

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

**S.F. No. 2172**

(SENATE AUTHORS: NELSON and Rosen)

DATE	D-PG	OFFICIAL STATUS
03/18/2021	1070	Introduction and first reading
		Referred to Human Services Reform Finance and Policy
04/26/2021	3236	Author added Rosen

1.1 A bill for an act

1.2 relating to human services; providing for exemptions to the moratorium on

1.3 development of housing support beds eligible for supplemental services rates;

1.4 amending Minnesota Statutes 2020, sections 256I.04, subdivision 3; 256I.05,

1.5 subdivision 1q, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2020, section 256I.04, subdivision 3, is amended to read:

1.8 Subd. 3. **Moratorium on development of housing support beds.** (a) Agencies shall

1.9 not enter into agreements for new housing support beds with total rates in excess of the

1.10 MSA equivalent rate except:

1.11 (1) for establishments licensed under chapter 245D provided the facility is needed to

1.12 meet the census reduction targets for persons with developmental disabilities at regional

1.13 treatment centers;

1.14 (2) up to 80 beds in a single, specialized facility located in Hennepin County that will

1.15 provide housing for chronic inebriates who are repetitive users of detoxification centers and

1.16 are refused placement in emergency shelters because of their state of intoxication, and

1.17 planning for the specialized facility must have been initiated before July 1, 1991, in

1.18 anticipation of receiving a grant from the Housing Finance Agency under section 462A.05,

1.19 subdivision 20a, paragraph (b);

1.20 (3) notwithstanding the provisions of subdivision 2a, for up to 226 supportive housing

1.21 units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a mental

1.22 illness, a history of substance abuse, or human immunodeficiency virus or acquired

1.23 immunodeficiency syndrome. For purposes of this section, "homeless adult" means a person

2.1 who is living on the street or in a shelter or discharged from a regional treatment center,  
2.2 community hospital, or residential treatment program and has no appropriate housing  
2.3 available and lacks the resources and support necessary to access appropriate housing. At  
2.4 least 70 percent of the supportive housing units must serve homeless adults with mental  
2.5 illness, substance abuse problems, or human immunodeficiency virus or acquired  
2.6 immunodeficiency syndrome who are about to be or, within the previous six months, have  
2.7 been discharged from a regional treatment center, or a state-contracted psychiatric bed in  
2.8 a community hospital, or a residential mental health or chemical dependency treatment  
2.9 program. If a person meets the requirements of subdivision 1, paragraph (a), and receives  
2.10 a federal or state housing subsidy, the housing support rate for that person is limited to the  
2.11 supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting  
2.12 the amount of the person's countable income that exceeds the MSA equivalent rate from  
2.13 the housing support supplementary service rate. A resident in a demonstration project site  
2.14 who no longer participates in the demonstration program shall retain eligibility for a housing  
2.15 support payment in an amount determined under section 256I.06, subdivision 8, using the  
2.16 MSA equivalent rate. Service funding under section 256I.05, subdivision 1a, will end June  
2.17 30, 1997, if federal matching funds are available and the services can be provided through  
2.18 a managed care entity. If federal matching funds are not available, then service funding will  
2.19 continue under section 256I.05, subdivision 1a;

2.20 (4) for an additional two beds, resulting in a total of 32 beds, for a facility located in  
2.21 Hennepin County providing services for recovering and chemically dependent men that has  
2.22 had a housing support contract with the county and has been licensed as a board and lodge  
2.23 facility with special services since 1980;

2.24 (5) for a housing support provider located in the city of St. Cloud, or a county contiguous  
2.25 to the city of St. Cloud, that operates a 40-bed facility, that received financing through the  
2.26 Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves  
2.27 chemically dependent clientele, providing 24-hour-a-day supervision;

2.28 (6) for a new 65-bed facility in Crow Wing County that will serve chemically dependent  
2.29 persons, operated by a housing support provider that currently operates a 304-bed facility  
2.30 in Minneapolis, and a 44-bed facility in Duluth;

2.31 (7) for a housing support provider that operates two ten-bed facilities, one located in  
2.32 Hennepin County and one located in Ramsey County, that provide community support and  
2.33 24-hour-a-day supervision to serve the mental health needs of individuals who have  
2.34 chronically lived unsheltered; ~~and~~

3.1 (8) for a facility authorized for recipients of housing support in Hennepin County with  
3.2 a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility  
3.3 and that until August 1, 2007, operated as a licensed chemical dependency treatment  
3.4 program;

3.5 (9) for an additional 42 beds, resulting in a total of 54 beds, for a recovery community  
3.6 organization and housing support provider that currently operates a 38-bed facility in Olmsted  
3.7 County serving individuals diagnosed with substance use disorder, originally licensed and  
3.8 registered by the Department of Health under section 157.17 in 2019, and will operate a  
3.9 new 14-bed facility in Olmsted County serving individuals diagnosed with substance use  
3.10 disorder; and

3.11 (10) for 46 beds for a recovery community organization and housing support provider  
3.12 that as of March 1, 2021, operates three facilities in Blue Earth County licensed and registered  
3.13 by the Department of Health under section 157.17, serving individuals diagnosed with  
3.14 substance use disorder.

3.15 (b) An agency may enter into a housing support agreement for beds with rates in excess  
3.16 of the MSA equivalent rate in addition to those currently covered under a housing support  
3.17 agreement if the additional beds are only a replacement of beds with rates in excess of the  
3.18 MSA equivalent rate which have been made available due to closure of a setting, a change  
3.19 of licensure or certification which removes the beds from housing support payment, or as  
3.20 a result of the downsizing of a setting authorized for recipients of housing support. The  
3.21 transfer of available beds from one agency to another can only occur by the agreement of  
3.22 both agencies.

3.23 Sec. 2. Minnesota Statutes 2020, section 256I.05, subdivision 1q, is amended to read:

3.24 Subd. 1q. **Supplemental rate; Olmsted County.** (a) Notwithstanding the provisions of  
3.25 subdivisions 1a and 1c, beginning July 1, 2017, a county agency shall negotiate a  
3.26 supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$750 per  
3.27 month, including any legislatively authorized inflationary adjustments, for a housing support  
3.28 provider located in Olmsted County that operates long-term residential facilities with a total  
3.29 of 104 beds that serve chemically dependent men and women and provide 24-hour-a-day  
3.30 supervision and other support services.

3.31 (b) A county agency shall negotiate a supplemental service rate for 54 total beds in  
3.32 addition to the rate specified in subdivision 1, not to exceed the maximum rate allowed  
3.33 under subdivision 1a, including any legislatively authorized inflationary adjustments, for a  
3.34 recovery community organization and housing support provider located in Olmsted County

4.1 serving individuals diagnosed with substance use disorder, originally licensed and registered  
4.2 by the Department of Health under section 157.17 in 2019.

4.3 Sec. 3. Minnesota Statutes 2020, section 256I.05, is amended by adding a subdivision to  
4.4 read:

4.5 Subd. 1s. **Supplemental rate; Blue Earth County.** A county agency shall negotiate a  
4.6 supplemental service rate for 46 beds in addition to the rate specified in subdivision 1, not  
4.7 to exceed the maximum rate allowed under subdivision 1a, including any legislatively  
4.8 authorized inflationary adjustments, for a recovery community organization and housing  
4.9 support provider that as of March 1, 2021, operates three facilities in Blue Earth County  
4.10 licensed and registered by the Department of Health under section 157.17, serving individuals  
4.11 diagnosed with substance use disorder.