

5.18 (7) the commissioner has approved the designation as being consistent with the standards
5.19 and criteria in this subdivision.

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

5.21 **Sec. 5. [256T.01] DEPARTMENT OF HEALTH CARE SERVICES.**

5.22 The Department of Health Care Services is created. The governor shall appoint the
5.23 commissioner of health care services under section 15.06. The commissioner shall administer:

5.24 (1) the medical assistance program under chapters 256 and 256B;

5.25 (2) the MinnesotaCare program under chapter 256L;

5.26 (3) mental health and chemical dependency services under chapters 245, 253C, 254A,
5.27 and 254B;

5.28 (4) services for the elderly under chapters 256, 256B, and 256S;

5.29 (5) services for persons with disabilities under chapters 245D, 248, 252, 256C, and
5.30 256Q; and

6.1 (6) health care quality, health care analysis, health economics, and related data collection
6.2 initiatives under chapters 62J, 62U, and 144.

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

6.4 Sec. 6. **[256T.05] TRANSFER OF DUTIES.**

6.5 (a) Section 15.039 applies to the transfer of duties required by this chapter.

6.6 (b) The commissioner of administration, with the approval of the governor, may issue
6.7 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties
6.8 required by this chapter. The provision of section 16B.37, subdivision 1, stating that transfers
6.9 under section 16B.37 may be made only to an agency that has been in existence for at least
6.10 one year does not apply to transfers to an agency created by this chapter.

6.11 (c) The initial salary for the commissioner of health care services is the same as the
6.12 salary for the commissioner of health. The salary may be changed in the manner specified
6.13 in section 15A.0815.

6.14 (d) The commissioner of management and budget must ensure that the aggregate cost
6.15 for the commissioner of health care services is not more than the aggregate cost of the
6.16 primary executives in the Department of Human Services and the Department of Health
6.17 responsible for management of health care services immediately before the effective date
6.18 of this chapter.

6.19 (e) For an employee affected by the transfer of duties required by this chapter, the
6.20 seniority accrued by the employee at the employee's former agency transfers to the employee's
6.21 new agency.

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

6.23 Sec. 7. **REVISOR INSTRUCTION.**

6.24 The revisor of statutes, in consultation with staff from the House Research Department;
6.25 House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal Analysis; and
6.26 the respective departments, shall prepare legislation for introduction in the 2023 legislative
6.27 session proposing the statutory changes needed to implement the transfers of duties required
6.28 by this article.

6.29 **EFFECTIVE DATE.** This section is effective July 1, 2022.

7.1 **ARTICLE 3**

7.2 **DEPARTMENT OF FORENSIC SERVICES**

7.3 Section 1. Minnesota Statutes 2021 Supplement, section 15.01, is amended to read:

7.4 **15.01 DEPARTMENTS OF THE STATE.**

7.5 The following agencies are designated as the departments of the state government: the
 7.6 Department of Administration; the Department of Agriculture; the Department of Commerce;
 7.7 the Department of Corrections; the Department of Education; the Department of Employment
 7.8 and Economic Development; the Department of Forensic Services; the Department of
 7.9 Health; the Department of Human Rights; the Department of Human Services; the
 7.10 Department of Information Technology Services; the Department of Iron Range Resources
 7.11 and Rehabilitation; the Department of Labor and Industry; the Department of Management
 7.12 and Budget; the Department of Military Affairs; the Department of Natural Resources; the
 7.13 Department of Public Safety; ~~the Department of Human Services~~; the Department of
 7.14 Revenue; the Department of Transportation; the Department of Veterans Affairs; and their
 7.15 successor departments.

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

7.17 Sec. 2. Minnesota Statutes 2021 Supplement, section 15.06, subdivision 1, is amended to
 7.18 read:

7.19 Subdivision 1. **Applicability.** This section applies to the following departments or
 7.20 agencies: the Departments of Administration;₂ Agriculture;₂ Commerce;₂ Corrections;₂
 7.21 Education;₂ Employment and Economic Development;₂ Forensic Services; Health;₂ Human
 7.22 Rights;₂ Human Services; Labor and Industry;₂ Management and Budget;₂ Natural Resources;₂
 7.23 Public Safety; ~~Human Services~~₂; Revenue;₂ Transportation;₂ and Veterans Affairs; the
 7.24 Housing Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range
 7.25 Resources and Rehabilitation; the Department of Information Technology Services; the
 7.26 Bureau of Mediation Services; and their successor departments and agencies. The heads of
 7.27 the foregoing departments or agencies are "commissioners."

