

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

S.F. No. 4726

(SENATE AUTHORS: HOFFMAN)

DATE	D-PG	OFFICIAL STATUS
03/07/2024	12052	Introduction and first reading Referred to Human Services
03/14/2024	12260	Comm report: To pass and re-referred to State and Local Government and Veterans

1.1 A bill for an act

1.2 relating to human services; establishing Direct Care and Treatment as an agency;

1.3 modifying date for transfer of authority and responsibility from the commissioner

1.4 of human services to the Direct Care and Treatment executive board; establishing

1.5 Direct Care and Treatment executive board membership qualifications, procedures,

1.6 powers, and duties; authorizing rulemaking; establishing role of Direct Care and

1.7 Treatment chief executive officer; establishing chief executive officer powers and

1.8 duties; establishing Direct Care and Treatment accounts; modifying terms of the

1.9 social welfare fund; modifying certain effective dates; providing for initial

1.10 appointment of Direct Care and Treatment executive board and chief executive

1.11 officer; exempting Direct Care and Treatment buildings and structures from

1.12 commissioner of administration repair duties; amending Minnesota Statutes 2022,

1.13 sections 13.46, subdivisions 1, 10; 16B.24, subdivisions 2, 3a; 16B.297, subdivision

1.14 1; 145.61, subdivision 5; 246.018, subdivision 3; 246.13, subdivision 2; 256.88;

1.15 256.89; 256.90; 256.91; 256.92; Minnesota Statutes 2023 Supplement, sections

1.16 10.65, subdivision 2; 13.46, subdivision 2; 15.01; 15.06, subdivision 1; 43A.08,

1.17 subdivisions 1, 1a; 246C.01; 246C.02; 246C.04; 246C.05; Laws 2023, chapter 61,

1.18 article 8, sections 1; 2; 3; 8; proposing coding for new law in Minnesota Statutes,

1.19 chapter 246C; repealing Minnesota Statutes 2022, sections 246.01; 246.12; 246.234;

1.20 246.36; 246.41; Minnesota Statutes 2023 Supplement, section 246C.03.

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

1.22 Section 1. Minnesota Statutes 2023 Supplement, section 10.65, subdivision 2, is amended

1.23 to read:

1.24 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings

1.25 given:

1.26 (1) "agency" means the Department of Administration; Department of Agriculture;

1.27 Department of Children, Youth, and Families; Department of Commerce; Department of

1.28 Corrections; Department of Education; Department of Employment and Economic

1.29 Development; Department of Health; Office of Higher Education; Housing Finance Agency;

2.1 Department of Human Rights; Department of Human Services; Department of Information
2.2 Technology Services; Department of Iron Range Resources and Rehabilitation; Department
2.3 of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services;
2.4 Department of Military Affairs; Metropolitan Council; Department of Natural Resources;
2.5 Pollution Control Agency; Department of Public Safety; Department of Revenue; Department
2.6 of Transportation; Department of Veterans Affairs; Direct Care and Treatment; Gambling
2.7 Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; and
2.8 the Board of Water and Soil Resources;

2.9 (2) "consultation" means the direct and interactive involvement of the Minnesota Tribal
2.10 governments in the development of policy on matters that have Tribal implications.
2.11 Consultation is the proactive, affirmative process of identifying and seeking input from
2.12 appropriate Tribal governments and considering their interest as a necessary and integral
2.13 part of the decision-making process. This definition adds to statutorily mandated notification
2.14 procedures. During a consultation, the burden is on the agency to show that it has made a
2.15 good faith effort to elicit feedback. Consultation is a formal engagement between agency
2.16 officials and the governing body or bodies of an individual Minnesota Tribal government
2.17 that the agency or an individual Tribal government may initiate. Formal meetings or
2.18 communication between top agency officials and the governing body of a Minnesota Tribal
2.19 government is a necessary element of consultation;

2.20 (3) "matters that have Tribal implications" means rules, legislative proposals, policy
2.21 statements, or other actions that have substantial direct effects on one or more Minnesota
2.22 Tribal governments, or on the distribution of power and responsibilities between the state
2.23 and Minnesota Tribal governments;

2.24 (4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located
2.25 in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech
2.26 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
2.27 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
2.28 and Upper Sioux Community; and

2.29 (5) "timely and meaningful" means done or occurring at a favorable or useful time that
2.30 allows the result of consultation to be included in the agency's decision-making process for
2.31 a matter that has Tribal implications.

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

3.1 Sec. 2. Minnesota Statutes 2022, section 13.46, subdivision 1, is amended to read:

3.2 Subdivision 1. **Definitions.** As used in this section:

3.3 (a) "Individual" means an individual according to section 13.02, subdivision 8, but does
3.4 not include a vendor of services.

3.5 (b) "Program" includes all programs for which authority is vested in a component of the
3.6 welfare system according to statute or federal law, including, but not limited to, Native
3.7 American tribe programs that provide a service component of the welfare system, the aid
3.8 to families with dependent children program formerly codified in sections 256.72 to 256.87,
3.9 Minnesota family investment program, temporary assistance for needy families program,
3.10 medical assistance, general assistance, general assistance medical care formerly codified in
3.11 chapter 256D, child care assistance program, and child support collections.

3.12 (c) "Welfare system" includes the Department of Human Services, Direct Care and
3.13 Treatment, local social services agencies, county welfare agencies, county public health
3.14 agencies, county veteran services agencies, county housing agencies, private licensing
3.15 agencies, the public authority responsible for child support enforcement, human services
3.16 boards, community mental health center boards, state hospitals, state nursing homes, the
3.17 ombudsman for mental health and developmental disabilities, Native American tribes to
3.18 the extent a tribe provides a service component of the welfare system, and persons, agencies,
3.19 institutions, organizations, and other entities under contract to any of the above agencies to
3.20 the extent specified in the contract.

3.21 (d) "Mental health data" means data on individual clients and patients of community
3.22 mental health centers, established under section 245.62, mental health divisions of counties
3.23 and other providers under contract to deliver mental health services, or the ombudsman for
3.24 mental health and developmental disabilities.

3.25 (e) "Fugitive felon" means a person who has been convicted of a felony and who has
3.26 escaped from confinement or violated the terms of probation or parole for that offense.

3.27 (f) "Private licensing agency" means an agency licensed by the commissioner of human
3.28 services under chapter 245A to perform the duties under section 245A.16.

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

4.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 2, is amended to
4.2 read:

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

4.5 (1) according to section 13.05;

4.6 (2) according to court order;

4.7 (3) according to a statute specifically authorizing access to the private data;

4.8 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
4.9 the state, or the federal government, including a law enforcement person or attorney in the
4.10 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
4.11 administration of a program;

4.12 (5) to personnel of the welfare system who require the data to verify an individual's
4.13 identity; determine eligibility, amount of assistance, and the need to provide services to an
4.14 individual or family across programs; coordinate services for an individual or family;
4.15 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
4.16 suspected fraud;

4.17 (6) to administer federal funds or programs;

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

4.19 (8) to the Department of Revenue to assess parental contribution amounts for purposes
4.20 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
4.21 and to identify individuals who may benefit from these programs, and prepare the databases
4.22 for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section
4.23 6. The following information may be disclosed under this paragraph: an individual's and
4.24 their dependent's names, dates of birth, Social Security or individual taxpayer identification
4.25 numbers, income, addresses, and other data as required, upon request by the Department
4.26 of Revenue. Disclosures by the commissioner of revenue to the commissioner of human
4.27 services for the purposes described in this clause are governed by section 270B.14,
4.28 subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent
4.29 care credit under section 290.067, the Minnesota working family credit under section
4.30 290.0671, the property tax refund under section 290A.04, and the Minnesota education
4.31 credit under section 290.0674;

5.1 (9) between the Department of Human Services, the Department of Employment and
5.2 Economic Development, Direct Care and Treatment, and, when applicable, the Department
5.3 of Education, for the following purposes:

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

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

5.8 (iii) to monitor and evaluate the Minnesota family investment program or the child care
5.9 assistance program by exchanging data on recipients and former recipients of Supplemental
5.10 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,
5.11 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter
5.12 256B or 256L, or a medical program formerly codified under chapter 256D; and

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

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

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

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

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

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

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

6.11 (i) the participant:

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

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

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

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

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

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

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

6.30 (i) the member:

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

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

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

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

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

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

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

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

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

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

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

7.32 (25) to other state agencies, statewide systems, and political subdivisions of this state,
7.33 including the attorney general, and agencies of other states, interstate information networks,

8.1 federal agencies, and other entities as required by federal regulation or law for the
8.2 administration of the child support enforcement program;

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

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

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

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

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

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

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

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

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

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

9.4 (ii) to provide for reimbursement of special transportation service provided under section
 9.5 473.386.

