ARTICLE 11

HOUSING AND HOMELESSNESS

Section 1. Minnesota Statutes 2022, section 145.4716, subdivision 3, is amended to read:

Subd. 3. Youth eligible for services. Youth 24 years of age or younger shall be eligible for all services, support, and programs provided under this section and section 145.4717, and all shelter, housing beds, and services provided by the commissioner of human services to sexually exploited youth and youth at risk of sexual exploitation under section 256K.47.

Sec. 2. CONTINUUM OF CARE GRANT PROGRAM.

Subdivision 1. Establishment. The commissioner of human services must establish a grant program to maintain funding for shelters and services provided to individuals experiencing homelessness.

Subd. 2. Eligible applicants. To be eligible for a grant under this section, applicants must be a nonprofit organization or a county. An eligible applicant must have experience providing continuum of care services to individuals experiencing homelessness and operating a community-wide partnership committed to ending homelessness.

Subd. 3. Application. An organization seeking a grant under this section must apply to the commissioner in the time and manner specified by the commissioner.

Subd. 4. Grant activities. (a) Grant money must be used for:

(1) maintaining funding for a 100-bed family shelter;

(2) maintaining funding to provide shelter and services for single adults, including an expanded shelter for women;

and all shelter, housing beds, and services provided by the commissioner of human services to sexually exploited youth and youth at risk of sexual exploitation under section 256K.47.
(3) developing and operating a familiar faces pilot program for high-frequency unhoused clients with intensive, 24-hours-a-day, seven-days-a-week staffing;

(4) maintaining current day shelter programming; and

(5) providing outreach, support services, single point of entry, infrastructure; and extreme weather support.

(b) A grantee may contract with eligible nonprofit organizations and local and Tribal governmental agencies to provide the services listed under paragraph (a).

Subd. 5.
Reporting.
(a) The grantee must submit a report to the commissioner in the time and manner specified by the commissioner. The report must include how the grant money was used and how many individuals were served.

(b) The commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over homelessness no later than six months after receiving the report under paragraph (a). The report submitted by the commissioner must include the information specified in paragraph (a).

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

Sec. 3. 1245.0965 OLMSTED COUNTY HOMELESSNESS GRANT PROGRAM.

Subdivision 1. Establishment. The commissioner of human services must establish a grant program to fund and support shelters and services for persons experiencing homelessness in Olmsted County.

Subd. 2. Eligible applicants. To be eligible for a grant under this section, applicants must be a nonprofit organization or a county that provides shelter and services to persons experiencing homelessness in Olmsted County. An eligible applicant must have experience with services that house persons experiencing homelessness and aid transitions to permanent stable housing.

Subd. 3. Application. An organization seeking a grant under this section must apply to the commissioner in the time and manner specified by the commissioner.

Subd. 4. Grant activities. (a) Eligible uses of grant money include:

1. operations and services to maintain daytime and overnight shelter;

2. recuperative care shelter;

3. housing-focused case management for persons experiencing homelessness;

4. shelter diversion services;

5. hotel and motel vouchers;

6. shelter for youth, including host homes;
transitional housing programs;

(b) supportive staffing; and

(9) outreach services.

(b) The grantee may contract with eligible nonprofit organizations and local and Tribal
governmental agencies to provide the services specified under paragraph (a).

Subd. 5. Reporting. (a) The grantee must submit a report to the commissioner in the
time and manner specified by the commissioner. The report must include the number of
persons experiencing homelessness that were served and what the grant money was used
for;

(b) The commissioner must submit a report to the chairs and ranking minority members
of the legislative committees with jurisdiction over homelessness no later than six months
after receiving the report under paragraph (a). The report submitted by the commissioner
must include the information specified in paragraph (a).

Sec. 4. [245.0966] HENNEPIN COUNTY HOMELESSNESS GRANT PROGRAM.

Subdivision 1. Establishment. The commissioner of human services must establish a
grant program to maintain funding for shelters and services provided to individuals
experiencing homelessness in Hennepin County.

Subd. 2. Eligible applicants. To be eligible for a grant under this section, applicants
must be a nonprofit organization or a county that provides shelter and services to persons
experiencing homelessness in Hennepin County. An eligible applicant must have experience
with services that house persons experiencing homelessness and aid transitions to permanent
stable housing.