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

7.29 Sec. 3. Minnesota Statutes 2020, section 15A.0815, subdivision 2, is amended to read:

7.30 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision shall
 7.31 not exceed 133 percent of the salary of the governor. This limit must be adjusted annually
 7.32 on January 1. The new limit must equal the limit for the prior year increased by the percentage

8.1 increase, if any, in the Consumer Price Index for all urban consumers from October of the
8.2 second prior year to October of the immediately prior year. The commissioner of management
8.3 and budget must publish the limit on the department's website. This subdivision applies to
8.4 the following positions:

8.5 Commissioner of administration;

8.6 Commissioner of agriculture;

8.7 Commissioner of education;

8.8 Commissioner of commerce;

8.9 Commissioner of corrections;

8.10 Commissioner of forensic services;

8.11 Commissioner of health;

8.12 Commissioner, Minnesota Office of Higher Education;

8.13 Commissioner, Housing Finance Agency;

8.14 Commissioner of human rights;

8.15 Commissioner of human services;

8.16 Commissioner of labor and industry;

8.17 Commissioner of management and budget;

8.18 Commissioner of natural resources;

8.19 Commissioner, Pollution Control Agency;

8.20 Commissioner of public safety;

8.21 Commissioner of revenue;

8.22 Commissioner of employment and economic development;

8.23 Commissioner of transportation; and

8.24 Commissioner of veterans affairs.

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

9.1 Sec. 4. Minnesota Statutes 2021 Supplement, section 43A.08, subdivision 1a, is amended
9.2 to read:

9.3 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
9.4 agencies may designate additional unclassified positions according to this subdivision: the
9.5 Departments of Administration; Agriculture; Commerce; Corrections; Education;
9.6 Employment and Economic Development; Explore Minnesota Tourism; Forensic Services;
9.7 Management and Budget; Health; Human Rights; Human Services; Labor and Industry;
9.8 Natural Resources; Public Safety; ~~Human Services~~; Revenue; Transportation; and Veterans
9.9 Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State
9.10 Board of Investment; the Office of Administrative Hearings; the Department of Information
9.11 Technology Services; the Offices of the Attorney General, Secretary of State, and State
9.12 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
9.13 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

9.14 A position designated by an appointing authority according to this subdivision must
9.15 meet the following standards and criteria:

9.16 (1) the designation of the position would not be contrary to other law relating specifically
9.17 to that agency;

9.18 (2) the person occupying the position would report directly to the agency head or deputy
9.19 agency head and would be designated as part of the agency head's management team;

9.20 (3) the duties of the position would involve significant discretion and substantial
9.21 involvement in the development, interpretation, and implementation of agency policy;

9.22 (4) the duties of the position would not require primarily personnel, accounting, or other
9.23 technical expertise where continuity in the position would be important;

9.24 (5) there would be a need for the person occupying the position to be accountable to,
9.25 loyal to, and compatible with, the governor and the agency head, the employing statutory
9.26 board or commission, or the employing constitutional officer;

9.27 (6) the position would be at the level of division or bureau director or assistant to the
9.28 agency head; and

9.29 (7) the commissioner has approved the designation as being consistent with the standards
9.30 and criteria in this subdivision.

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

10.1 **Sec. 5. [246C.01] DEPARTMENT OF FORENSIC SERVICES.**

10.2 (a) The Department of Forensic Services is created. The governor shall appoint the
10.3 commissioner of forensic services under section 15.06. The commissioner shall create and
10.4 maintain forensic services programs. Forensic services shall be provided in coordination
10.5 with counties and other vendors. Forensic services shall include specialized inpatient
10.6 programs at secure treatment facilities as defined in sections 253B.02, subdivision 18a, and
10.7 253D.02, subdivision 13; community preparation services; consultative services; aftercare
10.8 services; community-based services and programs; transition services; nursing home services;
10.9 or other services consistent with the mission of the Department of Forensic Services.

10.10 (b) "Community preparation services" means specialized inpatient or outpatient services
10.11 or programs that are operated outside of a secure environment but administered by a secure
10.12 treatment facility.