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

9.9 (b) Information on persons who have been treated for drug or alcohol abuse may only
 9.10 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
 9.11 2.1 to 2.67.

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

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

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

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

9.21 Sec. 4. Minnesota Statutes 2022, section 13.46, subdivision 10, is amended to read:

9.22 Subd. 10. **Responsible authority.** (a) Notwithstanding any other provision of this chapter
 9.23 to the contrary, the responsible authority for each component of the welfare system listed
 9.24 in subdivision 1, clause (c), shall be as follows:

9.25 (1) the responsible authority for the Department of Human Services, ~~state hospitals, and~~
 9.26 ~~nursing homes~~ is the commissioner of the Department of Human Services;

9.27 (2) the responsible authority of a county welfare agency is the director of the county
 9.28 welfare agency;

9.29 (3) the responsible authority for a local social services agency, human services board,
 9.30 or community mental health center board is the chair of the board;

10.1 (4) the responsible authority of any person, agency, institution, organization, or other
 10.2 entity under contract to any of the components of the welfare system listed in subdivision
 10.3 1, clause (c), is the person specified in the contract;

10.4 (5) the responsible authority of the public authority for child support enforcement is the
 10.5 head of the public authority for child support enforcement; ~~and~~

10.6 (6) the responsible authority for county veteran services is the county veterans service
 10.7 officer pursuant to section 197.603, subdivision 2.; and

10.8 (7) the responsible authority for Direct Care and Treatment is the chief executive officer
 10.9 of Direct Care and Treatment.

10.10 (b) A responsible authority shall allow another responsible authority in the welfare
 10.11 system access to data classified as not public data when access is necessary for the
 10.12 administration and management of programs, or as authorized or required by statute or
 10.13 federal law.

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

10.15 Sec. 5. Minnesota Statutes 2023 Supplement, section 15.01, is amended to read:

10.16 **15.01 DEPARTMENTS OF THE STATE.**

10.17 The following agencies are designated as the departments of the state government: the
 10.18 Department of Administration; the Department of Agriculture; the Department of Children,
 10.19 Youth, and Families; the Department of Commerce; the Department of Corrections; ~~the~~
 10.20 ~~Department of Direct Care and Treatment~~; the Department of Education; the Department
 10.21 of Employment and Economic Development; the Department of Health; the Department of
 10.22 Human Rights; the Department of Human Services; the Department of Information
 10.23 Technology Services; the Department of Iron Range Resources and Rehabilitation; the
 10.24 Department of Labor and Industry; the Department of Management and Budget; the
 10.25 Department of Military Affairs; the Department of Natural Resources; the Department of
 10.26 Public Safety; the Department of Revenue; the Department of Transportation; the Department
 10.27 of Veterans Affairs; and their successor departments.

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

11.1 Sec. 6. Minnesota Statutes 2023 Supplement, section 15.06, subdivision 1, is amended to
11.2 read:

11.3 Subdivision 1. **Applicability.** This section applies to the following departments or
11.4 agencies: the Departments of Administration; Agriculture; Children, Youth, and Families;
11.5 Commerce; Corrections; ~~Direct Care and Treatment~~; Education; Employment and Economic
11.6 Development; Health; Human Rights; Human Services; Labor and Industry; Management
11.7 and Budget; Natural Resources; Public Safety; Revenue; Transportation; and Veterans
11.8 Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner
11.9 of Iron Range Resources and Rehabilitation; the Department of Information Technology
11.10 Services; the Bureau of Mediation Services; and their successor departments and agencies.
11.11 The heads of the foregoing departments or agencies are "commissioners."

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

11.13 Sec. 7. Minnesota Statutes 2022, section 16B.24, subdivision 2, is amended to read:

11.14 Subd. 2. **Repairs.** The commissioner shall supervise and control the making of necessary
11.15 repairs to all state buildings and structures, except:

11.16 (1) structures, other than buildings, under the control of the state Transportation
11.17 Department; ~~and~~

11.18 (2) buildings and structures under the control of the Board of Trustees of the Minnesota
11.19 State Colleges and Universities; and

11.20 (3) buildings and structures under the control of the Direct Care and Treatment executive
11.21 board.

11.22 All repairs to the public and ceremonial areas and the exterior of the State Capitol building
11.23 shall be carried out subject to the standards and policies of the Capitol Area Architectural
11.24 and Planning Board and the commissioner of administration adopted pursuant to section
11.25 15B.15, subdivision 2.

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

11.27 Sec. 8. Minnesota Statutes 2022, section 16B.24, subdivision 3a, is amended to read:

11.28 Subd. 3a. **Sale of real property.** By February 1 of each year, the commissioner shall
11.29 report to the chairs of the senate Committee on Finance and the house of representatives
11.30 Committees on Ways and Means and Capital Investment all sales or other transfers of real
11.31 property owned by the state that have taken place in the preceding calendar year. The report

12.1 shall include a description of the property, reason for the sale, the name of the buyer, and
12.2 the price for which the property was sold. Sales of easements need not be included. This
12.3 subdivision does not apply to real property held by the Department of Natural Resources,
12.4 the Department of Transportation, Direct Care and Treatment, or the Board of Water and
12.5 Soil Resources, except for real property that has been used for office space by any of those
12.6 agencies. This subdivision does not apply to property owned by the Board of Trustees of
12.7 the Minnesota State Colleges and Universities or the University of Minnesota.

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

12.9 Sec. 9. Minnesota Statutes 2022, section 16B.297, subdivision 1, is amended to read:

12.10 Subdivision 1. **Definition.** For the purposes of this section, "agency" means an agency
12.11 as defined in section 16B.01, subdivision 2, and the Board of Trustees of the Minnesota
12.12 State Colleges and Universities, but does not include the Department of Transportation, the
12.13 Department of Natural Resources, Direct Care and Treatment, or the Board of Water and
12.14 Soil Resources.

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

12.16 Sec. 10. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1, is amended
12.17 to read:

12.18 Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees
12.19 who are:

12.20 (1) chosen by election or appointed to fill an elective office;

12.21 (2) heads of agencies required by law to be appointed by the governor or other elective
12.22 officers, and the executive or administrative heads of departments, bureaus, divisions, and
12.23 institutions specifically established by law in the unclassified service;

12.24 (3) deputy and assistant agency heads and one confidential secretary in the agencies
12.25 listed in subdivision 1a;

12.26 (4) the confidential secretary to each of the elective officers of this state and, for the
12.27 secretary of state and state auditor, an additional deputy, clerk, or employee;

12.28 (5) intermittent help employed by the commissioner of public safety to assist in the
12.29 issuance of vehicle licenses;

12.30 (6) employees in the offices of the governor and of the lieutenant governor and one
12.31 confidential employee for the governor in the Office of the Adjutant General;

- 13.1 (7) employees of the Washington, D.C., office of the state of Minnesota;
- 13.2 (8) employees of the legislature and of legislative committees or commissions; provided
13.3 that employees of the Legislative Audit Commission, except for the legislative auditor, the
13.4 deputy legislative auditors, and their confidential secretaries, shall be employees in the
13.5 classified service;
- 13.6 (9) presidents, vice-presidents, deans, other managers and professionals in academic
13.7 and academic support programs, administrative or service faculty, teachers, research
13.8 assistants, and student employees eligible under terms of the federal Economic Opportunity
13.9 Act work study program in the Perpich Center for Arts Education and the Minnesota State
13.10 Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any
13.11 professional or managerial employee performing duties in connection with the business
13.12 administration of these institutions;
- 13.13 (10) officers and enlisted persons in the National Guard;
- 13.14 (11) attorneys, legal assistants, and three confidential employees appointed by the attorney
13.15 general or employed with the attorney general's authorization;
- 13.16 (12) judges and all employees of the judicial branch, referees, receivers, jurors, and
13.17 notaries public, except referees and adjusters employed by the Department of Labor and
13.18 Industry;
- 13.19 (13) members of the State Patrol; provided that selection and appointment of State Patrol
13.20 troopers must be made in accordance with applicable laws governing the classified service;
- 13.21 (14) examination monitors and intermittent training instructors employed by the
13.22 Departments of Management and Budget and Commerce and by professional examining
13.23 boards and intermittent staff employed by the technical colleges for the administration of
13.24 practical skills tests and for the staging of instructional demonstrations;
- 13.25 (15) student workers;
- 13.26 (16) executive directors or executive secretaries appointed by and reporting to any
13.27 policy-making board or commission established by statute;
- 13.28 (17) employees unclassified pursuant to other statutory authority;
- 13.29 (18) intermittent help employed by the commissioner of agriculture to perform duties
13.30 relating to pesticides, fertilizer, and seed regulation;
- 13.31 (19) the administrators and the deputy administrators at the State Academies for the
13.32 Deaf and the Blind; and

14.1 (20) ~~the chief executive officers in the Department of Human Services~~ officer of Direct
14.2 Care and Treatment.