Subd. 3. Application. An organization seeking a grant under this section must apply to
the commissioner in the time and manner specified by the commissioner.

Subd. 4. Grant activities. (a) Grant money must be used for:

(1) maintaining current shelter and homeless response programming;

(2) maintaining shelter operations and services at Avivo Village, including the shelter
comprised of 100 private dwellings and the American Indian Community Development
Corporation Homeward Bound 50-bed shelter;

(3) maintaining shelter operations and services at 24-hours-a-day, seven-days-a-week
shelters;

(4) providing housing-focused case management; and

(5) providing shelter diversion services;
(b) A grantee may contract with eligible nonprofit organizations and local and Tribal governmental agencies to provide the services listed under paragraph (a).

Subd. 5. Reporting. (a) The grantee must submit a report to the commissioner in the time and manner specified by the commissioner. The report must include how the grant money was used and how many persons experiencing homelessness were served.

(b) The commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over homelessness no later than six months after receiving the report under paragraph (a). The report submitted by the commissioner must include the information specified in paragraph (a).

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

Sec. 5. Minnesota Statutes 2022, section 256I.04, subdivision 1, is amended to read:

Subdivision 1. Individual eligibility requirements. An individual is eligible for and entitled to a housing support payment to be made on the individual's behalf if the agency has approved the setting where the individual will receive housing support and the individual meets the requirements in paragraph (a), (b), (c), or (d).

(a) The individual is aged, blind, or is over 18 years of age with a disability as determined under the criteria used by the title II program of the Social Security Act, and meets the resource restrictions and standards of section 256P.02, and the individual's countable income after deducting the (1) exclusions and disregards of the SSI program, (2) the medical assistance personal needs allowance under section 256B.35, and (3) an amount equal to the income actually made available to a community spouse by an elderly waiver participant under the provisions of sections 256B.0575, paragraph (a), clause (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's agreement with the provider of housing support in which the individual resides.

(b) The individual meets a category of eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1), (3), (4) to (8), and (13), and paragraph (b), if applicable, and the individual's resources are less than the standards specified by section 256P.02, and the individual's countable income as determined under section 256P.06, less the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the agency's agreement with the provider of housing support in which the individual resides.

(c) The individual lacks a fixed, adequate, nighttime residence upon discharge from a residential behavioral health treatment program, as determined by treatment staff from the residential behavioral health treatment program. An individual is eligible under this paragraph for up to three months, including a full or partial month from the individual's move-in date at a setting approved for housing support following discharge from treatment, plus two full months.

(b) The individual meets a category of eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1), (3), (4) to (8), and (13), and paragraph (b), if applicable, and the individual's resources are less than the standards specified by section 256P.02, and the individual's countable income as determined under section 256P.06, less the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the agency's agreement with the provider of housing support in which the individual resides.

(c) The individual lacks a fixed, adequate, nighttime residence upon discharge from a residential behavioral health treatment program, as determined by treatment staff from the residential behavioral health treatment program. An individual is eligible under this paragraph for up to three months, including a full or partial month from the individual's move-in date at a setting approved for housing support following discharge from treatment, plus two full months.
(d) The individual meets the criteria related to establishing a certified disability or disabling condition in paragraph (a) or (b) and lacks a fixed, adequate, nighttime residence upon discharge from a correctional facility, as determined by an authorized representative.

An individual is eligible under this paragraph for up to three months, including a full or partial month from the individual’s move-in date at a setting approved for housing support following release, plus two full months. People who meet the disabling condition criteria established in paragraph (a) or (b) will not have any countable income for the duration of eligibility under this paragraph.

EFFECTIVE DATE.

This section is effective November 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 256I.04, subdivision 3, is amended to read:

Subd. 3. Moratorium on development of housing support beds.

