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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4549

03/23/2026

Authored by Noor

The bill was read for the first time and referred to the Committee on Human Services Finance and Policy

1.1 A bill for an act

1.2 relating to human services; the Department of Human Services housing support

1.3 services policy bill; modifying requirements for human services housing programs;

1.4 amending Minnesota Statutes 2024, sections 245.991, subdivision 3; 245.992,

1.5 subdivision 2; 256D.05, subdivision 1; 256D.06, subdivision 2; 256D.54,

1.6 subdivision 1; 256I.04, subdivision 2b; 256K.46, subdivision 5; repealing Minnesota

1.7 Statutes 2024, sections 256D.09, subdivisions 2a, 2b; 256K.45, subdivision 2.

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

1.9 Section 1. Minnesota Statutes 2024, section 245.991, subdivision 3, is amended to read:

1.10 Subd. 3. **Allowable grant activities.** Grantees must provide homeless outreach and case

1.11 management services. Projects may provide clinical assessment, habilitation and rehabilitation

1.12 services, community mental health services, substance use disorder treatment, housing

1.13 transition and sustaining services, or direct assistance funding. Services must be provided

1.14 to individuals with a serious mental illness, substance use disorder, or ~~with a~~ co-occurring

1.15 substance use disorder, ~~and~~ who are homeless or at imminent risk of homelessness.

1.16 Individuals receiving homeless outreach services may be presumed eligible until a serious

1.17 mental illness can be verified.

1.18 EFFECTIVE DATE. This section is effective July 1, 2026.

1.19 Sec. 2. Minnesota Statutes 2024, section 245.992, subdivision 2, is amended to read:

1.20 Subd. 2. **Eligible beneficiaries.** Program activities must be provided to people with a

1.21 serious mental illness, substance use disorder, or ~~with a~~ co-occurring substance use disorder,

1.22 who meet homeless criteria determined by the commissioner.

1.23 EFFECTIVE DATE. This section is effective July 1, 2026.

2.1 Sec. 3. Minnesota Statutes 2024, section 256D.05, subdivision 1, is amended to read:

2.2 Subdivision 1. **Eligibility.** (a) Each assistance unit with income and resources less than
2.3 the standard of assistance established by the commissioner and with a member who is a
2.4 resident of the state shall be eligible for and entitled to general assistance if the assistance
2.5 unit is:

2.6 (1) a person who is suffering from a professionally certified permanent or temporary
2.7 illness, injury, or incapacity which is expected to continue for more than 45 days and which
2.8 prevents the person from obtaining or retaining employment;

2.9 (2) a person whose presence in the home on a substantially continuous basis is required
2.10 because of the professionally certified illness, injury, incapacity, or the age of another
2.11 member of the household;

2.12 (3) a person who has been placed in, and is residing in, a licensed or certified facility
2.13 for purposes of physical or mental health or rehabilitation, or in an approved substance use
2.14 disorder domiciliary facility, if the placement is based on illness or incapacity and is
2.15 according to a plan developed or approved by the county agency through its director or
2.16 designated representative;

2.17 (4) a person not described in clause (1) or (3) who is diagnosed by a licensed physician,
2.18 psychological practitioner, or other qualified professional, as developmentally disabled or
2.19 mentally ill, and that condition prevents the person from obtaining or retaining employment;

2.20 (5) a person who has an application pending for, or is appealing termination of benefits
2.21 from, the Social Security disability program or the program of Supplemental Security Income
2.22 for the aged, blind, and disabled, provided the person has a professionally certified permanent
2.23 or temporary illness, injury, or incapacity which is expected to continue for more than 30
2.24 days and which prevents the person from obtaining or retaining employment;

2.25 (6) a person who is unable to obtain or retain employment because advanced age
2.26 significantly affects the person's ability to seek or engage in substantial work;

2.27 (7) a person who has been assessed by a vocational specialist and, in consultation with
2.28 the county agency, has been determined to be unemployable for purposes of this clause; a
2.29 person is considered employable if there exist positions of employment in the local labor
2.30 market, regardless of the current availability of openings for those positions, that the person
2.31 is capable of performing. The person's eligibility under this category must be reassessed at
2.32 least annually. The county agency must provide notice to the person not later than 30 days
2.33 before annual eligibility under this item ends, informing the person of the date annual