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

14.4 Sec. 11. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1a, is amended
14.5 to read:

14.6 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
14.7 agencies may designate additional unclassified positions according to this subdivision: the
14.8 Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;
14.9 Corrections; ~~Direct Care and Treatment~~; Education; Employment and Economic
14.10 Development; Explore Minnesota Tourism; Management and Budget; Health; Human
14.11 Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue;
14.12 Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies;
14.13 the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the
14.14 Department of Information Technology Services; the Offices of the Attorney General,
14.15 Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the
14.16 Minnesota Office of Higher Education; the Perpich Center for Arts Education; Direct Care
14.17 and Treatment; and the Minnesota Zoological Board.

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

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

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

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

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

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

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

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

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

15.4 Sec. 12. Minnesota Statutes 2022, section 145.61, subdivision 5, is amended to read:

15.5 Subd. 5. **Review organization.** "Review organization" means a nonprofit organization
15.6 acting according to clause (1), a committee as defined under section 144E.32, subdivision
15.7 2, or a committee whose membership is limited to professionals, administrative staff, and
15.8 consumer directors, except where otherwise provided for by state or federal law, and which
15.9 is established by one or more of the following: a hospital, a clinic, a nursing home, an
15.10 ambulance service or first responder service regulated under chapter 144E, one or more
15.11 state or local associations of professionals, an organization of professionals from a particular
15.12 area or medical institution, a health maintenance organization as defined in chapter 62D, a
15.13 community integrated service network as defined in chapter 62N, a nonprofit health service
15.14 plan corporation as defined in chapter 62C, a preferred provider organization, a professional
15.15 standards review organization established pursuant to United States Code, title 42, section
15.16 1320c-1 et seq., a medical review agent established to meet the requirements of section
15.17 256B.04, subdivision 15, the Department of Human Services, Direct Care and Treatment,
15.18 or a nonprofit corporation that owns, operates, or is established by one or more of the above
15.19 referenced entities, to gather and review information relating to the care and treatment of
15.20 patients for the purposes of:

15.21 (a) evaluating and improving the quality of health care;

15.22 (b) reducing morbidity or mortality;

15.23 (c) obtaining and disseminating statistics and information relative to the treatment and
15.24 prevention of diseases, illness and injuries;

15.25 (d) developing and publishing guidelines showing the norms of health care in the area
15.26 or medical institution or in the entity or organization that established the review organization;

15.27 (e) developing and publishing guidelines designed to keep within reasonable bounds the
15.28 cost of health care;

15.29 (f) developing and publishing guidelines designed to improve the safety of care provided
15.30 to individuals;

16.1 (g) reviewing the safety, quality, or cost of health care services provided to enrollees of
16.2 health maintenance organizations, community integrated service networks, health service
16.3 plans, preferred provider organizations, and insurance companies;

16.4 (h) acting as a professional standards review organization pursuant to United States
16.5 Code, title 42, section 1320c-1 et seq.;

16.6 (i) determining whether a professional shall be granted staff privileges in a medical
16.7 institution, membership in a state or local association of professionals, or participating status
16.8 in a nonprofit health service plan corporation, health maintenance organization, community
16.9 integrated service network, preferred provider organization, or insurance company, or
16.10 whether a professional's staff privileges, membership, or participation status should be
16.11 limited, suspended or revoked;

16.12 (j) reviewing, ruling on, or advising on controversies, disputes or questions between:

16.13 (1) health insurance carriers, nonprofit health service plan corporations, health
16.14 maintenance organizations, community integrated service networks, self-insurers and their
16.15 insureds, subscribers, enrollees, or other covered persons;

16.16 (2) professional licensing boards and health providers licensed by them;

16.17 (3) professionals and their patients concerning diagnosis, treatment or care, or the charges
16.18 or fees therefor;

16.19 (4) professionals and health insurance carriers, nonprofit health service plan corporations,
16.20 health maintenance organizations, community integrated service networks, or self-insurers
16.21 concerning a charge or fee for health care services provided to an insured, subscriber,
16.22 enrollee, or other covered person;

16.23 (5) professionals or their patients and the federal, state, or local government, or agencies
16.24 thereof;

16.25 (k) providing underwriting assistance in connection with professional liability insurance
16.26 coverage applied for or obtained by dentists, or providing assistance to underwriters in
16.27 evaluating claims against dentists;

16.28 (l) acting as a medical review agent under section 256B.04, subdivision 15;

16.29 (m) providing recommendations on the medical necessity of a health service, or the
16.30 relevant prevailing community standard for a health service;

16.31 (n) providing quality assurance as required by United States Code, title 42, sections
16.32 1396r(b)(1)(b) and 1395i-3(b)(1)(b) of the Social Security Act;

17.1 (o) providing information to group purchasers of health care services when that
 17.2 information was originally generated within the review organization for a purpose specified
 17.3 by this subdivision;

17.4 (p) providing information to other, affiliated or nonaffiliated review organizations, when
 17.5 that information was originally generated within the review organization for a purpose
 17.6 specified by this subdivision, and as long as that information will further the purposes of a
 17.7 review organization as specified by this subdivision; or

17.8 (q) participating in a standardized incident reporting system, including Internet-based
 17.9 applications, to share information for the purpose of identifying and analyzing trends in
 17.10 medical error and iatrogenic injury.

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

17.12 Sec. 13. Minnesota Statutes 2022, section 246.018, subdivision 3, is amended to read:

17.13 Subd. 3. **Duties.** The medical director shall:

17.14 (1) oversee the clinical provision of inpatient mental health services provided in the
 17.15 state's regional treatment centers;

17.16 (2) recruit and retain psychiatrists to serve on the state medical staff established in
 17.17 subdivision 4;

17.18 (3) consult with the ~~commissioner of human services~~ Direct Care and Treatment executive
 17.19 board, the chief executive officer, and community mental health center directors, ~~and the~~
 17.20 ~~state-operated services governing body~~ to develop standards for treatment and care of
 17.21 patients in state-operated service programs;

17.22 (4) develop and oversee a continuing education program for members of the medical
 17.23 staff; and

17.24 (5) participate and cooperate in the development and maintenance of a quality assurance
 17.25 program for state-operated services that assures that residents receive quality inpatient care
 17.26 and continuous quality care once they are discharged or transferred to an outpatient setting.

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

17.28 Sec. 14. Minnesota Statutes 2022, section 246.13, subdivision 2, is amended to read:

17.29 Subd. 2. **Definitions; risk assessment and management.** (a) As used in this section:

18.1 (1) "appropriate and necessary medical and other records" includes patient medical
18.2 records and other protected health information as defined by Code of Federal Regulations,
18.3 title 45, section 164.501, relating to a patient in a state-operated services facility including,
18.4 but not limited to, the patient's treatment plan and abuse prevention plan that is pertinent to
18.5 the patient's ongoing care, treatment, or placement in a community-based treatment facility
18.6 or a health care facility that is not operated by state-operated services, and includes
18.7 information describing the level of risk posed by a patient when the patient enters the facility;

18.8 (2) "community-based treatment" means the community support services listed in section
18.9 253B.02, subdivision 4b;

18.10 (3) "criminal history data" means those data maintained or used by the Departments of
18.11 Corrections and Public Safety and by the supervisory authorities listed in section 13.84,
18.12 subdivision 1, that relate to an individual's criminal history or propensity for violence,
18.13 including data in the Corrections Offender Management System (COMS) and Statewide
18.14 Supervision System (S3) maintained by the Department of Corrections; and criminal history
18.15 data as defined in section 13.87, Integrated Search Service as defined in section 13.873,
18.16 and the Predatory Offender Registration (POR) system maintained by the Department of
18.17 Public Safety;

18.18 (4) "designated agency" means the agency defined in section 253B.02, subdivision 5;

18.19 (5) "law enforcement agency" means the law enforcement agency having primary
18.20 jurisdiction over the location where the offender expects to reside upon release;

18.21 (6) "predatory offender" and "offender" mean a person who is required to register as a
18.22 predatory offender under section 243.166; and

18.23 (7) "treatment facility" means a facility as defined in section 253B.02, subdivision 19.

