ARTICLE 15

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision to read:

Subd. 43. Grant program reporting. The commissioner must submit a report to the chair and ranking minority members of the legislative committees with jurisdiction over health and human services by December 31, 2023, and by each December 31 thereafter on the following information:

(1) the number of grant programs administered by the commissioner that required a full-time equivalent staff appropriation or administrative appropriation in order to implement;

(2) the total amount of funds appropriated to the commissioner for full-time equivalent staff or administration for all the grant programs; and

(3) for each grant program administered by the commissioner:

(i) the amount of funds appropriated to the commissioner for full-time equivalent staff or administration to administer that particular grant program;

(ii) the actual amount of funds that were spent on full-time equivalent staff or administration to administer that particular grant program; and

(iii) if there were funds appropriated that were not spent on full-time equivalent staff or administration to administer that particular grant program, what the funds were actually spent on.

Sec. 2. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD CARE AND DEVELOPMENT BLOCK GRANTALLOCATIONS.

(a) The commissioner of human services shall allocate $22,000,000 in fiscal year 2024, $8,000,000 in fiscal year 2025, $8,000,000 in fiscal year 2026, and $8,000,000 in fiscal year 2027 from the child care and development block grant for the child care assistance program rates under Minnesota Statutes, section 119B.13.

(b) The commissioner of human services shall allocate $7,824,000 in fiscal year 2025, $8,406,000 in fiscal year 2026, and $8,960,000 in fiscal year 2027 from the child care and development block grant for the basic sliding fee program under Minnesota Statutes, section 119B.03.

(c) The commissioner of human services shall allocate $2,920,000 in fiscal year 2026 and $2,920,000 in fiscal year 2027 from the child care and development block grant for the child care one-stop shop regional assistance network under Minnesota Statutes, section 119B.19, subdivision 7, clause (9).
The commissioner of human services shall allocate $500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 from the child care and development block grant for the shared services grants under Minnesota Statutes, section 119B.28.

The commissioner of human services shall allocate $300,000 in fiscal year 2026 and $300,000 in fiscal year 2027 from the child care and development block grant for child care provider access to technology grants under Minnesota Statutes, section 119B.29.

Sec. 3. INFORMATION TECHNOLOGY PROJECTS FOR SERVICE DELIVERY TRANSFORMATION.

Subdivision 1. Uses of appropriations. Amounts appropriated to the commissioner of human services for subdivisions 3 to 7 must be expended only to achieve the outcomes identified in each subdivision. The commissioner must allocate available appropriations to maximize federal funding and achieve the outcomes specified in subdivisions 3 to 7.

Subd. 2. Reports required. (a) The commissioner of human services, in consultation with the commissioner of information technology services, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by October 1, 2023, that identifies:

1. A schedule of planned completion dates for the projects included in subdivisions 3 to 7;
2. The projected budget amount for each project included in subdivisions 3 to 7; and
3. Baseline metrics and other performance indicators against which progress will be measured so the outcomes identified in subdivisions 3 to 7 are achieved.

(b) To the extent practicable, the metrics and performance indicators required under paragraph (a) must be specific and expressed in easily understood terms, measurable, achievable, relevant, and time bound. Any changes to the reporting requirements under this subdivision must be developed in consultation with the commissioner of information technology services and reported to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance in the report submitted under paragraph (c).

(c) By October 1, 2024, and each October 1 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance that identifies the actual amounts expended for each project in subdivisions 3 to 7, including a description of the types and purposes of expenditures. The report must also describe progress toward achieving the outcomes for each project based on the baseline metrics and performance indicators established in the report required under paragraph (a) during the previous fiscal year.

Subd. 3. Transforming service delivery. Any amount appropriated for this subdivision is to advance efforts to develop and maintain a person-centered human services system by...
increasing the ease, speed, and simplicity of accessing human services for Minnesotans, and for county, Tribal, and state human services workers. Outcomes to be achieved include:

1. funding foundational work and persistent cross-functional product teams of business and technology resources to support ongoing iterative development that:
   - improves the experience of Minnesotans interacting with the human services system, including reducing the overall time from an application to the determination of eligibility and receiving of benefits;
   - improves information technology delivery times and efficiency of software development by increasing business agility to respond to new or shifting needs; and
   - improves the experience of county and Tribal human services workers; and

2. developing and hosting dashboards, visualizations, or analytics that can be shared with external partners and the public to foster data-driven decision making.

Subd. 4. Integrated services for children and families.

(a) Any amount appropriated for this subdivision is to stabilize and update legacy information technology systems, modernize systems, and develop a plan for the future of information technology systems for the programs that serve children and families. Outcomes to be achieved include:

1. reducing unscheduled downtime on Social Services Information System by at least 50 percent;
2. completing the transition of automated child support systems from mainframe technology to a web-based environment;
3. making information received regarding an individual’s eligibility for benefits easier to understand; and
4. enhancing the child support participant portal to provide additional options for uploading and updating information, making payments, exchanging data securely, and providing other features requested by users of the portal.

(b) The commissioner must contract with an independent consultant to perform a thorough evaluation of the SSIS, which supports the child protection system in Minnesota. The consultant must make recommendations for improving the current system for usability, system performance, and federal Comprehensive Child Welfare Information System compliance and must address technical problems and identify any unnecessary or unduly burdensome data entry requirements that have contributed to system capacity issues. The consultant must assist the commissioner with selecting a platform for future development of an information technology system for child protection.