(a) Agencies shall not enter into agreements for new housing support beds with total rates in excess of the MSA equivalent rate except:

(1) for establishments licensed under chapter 245D provided the facility is needed to meet the census reduction targets for persons with developmental disabilities at regional treatment centers;

(2) up to 80 beds in a single, specialized facility located in Hennepin County that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication, and planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the Housing Finance Agency under section 462A.05, subdivision 20a, paragraph (b);

(3) notwithstanding the provisions of subdivision 2a, for up to 226 supportive housing units in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County for homeless adults with a mental illness, a history of substance abuse, or human immunodeficiency virus or acquired immunodeficiency syndrome. For purposes of this section, “homeless adult” means a person who is living on the street or in a shelter or discharged from a regional treatment center, community hospital, or residential treatment program and has no appropriate housing available and lacks the resources and support necessary to access appropriate housing. At least 70 percent of the supportive housing units must serve homeless adults with mental illness; substance abuse problems; or human immunodeficiency virus or acquired immunodeficiency syndrome who are about to be or, within the previous six months, have been discharged from a regional treatment center; or a state-contracted psychiatric bed in a community hospital; or a residential mental health or substance use disorder treatment program; If a person meets the requirements of subdivision 1, paragraph (a), and receives a federal or state housing subsidy, the housing support rate for that person is limited to the supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting the amount of the person’s countable income that exceeds the MSA equivalent rate from the housing support supplementary service rate.

A resident in a demonstration project site who no longer participates in the demonstration
program shall retain eligibility for a housing support payment in an amount determined
under section 256L.06; subdivision 8, using the MSA equivalent rate. Service funding under
section 256L.05; subdivision 1a, will end June 30, 1997, if federal matching funds are
available and the services can be provided through a managed care entity. If federal matching
funds are not available, then service funding will continue under section 256L.05; subdivision
1a.

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

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

(6) for a new 65-bed facility in Crow Wing County that will serve persons with substance
use disorder, operated by a housing support provider that currently operates a 304-bed
facility in Minneapolis, and a 44-bed facility in Duluth;

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

(8) for a facility authorized for recipients of housing support in Hennepin County with
a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility
and that until August 1, 2007; operated as a licensed substance use disorder treatment
program.

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

Sec. 4. Minnesota Statutes 2022, section 256L.05; subdivision 1a, is amended to read:

Subd. 1a. Supplementary service rates. (a) Subject to the provisions of section 256L.04;
subdivision 3, the agency may negotiate a payment not to exceed $426.37 $531.12 for other
services necessary to provide room and board if the residence is licensed by or registered
by the Department of Health, or licensed by the Department of Human Services to provide
services in addition to room and board, and if the provider of services is not also concurrently

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receiving funding for services for a recipient in the residence under the following programs or funding sources: (1) home and community-based waiver services under title XIX of the federal Social Security Act and chapter 256S or section 256B.0913, 256B.092, or 256B.49; or funding from the medical assistance program (2) personal care assistance under section 256B.0659; (3) community first services and supports under section 256B.85; or (4) services for adults with mental illness grants under section 245.73. If funding is available for other necessary services through a home and community-based waiver under chapter 256S; or section 256B.0913, 256B.092, or 256B.49; personal care assistance services under section 256B.0659, community first services and supports under section 256B.85; or services for adults with mental illness grants under section 245.73, then the housing support rate is limited to the rate set in subdivision 1. Unless otherwise provided in law, in no case may the supplementary service rate exceed $426.37. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds.

(b) The commissioner is authorized to make cost-neutral transfers from the housing support fund for beds under this section to other funding programs administered by the department after consultation with the agency in which the affected beds are located. The commissioner may also make cost-neutral transfers from the housing support fund to agencies for beds permanently removed from the housing support census under a plan submitted by the agency and approved by the commissioner. The commissioner shall report the amount of any transfers under this provision annually to the legislature.

(c) Agencies must not negotiate supplementary service rates with providers of housing support that are licensed as board and lodging with special services and that do not encourage a policy of sobriety on their premises and make referrals to available community services for volunteer and employment opportunities for residents.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 256L.05, subdivision 2, is amended to read:

Subd. 2. Monthly rates; exemptions. This subdivision applies to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0670. Notwithstanding the provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision shall be determined under chapter 256B, if the facility is accepted.
Sec. 2. Minnesota Statutes 2022, section 256K.45, subdivision 3, is amended to read:

Subd. 3. Street and community outreach and drop-in program. Youth drop-in centers must provide walk-in access to crisis intervention and ongoing supportive services including one-to-one case management services on a self-referral basis. Street and community outreach programs must locate, contact, and provide information, referrals, and services to homeless youth, youth at risk of homelessness, and runaways. Information, referrals, and services provided may include, but are not limited to:

(1) family reunification services;
(2) conflict resolution or mediation counseling;
(3) assistance in obtaining temporary emergency shelter;
(4) assistance in obtaining food, clothing, medical care, or mental health counseling;
(5) counseling regarding violence, sexual exploitation, substance abuse, sexually transmitted diseases, and pregnancy;
(6) referrals to other agencies that provide support services to homeless youth, youth at risk of homelessness, and runaways;
(7) assistance with education, employment, and independent living skills;
(8) aftercare services;
(9) specialized services for highly vulnerable runaways and homeless youth, including but not limited to youth at risk of discrimination based on sexual orientation or gender identity, young parents, emotionally disturbed and mentally ill youth, and sexually exploited youth; and
(10) homelessness prevention.

Sec. 3. Minnesota Statutes 2022, section 256K.45, subdivision 7, is amended to read:

Subd. 7. Provider repair or improvement grants. (a) Providers that serve homeless youth under this section may apply for a grant of up to $200,000 $500,000 under this subdivision to make minor or mechanical repairs or improvements to a facility providing services to homeless youth or youth at risk of homelessness.

(b) Grant applications under this subdivision must include a description of the repairs or improvements and the estimated cost of the repairs or improvements;
Sec. 6. [256K.47] SAFE HARBOR SHELTER AND HOUSING.

Subdivision 1. Grant program established. The commissioner of human services must establish a safe harbor shelter and housing grant program. Under this grant program, the commissioner must award grants to providers who are committed to serving sexually exploited youth and youth at risk of sexual exploitation. Grantees must use grant money to provide street and community outreach programs, emergency shelter programs, or supportive housing programs consistent with the program descriptions in this section to address the specialized outreach, shelter, and housing needs of sexually exploited youth and youth at risk of sexual exploitation.

Subd. 2. Youth eligible services. Youth 24 years of age or younger are eligible for all shelter, housing beds, and services provided under this section and all services, support, and programs provided by the commissioner of health to sexually exploited youth and youth at risk of sexual exploitation under sections 145.4716 and 145.4717.

Subd. 3. Street and community outreach. (a) Street and community outreach programs must locate, contact, and provide information, referrals, and services to eligible youth.

(b) Information, referrals, and services provided by street and community outreach programs may include but are not limited to:

1. family reunification services;
2. conflict resolution or mediation counseling;
3. assistance in obtaining temporary emergency shelter;
4. assistance in obtaining food, clothing, medical care, or mental health counseling;
5. counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy;
6. referrals to other agencies that provide support services to sexually exploited youth and youth at risk of sexual exploitation;
7. assistance with education, employment, and independent living skills;
8. aftercare services;
9. family reunification services for youth under the age of 24 years;
10. conflict resolution or mediation counseling for youth under the age of 24 years;
11. assistance in obtaining temporary emergency shelter for youth under the age of 24 years;
12. assistance in obtaining food, clothing, medical care, or mental health counseling for youth under the age of 24 years;
13. counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy for youth under the age of 24 years;
14. referrals to other agencies that provide support services to sexually exploited youth and youth at risk of sexual exploitation for youth under the age of 24 years;
15. assistance with education, employment, and independent living skills for youth under the age of 24 years;
16. aftercare services for youth under the age of 24 years.

Subd. 4. Street and community outreach program. The commissioner shall permit grant recipients to carry over any unexpended amount from the first contract year to the second contract year.

Subd. 5. Street and community outreach funding. For grants awarded pursuant to a two-year grant contract, the commissioner shall permit grant recipients to carry over any unexpended amount from the first contract year to the second contract year.

Subd. 6. Street and community outreach program. The commissioner of human services shall establish the safe harbor shelter and housing grant program and award grants to providers who are committed to serving sexually exploited youth and youth at risk of sexual exploitation. The grant program is to provide street and community outreach programs, emergency shelter programs, and supportive housing programs consistent with the program descriptions in this section in order to address the specialized outreach, shelter, and housing needs of sexually exploited youth and youth at risk of sexual exploitation.