18.24 (b) To promote public safety and for the purposes and subject to the requirements of
18.25 this paragraph, the ~~commissioner~~ executive board or the ~~commissioner's~~ designee of the
18.26 executive board shall have access to, and may review and disclose, medical and criminal
18.27 history data as provided by this section, as necessary to comply with Minnesota Rules, part
18.28 1205.0400:

18.29 (1) to determine whether a patient is required under state law to register as a predatory
18.30 offender according to section 243.166;

18.31 (2) to facilitate and expedite the responsibilities of the special review board and
18.32 end-of-confinement review committees by corrections institutions and state treatment
18.33 facilities;

19.1 (3) to prepare, amend, or revise the abuse prevention plans required under section
 19.2 626.557, subdivision 14, and individual patient treatment plans required under section
 19.3 253B.03, subdivision 7;

19.4 (4) to facilitate the custody, supervision, and transport of individuals transferred between
 19.5 the Department of Corrections and ~~the Department of Human Services~~ Direct Care and
 19.6 Treatment; or

19.7 (5) to effectively monitor and supervise individuals who are under the authority of the
 19.8 Department of Corrections, ~~the Department of Human Services~~ Direct Care and Treatment,
 19.9 and the supervisory authorities listed in section 13.84, subdivision 1.

19.10 (c) The state-operated services treatment facility must make a good faith effort to obtain
 19.11 written authorization from the patient before releasing information from the patient's medical
 19.12 record.

19.13 (d) If the patient refuses or is unable to give informed consent to authorize the release
 19.14 of information required above, the chief executive officer ~~for state-operated services~~ shall
 19.15 provide the appropriate and necessary medical and other records. The chief executive officer
 19.16 shall comply with the minimum necessary requirements.

19.17 (e) The ~~commissioner~~ executive board may have access to the National Crime Information
 19.18 Center (NCIC) database, through the Department of Public Safety, in support of the law
 19.19 enforcement functions described in paragraph (b).

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

19.21 Sec. 15. Minnesota Statutes 2023 Supplement, section 246C.01, is amended to read:

19.22 **246C.01 TITLE.**

19.23 This chapter may be cited as the "~~Department of~~ Direct Care and Treatment Act."

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

19.25 Sec. 16. **[246C.015] DEFINITIONS.**

19.26 Subdivision 1. Scope. For the purposes of this chapter, the following terms have the
 19.27 meanings given.

19.28 Subd. 2. Board or executive board. "Board" or "executive board" means the Direct
 19.29 Care and Treatment executive board established under section 246C.06.

20.1 Subd. 3. **Chief executive officer.** "Chief executive officer" means the Direct Care and
 20.2 Treatment chief executive officer appointed according to section 246C.08.

20.3 Subd. 4. **Community preparation services.** "Community preparation services" means
 20.4 specialized inpatient or outpatient services operated outside of a secure environment but
 20.5 administered by a secure treatment facility.

20.6 Subd. 5. **Direct Care and Treatment.** "Direct Care and Treatment" means the agency
 20.7 of Direct Care and Treatment established under this chapter.

20.8 Subd. 6. **Secure treatment facility.** "Secure treatment facility" means a facility as
 20.9 defined in section 253B.02, subdivision 18a; or 253D.02, subdivision 13.

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

20.11 Sec. 17. Minnesota Statutes 2023 Supplement, section 246C.02, is amended to read:

20.12 **246C.02 DEPARTMENT OF DIRECT CARE AND TREATMENT;**
 20.13 **ESTABLISHMENT.**

20.14 ~~(a) The Department of Direct Care and Treatment is created: as an agency headed by an~~
 20.15 ~~executive board shall head the Department of Direct Care and Treatment. The executive~~
 20.16 ~~board shall develop and maintain direct care and treatment in a manner consistent with~~
 20.17 ~~applicable law, including chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A,~~
 20.18 ~~254B, and 256. The Department of Direct Care and Treatment shall provide direct care and~~
 20.19 ~~treatment services in coordination with counties and other vendors. Direct care and treatment~~
 20.20 ~~services shall that include specialized inpatient programs at secure treatment facilities as~~
 20.21 ~~defined in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13; community~~
 20.22 ~~preparation services; regional treatment centers; enterprise services; consultative services;~~
 20.23 ~~aftercare services; community-based services and programs; transition services; nursing~~
 20.24 ~~home services; and other services consistent with the mission of the Department of Direct~~
 20.25 ~~Care and Treatment state law, including this chapter and chapters 245, 246, 246B, 252, 253,~~
 20.26 ~~253B, 253C, 253D, 254A, 254B, and 256. Direct Care and Treatment shall provide direct~~
 20.27 ~~care and treatment services in coordination with counties and other vendors.~~

20.28 ~~(b) "Community preparation services" means specialized inpatient or outpatient services~~
 20.29 ~~or programs operated outside of a secure environment but administered by a secure treatment~~
 20.30 ~~facility.~~

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

21.1 Sec. 18. Minnesota Statutes 2023 Supplement, section 246C.04, is amended to read:

21.2 **246C.04 TRANSFER OF DUTIES.**

21.3 (a) Section 15.039 applies to the transfer of ~~duties~~ responsibilities from the Department
21.4 of Human Services to Direct Care and Treatment required by this chapter.

21.5 (b) The commissioner of administration, with the governor's approval, shall issue
21.6 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties
21.7 required by ~~section 246C.03~~ this chapter. The provision of section 16B.37, subdivision 1,
21.8 stating that transfers under section 16B.37 may only be to an agency that has existed for at
21.9 least one year does not apply to transfers to an agency created by this chapter.

21.10 (c) ~~The initial salary for the health systems chief executive officer of the Department of~~
21.11 ~~Direct Care and Treatment is the same as the salary for the health systems chief executive~~
21.12 ~~officer of direct care and treatment at the Department of Human Services immediately before~~
21.13 ~~July 1, 2024.~~

21.14 (c) The commissioner of human services shall continue to exercise all authorities and
21.15 responsibilities under this chapter and chapters 13, 245, 246, 246B, 252, 253, 253B, 253C,
21.16 253D, 254A, 254B, and 256, with reference to any state-operated service, program, or
21.17 facility subject to transfer under this act until July 1, 2025. Effective July 1, 2025, the powers
21.18 and duties vested in or imposed upon the commissioner of human services with reference
21.19 to any state operated service, program, or facility are transferred to, vested in, and imposed
21.20 upon the executive board according to this chapter and applicable state law. Effective July
21.21 1, 2025, the executive board has the exclusive power of administration and management of
21.22 all state hospitals for persons with a developmental disability, mental illness, or substance
21.23 use disorder. Effective July 1, 2025, the executive board has the power and authority to
21.24 determine all matters relating to the development of all foregoing institutions and other
21.25 institutions vested in the executive board. Effective July 1, 2025, the powers, functions, and
21.26 authority vested in the commissioner of human services relative to such state institutions
21.27 are transferred to the executive board according to this chapter and applicable state law.

21.28 (d) The commissioner of human services shall continue to exercise all authority and
21.29 responsibility for and retain custody of persons subject to civil commitment under chapter
21.30 253B or 253D until July 1, 2025. Effective July 1, 2025, custody of persons subject to civil
21.31 commitment under chapter 253B or 253D and in the custody of the commissioner of human
21.32 services as of that date is hereby transferred to the executive board without further act or
21.33 proceeding. Authority and responsibility for the commitment of such persons is transferred
21.34 to the executive board on July 1, 2025.

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

22.2 Sec. 19. Minnesota Statutes 2023 Supplement, section 246C.05, is amended to read:

22.3 **246C.05 EMPLOYEE PROTECTIONS FOR ESTABLISHING THE NEW**
 22.4 **~~DEPARTMENT OF DIRECT CARE AND TREATMENT.~~**

22.5 (a) Personnel whose duties relate to the functions assigned to the ~~Department of Direct~~
 22.6 Care and Treatment executive board in ~~section 246C.03~~ this chapter are transferred to the
 22.7 ~~Department of Direct Care and Treatment~~ effective 30 days after approval by the
 22.8 commissioner of ~~direct care and treatment~~ management and budget.

22.9 (b) Before the ~~Department of Direct Care and Treatment~~ executive board is appointed,
 22.10 personnel whose duties relate to the functions in this ~~section~~ chapter may be transferred
 22.11 beginning July 1, 2024, with 30 days' notice from the commissioner of management and
 22.12 budget.