3.1 eligibility will end and the need for vocational assessment if the person wishes to continue
3.2 eligibility under this clause. For purposes of establishing eligibility under this clause, it is
3.3 the applicant's or recipient's duty to obtain any needed vocational assessment;

3.4 (8) a person who is determined by the county agency, according to permanent rules
3.5 adopted by the commissioner, to have a condition that qualifies under Minnesota's special
3.6 education rules as a specific learning disability, provided that a rehabilitation plan for the
3.7 person is developed or approved by the county agency, and the person is following the plan;

3.8 (9) a child under the age of 18 who is not living with a parent, stepparent, or legal
3.9 custodian, and only if: the child is legally emancipated or living with an adult with the
3.10 consent of an agency acting as a legal custodian; the child is at least 16 years of age and the
3.11 general assistance grant is approved by the director of the county agency or a designated
3.12 representative as a component of a social services case plan for the child; or the child is
3.13 living with an adult with the consent of the child's legal custodian and the county agency.
3.14 For purposes of this clause, "legally emancipated" means a person under the age of 18 years
3.15 who: (i) has been married; (ii) is on active duty in the uniformed services of the United
3.16 States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise
3.17 considered emancipated under Minnesota law, and for whom county social services has not
3.18 determined that a social services case plan is necessary, for reasons other than the child has
3.19 failed or refuses to cooperate with the county agency in developing the plan;

3.20 (10) a person who is eligible for displaced homemaker services, programs, or assistance
3.21 under section 116L.96, but only if that person is enrolled as a full-time student;

3.22 (11) a person who is involved with protective or court-ordered services that prevent the
3.23 applicant or recipient from working at least four hours per day;

3.24 (12) a person over age 18 whose primary language is not English and who is attending
3.25 high school at least half time; or

3.26 (13) a person whose alcohol and drug addiction is a material factor that contributes to
3.27 the person's disability; ~~applicants who assert this clause as a basis for eligibility must be~~
3.28 ~~assessed by the county agency to determine if they are amenable to treatment; if the applicant~~
3.29 ~~is determined to be not amenable to treatment, but is otherwise eligible for benefits, then~~
3.30 ~~general assistance must be paid in vendor form, for the individual's shelter costs up to the~~
3.31 ~~limit of the grant amount, with the residual, if any, paid according to section 256D.09,~~
3.32 ~~subdivision 2a; if the applicant is determined to be amenable to treatment, then in order to~~
3.33 ~~receive benefits, the applicant must be in a treatment program or on a waiting list and the~~
3.34 ~~benefits must be paid in vendor form, for the individual's shelter costs, up to the limit of~~

4.1 ~~the grant amount, with the residual, if any, paid according to section 256D.09, subdivision~~
 4.2 ~~2a.~~

4.3 (b) As a condition of eligibility under paragraph (a), clauses (1), (3), (4), (7), and (8),
 4.4 the recipient must complete an interim assistance agreement and must apply for other
 4.5 maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with
 4.6 efforts to determine the recipient's eligibility for those other maintenance benefits.

4.7 (c) The burden of providing documentation for a county agency to use to verify eligibility
 4.8 for general assistance or for exemption from the Supplemental Nutrition Assistance Program
 4.9 (SNAP) employment and training program is upon the applicant or recipient. The county
 4.10 agency shall use documents already in its possession to verify eligibility, and shall help the
 4.11 applicant or recipient obtain other existing verification necessary to determine eligibility
 4.12 which the applicant or recipient does not have and is unable to obtain.