Subd. 7. Street and community outreach program. The commissioner of human services must locate, contact, and provide information, referrals, and services to eligible youth. Information, referrals, and services provided by street and community outreach programs may include but are not limited to:

1. family reunification services;
2. conflict resolution or mediation counseling;
3. assistance in obtaining temporary emergency shelter;
4. assistance in obtaining food, clothing, medical care, or mental health counseling;
5. counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy;
6. referrals to other agencies that provide support services to sexually exploited youth and youth at risk of sexual exploitation;
7. assistance with education, employment, and independent living skills;
8. aftercare services;
(9) specialized services for sexually exploited youth and youth at risk of sexual exploitation, including youth experiencing homelessness and youth with mental health needs; and

(10) services to address the prevention of sexual exploitation and homelessness.

Subd. 4. Emergency shelter program. (a) Emergency shelter programs must provide eligible youth with referral and walk-in access to emergency short-term residential care.

The program shall provide eligible youth with safe and dignified shelter that includes private shower facilities, beds, and meals each day and shall assist eligible youth with reunification with that youth's family or legal guardian when required or appropriate.

(b) The services provided at emergency shelters may include but are not limited to:

(1) specialized services to address the trauma of sexual exploitation;

(2) family reunification services;

(3) individual, family, and group counseling;

(4) assistance obtaining clothing;

(5) access to medical and dental care and mental health counseling;

(6) counseling regarding violence, sexual exploitation, substance use, sexually transmitted infections, and pregnancy;

(7) education and employment services;

(8) recreational activities;

(9) advocacy and referral services;

(10) independent living skills training;

(11) aftercare and follow-up services;

(12) transportation; and

(13) services to address the prevention of sexual exploitation and homelessness.

Subd. 5. Supportive housing programs. (a) Supportive housing programs must help eligible youth find and maintain safe and dignified housing and provide related supportive services and referrals. Supportive housing programs may also provide rental assistance.

(b) The services provided in supportive housing programs may include but are not limited to:

(1) specialized services to address the trauma of sexual exploitation;

(2) education and employment services;
(3) budgeting and money management;
(4) assistance in securing housing appropriate to needs and income;
(5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
  infections, and pregnancy;
(6) referral for medical services or chemical dependency treatment;
(7) parenting skills;
(8) self-sufficiency support services and independent living skills training;
(9) aftercare and follow-up services; and
(10) services to address the prevention of sexual exploitation and homelessness

Subd. 6. Funding. Money appropriated for this section may be expended on programs described
in subdivisions 3 to 5, technical assistance, and capacity building to meet the
greatest need on a statewide basis.

Sec. 7. **FAMILY SUPPORTIVE HOUSING.**

Subdivision 1. Definitions.
(a) The definitions in this subdivision apply to this section.
(b) "Family" means a nontemporary household unit that includes at least one child and
one parent or legal guardian.
(c) "Family permanent supportive housing" means housing that:
(1) is not time limited;
(2) is affordable for those at or below 30 percent of the area median income;
(3) offers specialized support services to residents tailored to the needs of children and
families; and
(4) is available to families with multiple barriers to obtaining and maintaining housing;
including but not limited to those who are homeless or at risk of homelessness; those with
mental illness, substance use disorders, and other disabilities; and those referred by child
protection services.
(d) "Resident" means a resident of family permanent supportive housing.

Subd. 2. Specialized family support services. Specialized family support services are
nonmandatory, trauma-informed, and culturally appropriate services designed to help family
residents maintain secure, dignified housing and provide a safe, stable environment for
children. Services provided may include but are not limited to...
(1) age-appropriate child-centric services for education and enrichment;
(2) stabilization services such as:
   (i) educational assessments and referrals to educational programs;
   (ii) career planning, work skill training, job placement, and employment retention;
   (iii) budgeting and money management;
   (iv) referrals for counseling regarding violence and sexual exploitation;
   (v) referrals for medical or psychiatric services or substance use disorder treatment;
   (vi) parenting skills training;
   (vii) self-sufficiency support services or life skill training, including tenant education
   and support to sustain housing; and
   (viii) aftercare and follow-up services; and
(3) 24-hour-a-day, seven-days-a-week on-site staffing, including but not limited to front
desk and security.

Subd. 3. Funding. Money appropriated for this section may be expended on programs
described under subdivision 2, technical assistance, and capacity building to meet the greatest
need on a statewide basis. The commissioner must provide outreach, technical assistance,
and program development support to increase capacity to new and existing service providers
to better meet needs statewide.