22.13 (c) The following protections shall apply to employees who are transferred from the
 22.14 Department of Human Services to ~~the Department of Direct Care and Treatment~~:

22.15 (1) No transferred employee shall have their employment status and job classification
 22.16 altered as a result of the transfer.

22.17 (2) Transferred employees who were represented by an exclusive representative prior
 22.18 to the transfer shall continue to be represented by the same exclusive representative after
 22.19 the transfer.

22.20 (3) The applicable collective bargaining agreements with exclusive representatives shall
 22.21 continue in full force and effect for such transferred employees after the transfer.

22.22 (4) The state shall have the obligation to meet and negotiate with the exclusive
 22.23 representatives of the transferred employees about any proposed changes affecting or relating
 22.24 to the transferred employees' terms and conditions of employment to the extent such changes
 22.25 are not addressed in the applicable collective bargaining agreement.

22.26 (5) When an employee in a temporary unclassified position is transferred to ~~the~~
 22.27 ~~Department of Direct Care and Treatment~~, the total length of time that the employee has
 22.28 served in the appointment shall include all time served in the appointment at the transferring
 22.29 agency and the time served in the appointment at ~~the Department of Direct Care and~~
 22.30 Treatment. An employee in a temporary unclassified position who was hired by a transferring
 22.31 agency through an open competitive selection process in accordance with a policy enacted

23.1 by Minnesota Management and Budget shall be considered to have been hired through such
23.2 process after the transfer.

23.3 (6) In the event that the state transfers ownership or control of any of the facilities,
23.4 services, or operations of ~~the Department of~~ Direct Care and Treatment to another entity,
23.5 whether private or public, by subcontracting, sale, assignment, lease, or other transfer, the
23.6 state shall require as a written condition of such transfer of ownership or control the following
23.7 provisions:

23.8 (i) Employees who perform work in transferred facilities, services, or operations must
23.9 be offered employment with the entity acquiring ownership or control before the entity
23.10 offers employment to any individual who was not employed by the transferring agency at
23.11 the time of the transfer.

23.12 (ii) The wage and benefit standards of such transferred employees must not be reduced
23.13 by the entity acquiring ownership or control through the expiration of the collective
23.14 bargaining agreement in effect at the time of the transfer or for a period of two years after
23.15 the transfer, whichever is longer.

23.16 (d) There is no liability on the part of, and no cause of action arises against, the state of
23.17 Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership
23.18 or control of any facilities, services, or operations of ~~the Department of~~ Direct Care and
23.19 Treatment.

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

23.21 Sec. 20. **[246C.06] EXECUTIVE BOARD; MEMBERSHIP; GOVERNANCE.**

23.22 **Subdivision 1. Establishment.** The Direct Care and Treatment executive board is
23.23 established.

23.24 **Subd. 2. Membership.** (a) The Direct Care and Treatment executive board consists of
23.25 nine members with seven voting members and two nonvoting members. The seven voting
23.26 members must include six members appointed by the governor with the advice and consent
23.27 of the senate in accordance with paragraph (b) and the commissioner of human services or
23.28 a designee. The two nonvoting members must be appointed in accordance with paragraph
23.29 (c). Section 15.0597 applies to all executive board appointments except for the commissioner
23.30 of human services.

23.31 (b) The executive board voting members appointed by the governor must meet the
23.32 following qualifications:

24.1 (1) one member must be a licensed physician who is a psychiatrist or has experience in
24.2 servicing behavioral health patients;

24.3 (2) two members must have experience serving on a hospital or nonprofit board; and

24.4 (3) three members must have experience working: (i) as a public labor union
24.5 representative; (ii) in the delivery of behavioral health services or care coordination or in
24.6 traditional healing practices; (iii) as a licensed health care professional; (iv) within health
24.7 care administration; or (v) with residential services.

24.8 (c) The executive board nonvoting members must be appointed as follows:

24.9 (1) one member appointed by the Association of Counties; and

24.10 (2) one member who has an active role as a union representative representing staff at
24.11 Direct Care and Treatment appointed by joint representatives of the following unions:
24.12 American Federation of State and Municipal Employees (AFSCME); Minnesota Association
24.13 of Professional Employees (MAPE); Minnesota Nurses Association (MNA); Middle
24.14 Management Association (MMA); and State Residential Schools Education Association
24.15 (SRSEA).

24.16 (d) Membership on the board must include representation from outside the seven-county
24.17 metropolitan area, as defined in section 473.121, subdivision 2.

24.18 (e) A voting member of the executive board must not be or must not have been within
24.19 one year prior to appointment: (1) an employee of Direct Care and Treatment; (2) an
24.20 employee of a county, including a county commissioner; (3) an active employee or
24.21 representative of a labor union that represents employees of Direct Care and Treatment; or
24.22 (4) a member of the state legislature. This paragraph does not apply to the nonvoting members
24.23 or the commissioner of human services or designee.

24.24 Subd. 3. **Procedures.** Except as otherwise provided for in this section, the membership
24.25 terms, compensation, and removal and filling of vacancies for the executive board are
24.26 governed by section 15.0575.

24.27 Subd. 4. **Compensation.** Notwithstanding section 15.0575, subdivision 3, paragraph
24.28 (a), members of the executive board must receive compensation at a rate of \$500 a day spent
24.29 on executive board activities authorized by the executive board, plus expenses in the same
24.30 manner and amount as authorized by the commissioner's plan adopted under section 43A.18,
24.31 subdivision 2. All other requirements under section 15.0575, subdivision 3, apply to the
24.32 compensation of executive board members.

25.1 Subd. 5. **Acting chair; officers.** (a) The governor shall designate one member from the
25.2 voting membership appointed by the governor as acting chair of the executive board.

25.3 (b) At the first meeting of the executive board, the executive board must elect a chair
25.4 from among the voting membership appointed by the governor.

25.5 (c) The executive board must annually elect a chair from among the voting membership
25.6 appointed by the governor.

25.7 (d) The executive board must elect officers from among the voting membership appointed
25.8 by the governor. The elected officers shall serve for one year.

25.9 Subd. 6. **Terms.** (a) Except for the commissioner of human services, executive board
25.10 members must not serve more than two consecutive terms unless service beyond two
25.11 consecutive terms is approved by the majority of voting members. The commissioner or
25.12 designee shall serve until replaced by the governor.

25.13 (b) An executive board member may resign at any time by giving written notice to the
25.14 executive board.

25.15 (c) The initial term of the member appointed under subdivision 2, paragraph (b), clause
25.16 (1), is two years. The initial term of the members appointed under subdivision 2, paragraph
25.17 (b), clause (2), is three years. The initial term of the members appointed under subdivision
25.18 2, paragraph (b), clause (3), and the members appointed under subdivision 2, paragraph (c),
25.19 is four years.

25.20 (d) After the initial term, the term length of all appointed executive board members is
25.21 four years.

25.22 Subd. 7. **Conflicts of interest.** Executive board members must recuse themselves from
25.23 discussion of and voting on an official matter if the executive board member has a conflict
25.24 of interest. A conflict of interest means an association, including a financial or personal
25.25 association, that has the potential to bias or have the appearance of biasing an executive
25.26 board member's decision in matters related to Direct Care and Treatment or the conduct of
25.27 activities under this chapter.

25.28 Subd. 8. **Meetings.** The executive board must meet at least four times per fiscal year at
25.29 a place and time determined by the executive board.

25.30 Subd. 9. **Quorum.** A majority of the voting members of the executive board constitutes
25.31 a quorum. The affirmative vote of a majority of the voting members of the executive board
25.32 is necessary and sufficient for action taken by the executive board.

26.1 Subd. 10. **Immunity; indemnification.** (a) Members of the executive board are immune
26.2 from civil liability for any act or omission occurring within the scope of the performance
26.3 of their duties under this chapter.

26.4 (b) When performing executive board duties or actions, members of the executive board
26.5 are employees of the state for purposes of indemnification under section 3.736, subdivision
26.6 9.

26.7 Subd. 11. **Rulemaking.** (a) The executive board is authorized to adopt, amend, and
26.8 repeal rules in accordance with chapter 14 under the executive board's authority to implement
26.9 this chapter or any responsibilities of Direct Care and Treatment specified in state law.

26.10 (b) Until July 1, 2030, the executive board may adopt rules using the expedited
26.11 rulemaking process in section 14.389.

26.12 (c) All orders, rules, delegations, permits, and other privileges issued or granted by the
26.13 Department of Human Services with respect to any function of Direct Care and Treatment
26.14 and in effect at the time of the establishment of Direct Care and Treatment shall continue
26.15 in effect as if such establishment had not occurred. The executive board may amend or
26.16 repeal rules applicable to Direct Care and Treatment that were established by the Department
26.17 of Human Services in accordance with chapter 14.