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

10.14 **Sec. 6. [246C.05] TRANSFER OF DUTIES.**

10.15 (a) Section 15.039 applies to the transfer of duties required by this chapter.

10.16 (b) The commissioner of administration, with the approval of the governor, may issue
10.17 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties
10.18 required by this chapter. The provision of section 16B.37, subdivision 1, stating that transfers
10.19 under section 16B.37 may be made only to an agency that has been in existence for at least
10.20 one year does not apply to transfers to an agency created by this chapter.

10.21 (c) The initial salary for the commissioner of forensic services is the same as the salary
10.22 for the commissioner of health. The salary may be changed in the manner specified in section
10.23 15A.0815.

10.24 (d) The commissioner of management and budget must ensure that the aggregate cost
10.25 for the commissioner of forensic services is not more than the aggregate cost of the primary
10.26 executives in the Department of Human Services responsible for management of forensic
10.27 services immediately before the effective date of this chapter.

10.28 (e) For an employee affected by the transfer of duties required by this chapter, the
10.29 seniority accrued by the employee at the employee's former agency transfers to the employee's
10.30 new agency.

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

11.1 **Sec. 7. REVISOR INSTRUCTION.**

11.2 The revisor of statutes, in consultation with staff from the House Research Department;
 11.3 House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal Analysis; and
 11.4 the respective departments, shall prepare legislation for introduction in the 2022 legislative
 11.5 session proposing the statutory changes needed to implement the transfers of duties required
 11.6 by this article.

11.7 **EFFECTIVE DATE.** This section is effective July 1, 2022.

11.8 **ARTICLE 4**

11.9 **DEPARTMENT OF DIRECT CARE SERVICES**

11.10 Section 1. Minnesota Statutes 2021 Supplement, section 15.01, is amended to read:

11.11 **15.01 DEPARTMENTS OF THE STATE.**

11.12 The following agencies are designated as the departments of the state government: the
 11.13 Department of Administration; the Department of Agriculture; the Department of Commerce;
 11.14 the Department of Corrections; the Department of Direct Care Services; the Department of
 11.15 Education; the Department of Employment and Economic Development; the Department
 11.16 of Health; the Department of Human Rights; the Department of Human Services; the
 11.17 Department of Information Technology Services; the Department of Iron Range Resources
 11.18 and Rehabilitation; the Department of Labor and Industry; the Department of Management
 11.19 and Budget; the Department of Military Affairs; the Department of Natural Resources; the
 11.20 Department of Public Safety; ~~the Department of Human Services;~~ the Department of
 11.21 Revenue; the Department of Transportation; the Department of Veterans Affairs; and their
 11.22 successor departments.

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

11.24 Sec. 2. Minnesota Statutes 2021 Supplement, section 15.06, subdivision 1, is amended to
 11.25 read:

11.26 Subdivision 1. **Applicability.** This section applies to the following departments or
 11.27 agencies: the Departments of Administration;₂ Agriculture;₂ Commerce;₂ Corrections;₂ Direct
 11.28 Care Services; Education;₂ Employment and Economic Development;₂ Health, Human
 11.29 Rights;₂ Human Services; Labor and Industry;₂ Management and Budget;₂ Natural Resources;₂
 11.30 Public Safety; ~~Human Services;~~₂ Revenue;₂ Transportation;₂ and Veterans Affairs; the
 11.31 Housing Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range
 11.32 Resources and Rehabilitation; the Department of Information Technology Services; the

12.1 Bureau of Mediation Services; and their successor departments and agencies. The heads of
12.2 the foregoing departments or agencies are "commissioners."

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

12.4 Sec. 3. Minnesota Statutes 2020, section 15A.0815, subdivision 2, is amended to read:

12.5 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision shall
12.6 not exceed 133 percent of the salary of the governor. This limit must be adjusted annually
12.7 on January 1. The new limit must equal the limit for the prior year increased by the percentage
12.8 increase, if any, in the Consumer Price Index for all urban consumers from October of the
12.9 second prior year to October of the immediately prior year. The commissioner of management
12.10 and budget must publish the limit on the department's website. This subdivision applies to
12.11 the following positions:

12.12 Commissioner of administration;

12.13 Commissioner of agriculture;

12.14 Commissioner of education;

12.15 Commissioner of commerce;

12.16 Commissioner of corrections;

12.17 Commissioner of direct care services;

12.18 Commissioner of health;

12.19 Commissioner, Minnesota Office of Higher Education;

12.20 Commissioner, Housing Finance Agency;

12.21 Commissioner of human rights;

12.22 Commissioner of human services;

12.23 Commissioner of labor and industry;

12.24 Commissioner of management and budget;

12.25 Commissioner of natural resources;

12.26 Commissioner, Pollution Control Agency;

12.27 Commissioner of public safety;

12.28 Commissioner of revenue;

12.29 Commissioner of employment and economic development;

13.1 Commissioner of transportation; and

13.2 Commissioner of veterans affairs.

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

13.4 Sec. 4. Minnesota Statutes 2021 Supplement, section 43A.08, subdivision 1a, is amended
13.5 to read:

13.6 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
13.7 agencies may designate additional unclassified positions according to this subdivision: the
13.8 Departments of Administration; Agriculture; Commerce; Corrections; Direct Care Services;
13.9 Education; Employment and Economic Development; Explore Minnesota Tourism;
13.10 Management and Budget; Health; Human Rights; Human Services; Labor and Industry;
13.11 Natural Resources; Public Safety; ~~Human Services~~; Revenue; Transportation; and Veterans
13.12 Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State
13.13 Board of Investment; the Office of Administrative Hearings; the Department of Information
13.14 Technology Services; the Offices of the Attorney General, Secretary of State, and State
13.15 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
13.16 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

13.17 A position designated by an appointing authority according to this subdivision must
13.18 meet the following standards and criteria:

13.19 (1) the designation of the position would not be contrary to other law relating specifically
13.20 to that agency;

13.21 (2) the person occupying the position would report directly to the agency head or deputy
13.22 agency head and would be designated as part of the agency head's management team;

13.23 (3) the duties of the position would involve significant discretion and substantial
13.24 involvement in the development, interpretation, and implementation of agency policy;

13.25 (4) the duties of the position would not require primarily personnel, accounting, or other
13.26 technical expertise where continuity in the position would be important;

13.27 (5) there would be a need for the person occupying the position to be accountable to,
13.28 loyal to, and compatible with, the governor and the agency head, the employing statutory
13.29 board or commission, or the employing constitutional officer;

13.30 (6) the position would be at the level of division or bureau director or assistant to the
13.31 agency head; and

14.1 (7) the commissioner has approved the designation as being consistent with the standards
14.2 and criteria in this subdivision.

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

14.4 Sec. 5. **[246D.01] DEPARTMENT OF DIRECT CARE SERVICES.**

14.5 The Department of Direct Care Services is created. The governor shall appoint the
14.6 commissioner of direct care services under section 15.06. The commissioner shall develop
14.7 and maintain direct care services in a manner consistent with sections 245.461 and 245.487
14.8 and chapters 246, 252, 253, 254A, and 254B. Direct care services shall be provided in
14.9 coordination with counties and other vendors. Direct care services shall include regional
14.10 treatment centers, enterprise services, community-based services and programs, community
14.11 preparation services, consultative services, and other services consistent with the mission
14.12 of the Department of Direct Care Services. These services shall include crisis beds, waived
14.13 homes, intermediate care facilities, and day training and habilitation facilities. The
14.14 administrative structure of direct care services must be statewide in character. The direct
14.15 care services staff may deliver services at any location throughout the state.

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

14.17 Sec. 6. **[246D.05] TRANSFER OF DUTIES.**

14.18 (a) Section 15.039 applies to the transfer of duties required by this chapter.

14.19 (b) The commissioner of administration, with the approval of the governor, may issue
14.20 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties
14.21 required by this chapter. The provision of section 16B.37, subdivision 1, stating that transfers
14.22 under section 16B.37 may be made only to an agency that has been in existence for at least
14.23 one year does not apply to transfers to an agency created by this chapter.

14.24 (c) The initial salary for the commissioner of direct care services is the same as the salary
14.25 for the commissioner of health. The salary may be changed in the manner specified in section
14.26 15A.0815.

14.27 (d) The commissioner of management and budget must ensure that the aggregate cost
14.28 for the commissioner of direct care services is not more than the aggregate cost of the
14.29 primary executives in the Department of Human Services responsible for management of
14.30 direct care services immediately before the effective date of this chapter.