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

4.14 Sec. 4. Minnesota Statutes 2024, section 256D.06, subdivision 2, is amended to read:

4.15 Subd. 2. **Emergency need.** (a) Notwithstanding the provisions of subdivision 1, a grant
 4.16 of emergency general assistance shall, to the extent funds are available, be made to an
 4.17 eligible single adult, married couple, or family for an emergency need where the recipient
 4.18 requests temporary assistance not exceeding 30 days if an emergency situation appears to
 4.19 exist under written criteria adopted by the county agency and provided to the commissioner
 4.20 annually. If an applicant or recipient relates facts to the county agency which may be
 4.21 sufficient to constitute an emergency situation, the county agency shall, to the extent funds
 4.22 are available, advise the person of the procedure for applying for assistance according to
 4.23 this subdivision.

4.24 (b) The applicant must be ineligible for assistance under chapter 142G, must have annual
 4.25 net income no greater than 200 percent of the federal poverty guidelines for the previous
 4.26 calendar year, and may receive an emergency assistance grant not more than once in any
 4.27 12-month period.

4.28 (c) Funding for an emergency general assistance program is limited to the appropriation.
 4.29 Each fiscal year, the commissioner shall allocate to counties the money appropriated for
 4.30 emergency general assistance grants based on each county agency's average share of state's
 4.31 emergency general expenditures for the immediate past three fiscal years as determined by
 4.32 the commissioner, and may reallocate any unspent amounts to other counties. No county
 4.33 shall be allocated less than \$1,000 for a fiscal year.

5.1 (d) Any emergency general assistance expenditures by a county above the amount of
5.2 the commissioner's allocation to the county must be made from county funds.

5.3 **EFFECTIVE DATE.** This section is effective August 1, 2026.

5.4 Sec. 5. Minnesota Statutes 2024, section 256D.54, subdivision 1, is amended to read:

5.5 Subdivision 1. **Potential eligibility.** An applicant or recipient who is otherwise eligible
5.6 for supplemental aid and who is potentially eligible for maintenance benefits from any other
5.7 source shall (1) apply for those benefits within ~~30~~ 90 days of the county's determination of
5.8 potential eligibility for those benefits; and (2) execute an interim assistance authorization
5.9 agreement on a form as directed by the commissioner.

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

5.11 Sec. 6. Minnesota Statutes 2024, section 256I.04, subdivision 2b, is amended to read:

5.12 Subd. 2b. **Housing support agreements.** (a) Agreements between agencies and providers
5.13 of housing support must be in writing on a form developed and approved by the commissioner
5.14 and must specify the name and address under which the establishment subject to the
5.15 agreement does business and under which the establishment, or service provider, if different
5.16 from the establishment, is licensed by the Department of Health or the Department of Human
5.17 Services; the specific license or registration from the Department of Health or the Department
5.18 of Human Services held by the provider and the number of beds subject to that license; the
5.19 address of the location or locations at which housing support is provided under this
5.20 agreement; the per diem and monthly rates that are to be paid from housing support funds
5.21 for each eligible resident at each location; the number of beds at each location which are
5.22 subject to the agreement; whether the license holder is a not-for-profit corporation under
5.23 section 501(c)(3) of the Internal Revenue Code; and a statement that the agreement is subject
5.24 to the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections.

5.25 (b) Providers are required to verify the following minimum requirements in the
5.26 agreement:

5.27 (1) current license or registration, including authorization if managing or monitoring
5.28 medications;

5.29 (2) all staff who have direct contact with recipients meet the staff qualifications;

5.30 (3) the provision of housing support;

5.31 (4) the provision of supplementary services, if applicable;

- 6.1 (5) reports of adverse events, including recipient death or serious injury;
- 6.2 (6) submission of residency requirements that could result in recipient eviction; and
- 6.3 (7) confirmation that the provider will not limit or restrict the number of hours an
- 6.4 applicant or recipient chooses to be employed, as specified in subdivision 5.

6.5 (c) Agreements may be terminated with or without cause by the commissioner, the

6.6 agency, or the provider with two calendar months prior notice. The commissioner may

6.7 immediately terminate an agreement under subdivision 2d.

6.8 (d) Agencies must develop and make available to prospective housing support providers

6.9 a process by which the agency seeks, reviews, and approves housing support agreements

6.10 and must report processes and results to the commissioner in a format defined by the

6.11 commissioner.