Sec. 8. Laws 2021, First Special Session chapter 7, article 17, section 5, subdivision 1, is
amended to read:

Subdivision 1. Housing transition cost. (a) This act includes $682,000 in fiscal year
2022 and $1,637,000 in fiscal year 2023 for a onetime payment per transition of up to $3,000
to cover costs associated with moving to a community setting that are not covered by other
sources. Covered costs include: (1) lease or rent deposits; (2) security deposits; (3) utilities
setup costs, including telephone and Internet services; and (4) essential furnishings and
supplies. The commissioner of human services shall seek an amendment to the medical
assistance state plan to allow for these payments as a housing stabilization service under
Minnesota Statutes, section 256B.051. The general fund base in this act for this purpose is
$1,227,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) This subdivision expires March 31, 2024.

(b) An individual is only eligible for a housing transition cost payment if the individual
is moving from an institution or provider-controlled setting into their own home.

EFFECTIVE DATE. This section is effective upon federal approval.
Sec. 6. HOMELESS YOUTH CASH STIPEND PILOT PROJECT.
Subdivision 1. Pilot project established. The commissioner of human services shall establish a homeless youth cash stipend pilot project to provide a direct cash stipend to homeless youth in Hennepin and St. Louis Counties. The pilot project must be designed to meet the needs of underserved communities.

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

(b) "Commissioner" means the commissioner of human services.

(c) "Homeless youth" means a person 18 to 24 years of age who lacks a fixed, regular, and adequate nighttime residence. The following are not fixed, regular, or adequate nighttime residences: (1) a supervised publicly or privately operated shelter designed to provide temporary living accommodations; (2) an institution or a publicly or privately operated shelter designed to provide temporary living accommodations; (3) transitional housing; (4) a temporary placement with a peer, friend, or family member that has not offered permanent residence, a residential lease, or temporary lodging for more than 30 days; or (5) a public or private place not designed for, nor ordinarily used as, a regular sleeping accommodation for human beings.

Subd. 3. Administration. The commissioner, as authorized by Minnesota Statutes, section 256.01, subdivision 2, paragraph (a), clause (6), shall contract with Youthprise to:

(1) identify eligible homeless youth under this section;
(2) provide technical assistance to cash stipend recipients;
(3) engage with cash stipend recipients to develop youth-designed optional services;
(4) evaluate the efficacy and cost-effectiveness of the pilot program;
(5) collaborate with youth leaders of each county to identify and contract with the appropriate service providers to offer financial coaching, housing navigation, employment, education services, and trauma-informed mentoring and support; and
(6) submit annual updates and a final report to the commissioner.

Subd. 4. Eligibility. Homeless youth who are 18 to 24 years of age and who live in Hennepin or St. Louis County at the time of initial enrollment are eligible to participate in the pilot project.

Subd. 5. Pilot project establishment. The commissioner, as authorized by Minnesota Statutes, section 256.01, subdivision 2, paragraph (a), clause (6), shall contract with Youthprise to:

(1) identify eligible homeless youth under this section;
(2) provide technical assistance to cash stipend recipients;
(3) engage with cash stipend recipients to develop youth-designed optional services;
(4) evaluate the efficacy and cost-effectiveness of the pilot program;
(5) collaborate with youth leaders of each county to identify and contract with the appropriate service providers to offer financial coaching, housing navigation, employment, education services, and trauma-informed mentoring and support; and
(6) submit annual updates and a final report to the commissioner.

Subd. 6. Eligibility. Homeless youth who are 18 to 24 years of age and who live in St. Louis County at the time of initial enrollment are eligible to participate in the pilot project.
Subd. 5. Cash stipend. The commissioner, in consultation with Youthprise and Hennepin and St. Louis Counties, shall establish a stipend amount for eligible homeless youth who participate in the pilot project.

Subd. 6. Stipends not to be considered income. (a) Notwithstanding any law to the contrary, cash stipends under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B;
(2) general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;
(3) housing support under Minnesota Statutes, chapter 256L;
(4) the Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and
(5) economic assistance programs under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c.

(b) The commissioner must not consider cash stipends under this section as income or assets for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c.