15.1 (e) For an employee affected by the transfer of duties required by this chapter, the
15.2 seniority accrued by the employee at the employee's former agency transfers to the employee's
15.3 new agency.

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

15.5 Sec. 7. **REVISOR INSTRUCTION.**

15.6 The revisor of statutes, in consultation with staff from the House Research Department;
15.7 House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal Analysis; and
15.8 the respective departments, shall prepare legislation for introduction in the 2023 legislative
15.9 session proposing the statutory changes needed to implement the transfers of duties required
15.10 by this article.

15.11 **EFFECTIVE DATE.** This section is effective July 1, 2022.

15.12 **ARTICLE 5**
15.13 **OFFICE OF ELIGIBILITY SERVICES**

15.14 Section 1. **[256U.01] OFFICE OF ELIGIBILITY SERVICES.**

15.15 Subdivision 1. **Creation.** A state Office of Eligibility Services is created.

15.16 Subd. 2. **Director.** (a) The office shall be under the direction of a director who shall be
15.17 appointed by the governor, with the advice and consent of the senate, for a term ending on
15.18 June 30 of the sixth calendar year after appointment. Senate confirmation of the director
15.19 shall be as provided by section 15.066. The director shall appoint deputies to serve in the
15.20 office as necessary to fulfill the duties of the office. The director may delegate to a
15.21 subordinate employee the exercise of a specified statutory power or duty, subject to the
15.22 control of the director. Every delegation must be by written order filed with the secretary
15.23 of state.

15.24 (b) The director shall be in the unclassified service, but may be removed only for cause.

15.25 Subd. 3. **Duties.** (a) The director of eligibility services shall determine initial and ongoing
15.26 client eligibility, and act on client appeals, for:

15.27 (1) social service and income assistance programs administered under chapters 119B,
15.28 256, 256D, 256E, 256F, 256I, 256J, 256K, 256N, 256P, 256R, and 256S;

15.29 (2) mental health and chemical dependency programs administered under chapters 245,
15.30 253C, 254A, and 254B;

15.31 (3) health care programs administered under chapters 256, 256B, and 256L;

16.1 (4) programs for persons with disabilities administered under chapters 245D, 248, 252,
16.2 256C, and 256Q;

16.3 (5) student higher education grant, loan, and assistance programs administered under
16.4 chapter 136A;

16.5 (6) student prekindergarten through grade 12 scholarship, nutrition, and assistance
16.6 programs administered under chapters 119A and 120A to 127A; and

16.7 (7) housing assistance programs administered under chapters 462A and 462C.

16.8 (b) The director of eligibility services shall work with the commissioners of the relevant
16.9 state agencies and directors of relevant local agencies to coordinate eligibility determination
16.10 for the programs listed in paragraph (a) with program operations, and to streamline, simplify,
16.11 and consolidate the application and renewal process for persons seeking or receiving
16.12 assistance through the programs.

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

16.14 **Sec. 2. [256U.05] TRANSFER OF DUTIES.**

16.15 (a) Section 15.039 applies to the transfer of duties required by this chapter.

16.16 (b) The commissioner of administration, with approval of the governor, may issue
16.17 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties
16.18 required by this chapter. The provision of section 16B.37, subdivision 1, stating that transfers
16.19 under that section may be made only to an agency that has been in existence for at least one
16.20 year does not apply to transfers to an agency created by this chapter.

16.21 (c) The commissioner of management and budget must ensure that the aggregate cost
16.22 for the director of the Office of Eligibility Services is not more than the aggregate cost of
16.23 the primary executives in state agencies responsible for client eligibility determinations and
16.24 client appeals immediately before the effective date of this chapter.

16.25 (d) For an employee affected by the transfer of duties required by this chapter, the
16.26 seniority accrued by the employee at the employee's former agency transfers to the employee's
16.27 new agency.

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

16.29 **Sec. 3. REVISOR INSTRUCTION.**

16.30 The revisor of statutes, in consultation with staff from the House Research Department;
16.31 House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal Analysis; and

17.1 the respective departments, shall prepare legislation for introduction in the 2023 legislative
17.2 session proposing the statutory changes needed to implement the transfers of duties required
17.3 by this article.

17.4 **EFFECTIVE DATE.** This section is effective July 1, 2022.