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

26.19 **Sec. 21. [246C.07] POWERS AND DUTIES OF EXECUTIVE BOARD.**

26.20 Subdivision 1. **Generally.** (a) The executive board must operate the agency according
26.21 to this chapter and applicable state and federal law. The overall management and control
26.22 of the agency is vested in the executive board in accordance with this chapter.

26.23 (b) The executive board must appoint a chief executive officer according to section
26.24 246C.08. The chief executive officer is responsible for the administrative and operational
26.25 duties of Direct Care and Treatment in accordance with this chapter.

26.26 (c) The executive board may delegate duties imposed by this chapter and under applicable
26.27 state and federal law as deemed appropriate by the board and in accordance with this chapter.
26.28 Any delegation of a specified statutory duty or power to an employee of Direct Care and
26.29 Treatment other than the chief executive officer must be made by written order and filed
26.30 with the secretary of state. Only the chief executive officer shall have the powers and duties
26.31 of the executive board as specified in section 246C.08.

27.1 Subd. 2. Principles. The executive board, in undertaking its duties and responsibilities
27.2 and within Direct Care and Treatment resources, shall act according to the following
27.3 principles:

27.4 (1) prevent the waste or unnecessary spending of public money;

27.5 (2) use innovative fiscal and human resource practices to manage the state's resources
27.6 and operate the agency as efficiently as possible;

27.7 (3) coordinate Direct Care and Treatment activities wherever appropriate with the
27.8 activities of other governmental agencies;

27.9 (4) use technology where appropriate to increase agency productivity, improve customer
27.10 service, increase public access to information about government, and increase public
27.11 participation in the business of government; and

27.12 (5) utilize constructive and cooperative labor management practices to the extent
27.13 otherwise required by chapter 43A or 179A.

27.14 Subd. 3. Powers and duties. (a) The executive board has the power and duty to:

27.15 (1) set the overall strategic direction for Direct Care and Treatment, ensuring that Direct
27.16 Care and Treatment delivers exceptional care and supports the well-being of all individuals
27.17 served by Direct Care and Treatment;

27.18 (2) establish policies and procedures to govern the operation of the facilities, programs,
27.19 and services under the direct authority of Direct Care and Treatment;

27.20 (3) employ personnel and delegate duties and responsibilities to personnel as deemed
27.21 appropriate by the executive board, subject to chapters 43A and 179A and in accordance
27.22 with this chapter;

27.23 (4) review and approve the operating budget proposal for Direct Care and Treatment;

27.24 (5) accept and use gifts, grants, or contributions from any nonstate source or refuse to
27.25 accept any gift, grant, or contribution if acceptance would not be in the best interest of the
27.26 state;

27.27 (6) deposit all money received as gifts, grants, or contributions pursuant to section
27.28 246C.09, subdivision 1;

27.29 (7) enter into information-sharing agreements with federal and state agencies and other
27.30 entities, provided the agreements include adequate protections with respect to the
27.31 confidentiality and integrity of the information to be shared and comply with all applicable
27.32 state and federal laws, regulations, and rules;

28.1 (8) enter into interagency or service level agreements with a state department listed in
28.2 section 15.01; a multimember state agency described in section 15.012, paragraph (a); or
28.3 the Department of Information Technology Services;

28.4 (9) enter into contractual agreements with federally recognized Indian Tribes with a
28.5 reservation in Minnesota;

28.6 (10) enter into contracts with public and private agencies, private and nonprofit
28.7 organizations, and individuals, using appropriated funds;

28.8 (11) establish and maintain any administrative units reasonably necessary for the
28.9 performance of administrative functions common to all programs or divisions of Direct
28.10 Care and Treatment;

28.11 (12) authorize the method of payment to or from Direct Care and Treatment as part of
28.12 programs administered by Direct Care and Treatment, including authorization of the receipt
28.13 or disbursement of funds held by Direct Care and Treatment in a fiduciary capacity as part
28.14 of the programs administered by Direct Care and Treatment;

28.15 (13) inform Tribal Nations and county agencies, on a timely basis, of changes in statute,
28.16 rule, federal law, regulation, and policy necessary to Tribal or county agency administration
28.17 of Direct Care and Treatment programs and services;

28.18 (14) report to the legislature on the performance of Direct Care and Treatment operations
28.19 and the accomplishment of Direct Care and Treatment goals in its biennial budget in
28.20 accordance with section 16A.10, subdivision 1;

28.21 (15) recommend to the legislature appropriate changes in law necessary to carry out the
28.22 principles and improve the performance of Direct Care and Treatment; and

28.23 (16) exercise all powers reasonably necessary to implement and administer the
28.24 requirements of this chapter and applicable state and federal law.

28.25 (b) The specific enumeration of powers and duties as set forth in this section shall not
28.26 be construed as a limitation upon the general transfer of Direct Care and Treatment facilities,
28.27 programs, and services from the Department of Human Services to Direct Care and Treatment
28.28 under this chapter.

28.29 Subd. 4. **Creation of bylaws.** The board may establish bylaws governing its operations
28.30 and the operations of Direct Care and Treatment in accordance with this chapter.

28.31 Subd. 5. **Implementation of procurement procedures.** The executive board, in
28.32 consultation with the commissioner of administration, shall implement policies and

29.1 procedures to establish an open and competitive procurement process for Direct Care and
29.2 Treatment that, to the extent practicable, conforms to the principles contained in chapters
29.3 16B and 16C.

29.4 Subd. 6. **Reciprocal exchange of certain persons.** The executive board is authorized
29.5 and empowered with the approval of the governor to enter into reciprocal agreements with
29.6 another state or states regarding the mutual exchange, return, and transportation of persons
29.7 with a mental illness or a developmental disability who are within the confines of one state
29.8 but have legal residence or legal settlement for the purposes of relief in another state. Any
29.9 agreement entered into under this subdivision must not contain any provision that conflicts
29.10 with any state law.

29.11 Subd. 7. **Acceptance of voluntary, uncompensated services.** For the purpose of carrying
29.12 out a duty, the executive board may accept uncompensated and voluntary services and may
29.13 enter into contracts or agreements with private or public agencies, organizations, or persons,
29.14 for uncompensated and voluntary services, as the executive board may deem practicable.
29.15 Uncompensated and voluntary services do not include services mandated by licensure or
29.16 certification requirements for health care facilities. The volunteer agencies, organizations,
29.17 or persons who provide services to residents of state facilities operated under the authority
29.18 of Direct Care and Treatment are not subject to the procurement requirements of chapter
29.19 16B or 16C. The agencies, organizations, or persons may purchase supplies, services, and
29.20 equipment to be used in providing services to residents of state facilities through the
29.21 Department of Administration.

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

29.23 Sec. 22. **[246C.08] CHIEF EXECUTIVE OFFICER; SERVICE; DUTIES.**

29.24 Subdivision 1. **Service.** (a) The Direct Care and Treatment chief executive officer is
29.25 appointed by the executive board and serves at the pleasure of the executive board.

29.26 (b) The chief executive officer shall serve in the unclassified service in accordance with
29.27 section 43A.08 and shall be governed by a compensation plan prepared by the executive
29.28 board, submitted to the commissioner of management and budget for review and comment,
29.29 and approved by the Legislative Coordinating Commission and the legislature in accordance
29.30 with section 3.855.

29.31 Subd. 2. **Powers and duties.** (a) The chief executive officer's primary duty is to assist
29.32 the executive board. The chief executive officer is responsible for the administrative and
29.33 operational management of the agency.

30.1 (b) The chief executive officer shall have all the powers of the executive board unless
 30.2 the executive board directs otherwise. The chief executive officer shall have the authority
 30.3 to speak for the executive board and Direct Care and Treatment within and outside the
 30.4 agency.

30.5 (c) In the event that a vacancy occurs for any reason within the chief executive officer
 30.6 position, the chief medical officer appointed under section 246.018 shall immediately become
 30.7 the temporary chief executive officer until the executive board appoints a new chief executive
 30.8 officer. During this period, the chief medical officer shall have all the powers and authority
 30.9 delegated to the chief executive officer by the board and specified in this chapter.