6.12 **EFFECTIVE DATE.** This section is effective July 1, 2026.

6.13 Sec. 7. Minnesota Statutes 2024, section 256K.46, subdivision 5, is amended to read:

6.14 Subd. 5. **Reporting.** Grant recipients shall report annually on the use of shelter-linked

6.15 youth mental health grants to the commissioner by December 31, beginning in 2020. Each

6.16 report shall include the name and location of the grant recipient, the amount of each grant,

6.17 the youth mental health services provided, and the number of youth receiving services. The

6.18 commissioner shall determine the form required for the reports and may specify additional

6.19 reporting requirements. ~~The commissioner shall include the shelter-linked youth mental~~

6.20 ~~health services program in the biennial report required under section 256K.45, subdivision~~

6.21 ~~2.~~

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

6.23 Sec. 8. **REPEALER.**

6.24 Minnesota Statutes 2024, sections 256D.09, subdivisions 2a and 2b; and 256K.45,

6.25 subdivision 2, are repealed.

256D.09 PAYMENT; ASSESSMENT; OVERPAYMENT.

Subd. 2a. **Vendor payments for drug dependent persons.** If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person applying for or receiving financial assistance is drug dependent, as defined in section 254A.02, subdivision 5, the person shall be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete and the results of the assessment made available to the county agency. A reasonable basis for referring an individual for an assessment exists when:

- (1) the person has required detoxification two or more times in the past 12 months;
- (2) the person appears intoxicated at the county agency as indicated by two or more of the following:
 - (i) the odor of alcohol;
 - (ii) slurred speech;
 - (iii) disconjugate gaze;
 - (iv) impaired balance;
 - (v) difficulty remaining awake;
 - (vi) consumption of alcohol;
 - (vii) responding to sights or sounds that are not actually present;
 - (viii) extreme restlessness, fast speech, or unusual belligerence;
- (3) the person has been involuntarily committed for drug dependency at least once in the past 12 months; or
- (4) the person has received treatment, including domiciliary care, for drug abuse or dependency at least twice in the past 12 months.

The assessment and determination of drug dependency, if any, must be made by an assessor qualified under section 245G.11, subdivisions 1 and 5, to perform an assessment of chemical use. The county shall only provide emergency general assistance or vendor payments to an otherwise eligible applicant or recipient who is determined to be drug dependent, except up to 15 percent of the grant amount the person would otherwise receive may be paid in cash. Notwithstanding subdivision 1, the commissioner of human services shall also require county agencies to provide assistance only in the form of vendor payments to all eligible recipients who assert substance use disorder as a basis for eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1) and (5).

The determination of drug dependency shall be reviewed at least every 12 months. If the county determines a recipient is no longer drug dependent, the county may cease vendor payments and provide the recipient payments in cash.

Subd. 2b. **Disability verification; substance use disorder.** If at any time there is verification that the client's disability is dependent upon the client's continued drug addiction or alcoholism, general assistance for rent and utilities must be made in the form of vendor payments.

Verification of drug addiction or alcoholism can be received from:

- (1) denial of Social Security benefits based on drug addiction or alcoholism;
- (2) a statement from the state medical review team that the person's disability is dependent upon continued drug addiction or alcoholism; or
- (3) a doctor's statement that the person's disability is dependent upon continued drug addiction or alcoholism.

256K.45 HOMELESS YOUTH ACT.

Subd. 2. **Homeless youth report.** (a) The commissioner shall prepare a biennial report, beginning February 1, 2025, which provides meaningful information to the chairs and ranking minority members of the legislative committees with jurisdiction over homeless youth, that includes but is not limited to: (1) a list of the areas of the state with the greatest need for services and housing for homeless youth, and the level and nature of the needs identified; (2) details about grants made,

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including shelter-linked youth mental health grants under section 256K.46; (3) the distribution of funds throughout the state based on population need; (4) follow-up information, if available, on the status of homeless youth and whether they have stable housing two years after services are provided; and (5) any other outcomes for populations served to determine the effectiveness of the programs and use of funding.

(b) This subdivision expires December 31, 2034.