Subd. 7. Report. The commissioner, in cooperation with Youthprise and Hennepin and St. Louis Counties, shall submit an annual report on Youthprise’s findings regarding the efficacy and cost-effectiveness of the homeless youth cash stipend pilot project to the chairs and ranking minority members of the legislative committees with jurisdiction over homeless youth policy and finance by January 15, 2024, and each January 15 thereafter.

Subd. 8. Expiration. This section expires June 30, 2027.

Sec. 6. HOUSING SUPPORT SUPPLEMENTARY SERVICE RATE STUDY.
(a) The commissioner of human services, in consultation with residents of housing support settings, providers, and lead agencies, must analyze housing support supplementary service rates under Minnesota Statutes, section 256L.05, to recommend a rate setting methodology that is person-centered, equitable, and adequately covers the cost to provide services. The analysis must include but is not limited to:

(1) a review of current supplemental rates;
496.23 (2) recommendations to avoid duplication of services, while ensuring informed choice; and
496.25 (3) recommendations on an updated rate setting methodology.
496.26 (b) By January 15, 2026, the commissioner must submit a report, including
496.27 recommendations and draft legislative language, to the chairs and ranking minority members
496.28 of the legislative committees with jurisdiction over human services policy and finance.
496.29 Sec. 7. HOUSING STABILIZATION SERVICES INFLATIONARY ADJUSTMENT.
497.1 The commissioner of human services shall seek federal approval to apply biennial
497.2 inflationary updates to housing stabilization services rates based on the consumer price
497.3 index. Beginning January 1, 2024, the commissioner must update rates using the most
497.4 recently available data from the consumer price index.
497.5 EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval,
497.6 whichever is later. The commissioner shall notify the revisor of statutes when federal
497.7 approval is obtained.
497.8 Sec. 7. EMERGENCY SHELTER FACILITIES.
497.9 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
497.10 the meanings given:
497.11 (b) "Commissioner" means the commissioner of human services;
497.12 (c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal
497.13 government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue
497.14 Code, or housing and redevelopment authority established under Minnesota Statutes, section
497.15 469.003;
497.16 (d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary,
497.17 accessible, and suitable emergency shelter for individuals and families experiencing
497.18 homelessness, regardless of whether the facility provides emergency shelter during the day,
497.19 overnight, or both;
497.20 Subd. 2. Project criteria. (a) The commissioner shall prioritize grants under this section
497.21 for projects that improve or expand emergency shelter facility options by:
497.22 (1) adding additional emergency shelter facilities by renovating existing facilities not
497.23 currently operating as emergency shelter facilities;
497.24 (2) adding additional emergency shelter facility beds by renovating existing emergency
497.25 shelter facilities, including major projects that address an accumulation of deferred

maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure;

(3) adding additional emergency shelter facility beds through acquisition and construction of new emergency shelter facilities;

(4) improving the safety, sanitation, accessibility, and habitability of existing emergency shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure; and

(5) improving access to emergency shelter facilities that provide culturally appropriate shelter and gender-inclusive shelter.

(b) A grant under this section may be used to pay for 100 percent of total project capital expenditures or a specified project phase, up to $10,000,000 per project. For eligible applicants seeking funding under this section for the acquisition and construction of new emergency shelter facilities under paragraph (a), clause (3), the commissioner must give priority to projects in which the eligible applicant will provide at least ten percent of total project funding.

(c) All projects funded with a grant under this section must meet all applicable state and local building codes at the time of project completion.

(d) The commissioner must use a competitive request for proposal process to identify potential projects and eligible applicants on a statewide basis. At least 40 percent of the appropriation under this section must be awarded to projects located in greater Minnesota. If the commissioner does not receive sufficient eligible funding requests from greater Minnesota to award at least 40 percent of the appropriation under this section to projects in greater Minnesota, the commissioner may award the remaining funds to other eligible projects.

(e) Notwithstanding Minnesota Statutes, sections 16B.98, subdivision 5, paragraph (a), clauses (1) and (2), and 16C.05, subdivision 2, paragraph (a), clause (3), final grant recipients from a competitive grant process may incur eligible expenses based on an agreed-upon predesign and design work plan and budget commencing July 1, 2023, prior to an encumbrance being established in the accounting system and grant execution.