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

30.11 **Sec. 23. [246C.09] DIRECT CARE AND TREATMENT ACCOUNTS.**

30.12 Subdivision 1. **Gifts, grants, and contributions account.** (a) A gifts, grants, and
 30.13 contributions account is created in the special revenue fund in the state treasury. All money
 30.14 received by the executive board as a gift, grant, or contribution must be deposited in the
 30.15 gifts, grants, and contributions account. Except as provided in paragraph (b), money in the
 30.16 account is annually appropriated to the executive board to accomplish the purposes of this
 30.17 chapter. Gifts, grants, or contributions received by the executive board exceeding current
 30.18 agency needs must be invested by the State Board of Investment in accordance with section
 30.19 11A.24. Disbursements from the gifts, grants, and contributions account must be made in
 30.20 the manner provided for the issuance of other state payments.

30.21 (b) If the gift or contribution is designated for a certain person, institution, or purpose,
 30.22 the executive board must use the gift or contribution as specified in accordance with the
 30.23 conditions of the gift or contribution if compatible with the best interests of the person and
 30.24 the state. If a gift or contribution is accepted for the use and benefit of a person with a
 30.25 developmental disability, including those within a state hospital, research relating to persons
 30.26 with a developmental disability must be considered an appropriate use of the gift or
 30.27 contribution. Such money must not be used for any structures or installations which by their
 30.28 nature would require state expenditures for their operation or maintenance without specific
 30.29 legislative enactment.

30.30 Subd. 2. **Facilities management account.** A facilities management account is created
 30.31 in the special revenue fund of the state treasury. Money in the account is appropriated to
 30.32 the executive board and may be used to maintain buildings, acquire facilities, renovate
 30.33 existing buildings, or acquire land for the design and construction of buildings for Direct

31.1 Care and Treatment use. Money received for maintaining state property under control of
 31.2 the executive board may be deposited into this account.

31.3 Subd. 3. **Systems account.** A systems account is created in the special revenue fund of
 31.4 the state treasury. Money in the account is appropriated to the executive board and may be
 31.5 used for security systems and information technology projects, services, and support under
 31.6 the control of the executive board. Money allocated to Direct Care and Treatment systems
 31.7 projects under section 256.014 must be transferred to this account.

31.8 Subd. 4. **Cemetery maintenance account.** The cemetery maintenance account is created
 31.9 in the special revenue fund of the state treasury. Money in the account is appropriated to
 31.10 the executive board for the maintenance of cemeteries under control of the executive board.
 31.11 Money allocated to Direct Care and Treatment cemeteries may be transferred to this account.

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

31.13 Sec. 24. Minnesota Statutes 2022, section 256.88, is amended to read:

31.14 **256.88 SOCIAL WELFARE FUND ESTABLISHED.**

31.15 Except as otherwise expressly provided, all moneys and funds held by the commissioner
 31.16 of human services, the Direct Care and Treatment executive board, and the local social
 31.17 services agencies of the several counties in trust or for the benefit of children with a disability
 31.18 and children who are dependent, neglected, or delinquent, children born to mothers who
 31.19 were not married to the children's fathers at the times of the conception nor at the births of
 31.20 the children, persons determined to have developmental disability, mental illness, or substance
 31.21 use disorder, or other wards or beneficiaries, under any law, shall be kept in a single fund
 31.22 to be known as the "social welfare fund" which shall be deposited at interest, held, or
 31.23 disbursed as provided in sections 256.89 to 256.92.

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

31.25 Sec. 25. Minnesota Statutes 2022, section 256.89, is amended to read:

31.26 **256.89 FUND DEPOSITED IN STATE TREASURY.**

31.27 The social welfare fund and all accretions thereto shall be deposited in the state treasury,
 31.28 as a separate and distinct fund, to the credit of the commissioner of human services and the
 31.29 Direct Care and Treatment executive board as ~~trustee~~ trustees for ~~the~~ their respective
 31.30 beneficiaries thereof in proportion to ~~their~~ the beneficiaries' several interests. The
 31.31 commissioner of management and budget shall be responsible only to the commissioner of
 31.32 human services and the Direct Care and Treatment executive board for the sum total of the

32.1 fund, and shall have no duties nor direct obligations toward the beneficiaries thereof
 32.2 individually. Subject to the applicable rules of the commissioner of human services or the
 32.3 Direct Care and Treatment executive board, money so received by a local social services
 32.4 agency may be deposited by the executive secretary of the local social services agency in
 32.5 a local bank carrying federal deposit insurance, designated by the local social services
 32.6 agency for this purpose. The amount of such deposit in each such bank at any one time shall
 32.7 not exceed the amount protected by federal deposit insurance.

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

32.9 Sec. 26. Minnesota Statutes 2022, section 256.90, is amended to read:

32.10 **256.90 SOCIAL WELFARE FUND; USE; DISPOSITION; DEPOSITORIES.**

32.11 The commissioner of human services, in consultation with the Direct Care and Treatment
 32.12 executive board, at least 30 days before the first day of January and the first day of July in
 32.13 each year shall file with the commissioner of management and budget an estimate of the
 32.14 amount of the social welfare fund to be held in the treasury during the succeeding six-month
 32.15 period, subject to current disbursement. Such portion of the remainder thereof as may be at
 32.16 any time designated by the request of the commissioner of human services may be invested
 32.17 by the commissioner of management and budget in bonds in which the permanent trust
 32.18 funds of the state of Minnesota may be invested, upon approval by the State Board of
 32.19 Investment. The portion of such remainder not so invested shall be placed by the
 32.20 commissioner of management and budget at interest for the period of six months, or when
 32.21 directed by the commissioner of human services, for the period of 12 months thereafter at
 32.22 the highest rate of interest obtainable in a bank, or banks, designated by the board of deposit
 32.23 as a suitable depository therefor. All the provisions of law relative to the designation and
 32.24 qualification of depositories of other state funds shall be applicable to sections 256.88 to
 32.25 256.92, except as herein otherwise provided. Any bond given, or collateral assigned or both,
 32.26 to secure a deposit hereunder may be continuous in character to provide for the repayment
 32.27 of any moneys belonging to the fund theretofore or thereafter at any time deposited in such
 32.28 bank until its designation as such depository is revoked and the security thereof shall be not
 32.29 impaired by any subsequent agreement or understanding as to the rate of interest to be paid
 32.30 upon such deposit, or as to time for its repayment. The amount of money belonging to the
 32.31 fund deposited in any bank, including other state deposits, shall not at any time exceed the
 32.32 amount of the capital stock thereof. In the event of the closing of the bank any sum deposited
 32.33 therein shall immediately become due and payable.

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

33.1 Sec. 27. Minnesota Statutes 2022, section 256.91, is amended to read:

33.2 **256.91 PURPOSES.**

33.3 From that part of the social welfare fund held in the state treasury subject to disbursement
 33.4 as provided in section 256.90 the commissioner of human services or the Direct Care and
 33.5 Treatment executive board at any time may pay out such amounts as the commissioner or
 33.6 executive board deems proper for the support, maintenance, or other legal benefit of any of
 33.7 the children with a disability and children who are dependent, neglected, or delinquent,
 33.8 children born to mothers who were not married to the children's fathers at the times of the
 33.9 conception nor at the births of the children, persons with developmental disability, substance
 33.10 use disorder, or mental illness, or other wards or persons entitled thereto, not exceeding in
 33.11 the aggregate to or for any person the principal amount previously received for the benefit
 33.12 of the person, together with the increase in it from an equitable apportionment of interest
 33.13 realized from the social welfare fund.

33.14 When any such person dies or is finally discharged from the guardianship, care, custody,
 33.15 and control of the commissioner of human services or the Direct Care and Treatment
 33.16 executive board, the amount then remaining subject to use for the benefit of the person shall
 33.17 be paid as soon as may be from the social welfare fund to the persons thereto entitled by
 33.18 law.

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

33.20 Sec. 28. Minnesota Statutes 2022, section 256.92, is amended to read:

33.21 **256.92 COMMISSIONER OF HUMAN SERVICES AND DIRECT CARE AND**
 33.22 **TREATMENT, ACCOUNTS.**

33.23 It shall be the duty of the commissioner of human services, the Direct Care and Treatment
 33.24 executive board, and ~~of~~ the local social services agencies of the several counties of this state
 33.25 to cause to be deposited with the commissioner of management and budget all moneys and
 33.26 funds in their possession or under their control and designated by section 256.91 as and for
 33.27 the social welfare fund; and all such moneys and funds shall be so deposited in the state
 33.28 treasury as soon as received. The commissioner of human services, in consultation with the
 33.29 Direct Care and Treatment executive board, shall keep books of account or other records
 33.30 showing separately the principal amount received and deposited in the social welfare fund
 33.31 for the benefit of any person, together with the name of such person, and the name and
 33.32 address, if known to the commissioner of human services or the Direct Care and Treatment
 33.33 executive board, of the person from whom such money was received; and, at least once

34.1 every two years, the amount of interest, if any, which the money has earned in the social
 34.2 welfare fund shall be apportioned thereto and posted in the books of account or records to
 34.3 the credit of such beneficiary.