17.5 **ARTICLE 6**

17.6 **TRANSFER OF DUTIES**

17.7 Section 1. **[60A.034] DUTIES TRANSFERRED FROM ANOTHER AGENCY.**

17.8 (a) The following powers and duties of the Department of Health are transferred to the
17.9 Department of Commerce under section 15.039:

17.10 (1) regulation of health maintenance organizations and community integrated service
17.11 networks, including regulation of enrollee appeal and complaint resolution processes;

17.12 (2) regulation of county-based purchasing plans and utilization review organizations;

17.13 (3) certification of health care provider network adequacy in health plans; and

17.14 (4) health plan quality assurance and performance measurement activities.

17.15 (b) For an employee affected by the transfer of duties required by this section, the
17.16 seniority accrued by the employee at the employee's former agency transfers to the employee's
17.17 new agency.

17.18 Sec. 2. **[144A.491] DUTIES TRANSFERRED FROM ANOTHER AGENCY.**

17.19 (a) The powers and duties of the Department of Human Services with respect to programs
17.20 and facilities licensed or regulated under chapter 245A, 245D, or 245F, are transferred to
17.21 the Department of Health under section 15.039.

17.22 (b) For an employee affected by the transfer of duties required by this section, the
17.23 seniority accrued by the employee at the employee's former agency transfers to the employee's
17.24 new agency.

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

17.26 Sec. 3. Minnesota Statutes 2020, section 299A.015, is amended to read:

17.27 **299A.015 DUTIES TRANSFERRED FROM OTHER AGENCY.**

17.28 (a) The powers and duties of the Department of Children, Families, and Learning with
17.29 respect to the Office of Drug Policy and Violence Prevention and Community Advisory

18.1 Violence Prevention Council under Minnesota Statutes 1998, sections 119A.25, 119A.26,
18.2 119A.27, 119A.28, 119A.29, 119A.31, 119A.32, 119A.33, and 119A.34, are transferred to
18.3 the Department of Public Safety under section 15.039.

18.4 (b) The powers and duties of the Department of Human Services with respect to the
18.5 Department of Human Services Background Study Act under chapter 245C, are transferred
18.6 to the Department of Public Safety under section 15.039.

18.7 (c) The powers and duties of the Department of Health with respect to background
18.8 studies required by sections 144.058, 144A.476, 144A.62, 144A.754, 145A.061, and 157.17,
18.9 are transferred to the Department of Public Safety under section 15.039.

18.10 (d) For the purpose of completing background studies, the commissioner of public safety
18.11 shall have authority to access:

18.12 (1) maltreatment data maintained by local welfare agencies or agencies responsible for
18.13 assessing or investigating reports under section 626.556; and

18.14 (2) names of substantiated perpetrators related to maltreatment of vulnerable adults
18.15 maintained by the commissioner of human services under section 626.557.

18.16 (e) For employees affected by the transfer of duties required by paragraphs (b) and (c),
18.17 the seniority accrued by the employee at the employee's former agency transfers to the
18.18 employee's new agency.

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

18.20 **Sec. 4. DIRECTION TO COMMISSIONERS OF HUMAN SERVICES AND**
18.21 **EMPLOYMENT AND ECONOMIC DEVELOPMENT.**

18.22 The commissioners of human services and employment and economic development, in
18.23 consultation with counties and stakeholders, shall: (1) prepare legislation for the 2023
18.24 legislative session to transfer the Minnesota family investment program under Minnesota
18.25 Statutes, chapter 256J, except for the child-only TANF program under Minnesota Statutes,
18.26 section 256J.88, from the Department of Human Services to the Department of Employment
18.27 and Economic Development; and (2) report to the chairs and ranking minority members of
18.28 the legislative committees with jurisdiction over human services policy and finance and
18.29 employment and economic development policy and finance regarding the proposed transfer
18.30 of the Minnesota family investment program by February 1, 2023.

18.31 **EFFECTIVE DATE.** This section is effective July 1, 2022.

19.1 Sec. 5. **REVISOR INSTRUCTION.**

19.2 The revisor of statutes, in consultation with staff from the House Research Department;
19.3 House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal Analysis; and
19.4 the respective departments, shall prepare legislation for introduction in the 2023 legislative
19.5 session proposing the statutory changes needed to implement the transfers of duties required
19.6 by this article.

19.7 **EFFECTIVE DATE.** This section is effective July 1, 2022.