34.4 The provisions of sections 256.88 to 256.92 shall not apply to any fund or money now
 34.5 or hereafter deposited or otherwise disposed of pursuant to the lawful orders, decrees,
 34.6 judgments, or other directions of any district court having jurisdiction thereof.

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

34.8 Sec. 29. Laws 2023, chapter 61, article 8, section 1, the effective date, is amended to read:

34.9 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

34.10 Sec. 30. Laws 2023, chapter 61, article 8, section 2, the effective date, is amended to read:

34.11 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

34.12 Sec. 31. Laws 2023, chapter 61, article 8, section 3, the effective date, is amended to read:

34.13 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

34.14 Sec. 32. Laws 2023, chapter 61, article 8, section 8, the effective date, is amended to read:

34.15 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

34.16 Sec. 33. **INITIAL APPOINTMENTS OF THE DIRECT CARE AND TREATMENT**
 34.17 **EXECUTIVE BOARD AND CHIEF EXECUTIVE OFFICER.**

34.18 **Subdivision 1. Executive board.** (a) The initial appointments of the members of the
 34.19 Direct Care and Treatment executive board under Minnesota Statutes, section 246C.06,
 34.20 must be made by January 1, 2025.

34.21 (b) The executive board is exempt from Minnesota Statutes, section 13D.01, until the
 34.22 authority and responsibilities for Direct Care and Treatment are transferred to the executive
 34.23 board in accordance with Minnesota Statutes, section 246C.04.

34.24 **Subd. 2. Chief executive officer.** (a) The Direct Care and Treatment executive board
 34.25 must appoint as the initial chief executive officer for Direct Care and Treatment under
 34.26 Minnesota Statutes, section 246C.07, the chief executive officer of the direct care and
 34.27 treatment division of the Department of Human Services holding that position at the time
 34.28 the initial appointment is made by the board. The initial appointment of the chief executive
 34.29 officer must be made by the executive board by July 1, 2025.

35.1 (b) Notwithstanding Minnesota Statutes, section 246C.08, the salary of the initial chief
35.2 executive officer must not be less than the amount paid to the chief executive officer of the
35.3 direct care and treatment division of the Department of Human Services as of the date of
35.4 the initial appointment.

35.5 Subd. 3. **Commissioner of human services to consult.** In preparing the budget estimates
35.6 required under Minnesota Statutes, section 16A.10, for the direct care and treatment division
35.7 for the 2026-2027 biennial budget and any legislative proposals for the 2025 legislative
35.8 session that involve direct care and treatment operations, the commissioner of human services
35.9 must consult with the Direct Care and Treatment executive board before submitting the
35.10 budget estimates or legislative proposals. If the executive board is not appointed by the date
35.11 the budget estimates must be submitted to the commissioner of management and budget,
35.12 the commissioner of human services must provide the executive board with a summary of
35.13 the budget estimates that were submitted.

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

35.15 Sec. 34. **REPEALER.**

35.16 (a) Minnesota Statutes 2023 Supplement, section 246C.03, is repealed.

35.17 (b) Minnesota Statutes 2022, sections 246.01; 246.12; 246.234; 246.36; and 246.41, are
35.18 repealed.

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

246.01 POWERS AND DUTIES.

The commissioner of human services is hereby specifically constituted the guardian of all persons with developmental disabilities, the guardianship of whom has heretofore been vested in the State Board of Control or in the director of social welfare whether by operation of law or by an order of court without any further act or proceeding, and all the powers and duties vested in or imposed upon the State Board of Control or the director of social welfare, with reference to mental testing of persons with developmental disability, and with reference to the institutions of the state of Minnesota except correctional facilities administered and managed by the commissioner of corrections, are hereby transferred to, vested in, and imposed upon the commissioner of human services, and in relation thereto is hereby charged with and shall have the exclusive power of administration and management of all of the following state institutions: state hospitals for persons with developmental disability, mental illness, or substance use disorder. The commissioner shall have power and authority to determine all matters relating to the unified and continuous development of all of the foregoing institutions and of such other institutions, the supervision of which may, from time to time, be vested in the commissioner. It is intended that there be vested in the commissioner all of the powers, functions, and authority heretofore vested in the State Board of Control relative to such state institutions. The commissioner shall have the power and authority to accept, in 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 commissioner's control, and all money and securities so received shall be deposited in the state treasury subject to the order of the commissioner of human services. If the gift or contribution is designated by the donor for a certain institution or purpose, the commissioner of human services shall expend or use the same as nearly as may be in accordance with the conditions of the gift or contribution, compatible with the best interests of the inmates and the state. The commissioner of human services is hereby constituted 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.

For the purpose of carrying out these duties, the commissioner of human services shall accept from wards with developmental disabilities for whom the commissioner is specifically appointed guardian a signed application for consent to the marriage of said ward. Upon receipt of such application the commissioner shall promptly conduct such investigation as the commissioner deems proper and determine if the contemplated marriage is for the best interest of the ward and the public. A signed copy of the commissioner's determination shall be mailed to the ward and to the court administrator of the district court of the county where the application for such marriage license was made.

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.

246.12 BIENNIAL ESTIMATES; SUGGESTIONS FOR LEGISLATION.

The commissioner of human services shall prepare, for the use of the legislature, biennial estimates of appropriations necessary or expedient to be made for the support of the institutions and for extraordinary and special expenditures for buildings and other improvements. The commissioner shall, in connection therewith, make suggestions relative to legislation for the benefit of the institutions. The commissioner shall report the estimates and suggestions to the legislature on or before November 15 in each even-numbered year. The commissioner of human services on request shall appear before any legislative committee and furnish any required information in regard to the condition of any such institution.

246.234 RECIPROCAL EXCHANGE OF CERTAIN PERSONS.

The commissioner of human services is hereby authorized and empowered with the approval of the governor to enter into reciprocal agreements with any other state or states, through the duly authorized authorities thereof, regarding the mutual exchange, return, and transportation of persons with mental illness or developmental disabilities 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 shall contain no provisions conflicting with any law of this state.

246.36 ACCEPTANCE OF VOLUNTARY, UNCOMPENSATED SERVICES.

For the purpose of carrying out a duty, the commissioner of human services shall have authority to accept uncompensated and voluntary services and to enter into contracts or agreements with private or public agencies, or persons, for uncompensated and voluntary services, as the commissioner may deem 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 commissioner 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.

246.41 BENEFIT FOR PERSONS WITH DEVELOPMENTAL DISABILITIES.

Subdivision 1. **Acceptance.** The commissioner of human services is authorized to accept, for and in behalf of the state, contributions of money for the use and benefit of persons with developmental disabilities.

Subd. 2. **Special welfare fund.** Any money so received by the commissioner shall be deposited with the commissioner of management and budget in a special welfare fund, which fund is to be used by the commissioner of human services for the benefit of persons with developmental disabilities within the state, including those within state hospitals. And, without excluding other possible uses, research relating to persons with developmental disabilities shall be considered an appropriate use of such funds; but such funds shall 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 therefor.

Subd. 3. **Appropriation.** There is hereby appropriated from the special welfare fund in the state treasury to such persons as are entitled thereto to carry out the provisions stated in this section.

246C.03 TRANSITION OF AUTHORITY; DEVELOPMENT OF A BOARD.

Subdivision 1. **Authority until board is developed and powers defined.** On July 1, 2023, the commissioner of human services shall continue to exercise all authorities and responsibilities under chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, until legislation is effective that develops the Department of Direct Care and Treatment executive board and defines the responsibilities and powers of the Department of Direct Care and Treatment and its executive board.

Subd. 2. **Development of Department of Direct Care and Treatment Board.** (a) The commissioner of human services shall prepare legislation for introduction during the 2024 legislative session, with input from stakeholders the commissioner deems necessary, proposing legislation for the creation and implementation of the Direct Care and Treatment executive board and defining the responsibilities, powers, and function of the Department of Direct Care and Treatment executive board.

(b) The Department of Direct Care and Treatment executive board shall consist of no more than five members, all appointed by the governor.

(c) An executive board member's qualifications must be appropriate for overseeing a complex behavioral health system, such as experience serving on a hospital or non-profit board, serving as a public sector labor union representative, experience in delivery of behavioral health services or care coordination, or working as a licensed health care provider, in an allied health profession, or in health care administration.