(c) The commissioner of human services must conduct a study and develop recommendations to streamline and reduce SSIS data entry requirements for child protection cases. The study must be completed in partnership with local social services agencies and
Subd. 5. Medicaid Management Information System modernization. Any amount appropriated for this subdivision is to meet federal compliance requirements and enhance, modernize, and stabilize the functionality of Minnesota's Medicaid Management Information System. Outcomes to be achieved include:

1. reducing disruptions and delays in filling prescriptions for medical assistance and MinnesotaCare enrollees, and improving call center support for pharmacies and enrollees to ensure prompt resolution of issues;

2. improving the timeliness and accuracy of claims processing and approval of prior authorization requests; and

3. advancing the exchange of health information between providers and trusted partners so that enrollee care is timely, coordinated, proactive, and reflects the preferences and culture of the enrollee and their family.

Subd. 6. Provider licensing and reporting hub. Any amount appropriated for this subdivision is to develop, implement, and support ongoing maintenance and operations of an integrated human services provider licensing and reporting hub. Outcomes to be achieved include:

1. creating and maintaining user personas for all provider licensing and reporting hub users that document the unique requirements for each user;

2. creating an electronic licensing application within the provider licensing and reporting hub to ensure efficient data collection and analysis; and

3. creating a persistent, cross-functional product team of business and technology resources to support the ongoing iterative development of the provider licensing and reporting hub.

Subd. 7. Improving the Minnesota Eligibility Technology System functionality. Any amount appropriated for this subdivision is to meet federal compliance requirements and for necessary repairs to improve the core functionality of the Minnesota Eligibility Technology System to improve the speed and accuracy of eligibility determinations and...
reduce the administrative burden for state, county, and Tribal workers. Outcomes to be
achieved include:

(1) implementing the capability for medical assistance and MinnesotaCare enrollees to
apply, renew, and make changes to their eligibility and select health plans online;

(2) reducing manual data entry and other steps taken by county and Tribal eligibility
workers to improve the accuracy and timeliness of eligibility determinations; and

(3) completing necessary changes to comply with federal requirements.

Sec. 4. OUTCOMES AND EVALUATION CONSULTATION REQUIREMENTS.

For any section in this act that includes program outcomes, evaluation metrics or
requirements, progress indicators, or other related measurements, any commissioner must
consult with the commissioner of management and budget to develop outcomes, metrics or
requirements, indicators, or other related measurements for each section in this act affected
by this section. The commissioner must only implement program outcomes, evaluation
metrics or requirements, progress indicators, or other related measurements that are
determined through and agreed upon during the consultation with the commissioner of
management and budget. The commissioner shall not implement any sections affected by
this section until the consultation with the commissioner of management and budget is
completed. The commissioner must incorporate agreed-upon program outcomes, evaluation
metrics, and progress indicators into grant applications, requests for proposals, and any
reports to the legislature.

THE FOLLOWING SECTIONS ARE FROM UES2995-2 ARTICLE 15 AND
H0238-3 ARTICLE 8, RESPECTIVELY.

UES2995-2

Sec. 14. FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS

Subdivision 1. Financial review required.
(a) Before awarding a competitive, legislatively named, single-source, or sole-source grant to a nonprofit organization under
this act, the grantor must require the applicant to submit financial information sufficient for
the grantor to document and assess the applicant's current financial standing and management.
Items of significant concern must be addressed with the applicant and resolved to the
satisfaction of the grantor before a grant is awarded. The grantor must document the material
requested and reviewed; whether the applicant had a significant operating deficit, a deficit
in unrestricted net assets, or insufficient internal controls; whether and how the applicant
resolved the grantor's concerns; and the grantor's final decision. This documentation must
be maintained in the grantor's files.
At a minimum, the grantor must require each applicant to provide the following information:

(a) "Grant" means a grant or business subsidy funded by an appropriation in this act.
(b) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

Subd. 2. Financial information required; determination of ability to perform. Before an agency awards a competitive, legislatively-named, single source, or sole source grant, the agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

(1) the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

(2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

(3) for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

(b) At a minimum, the grantor must require each applicant to provide the following information:

(1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the Internal Revenue Service. If the applicant has not been in existence long enough or is not required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate to the grantor that the applicant is exempt and must instead submit documentation of internal controls and the applicant's most recent financial statement prepared in accordance with generally accepted accounting principles and approved by the applicant's board of directors or trustees, or if there is no such board, by the applicant's managing group;

(2) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration and good standing with the attorney general under Minnesota Statutes, chapter 309; and

(4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's most recent audited financial statement prepared in accordance with generally accepted accounting principles.

Subd. 2. Authority to postpone or forgo; reporting required. (a) Notwithstanding any contrary provision in this act, a grantor that identifies an area of significant concern regarding the financial standing or management of a legislatively named applicant may postpone or forgo awarding the grant. The agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

(1) the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

(2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

(3) for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

(4) the grantee must report to the chairs and ranking minority members of the legislative committees with jurisdiction over the grantor's operating budget. The report must identify the legislatively named applicant and the grantor's reason for postponing or forgoing the grant.

No later than 30 days after a grantor exercises the authority provided under paragraph (a), the grantor must report to the chairs and ranking minority members of the legislative committees with jurisdiction over the grantor's operating budget. The report must identify the legislatively named applicant and the grantor's reason for postponing or forgoing the grant.
Subd. 3. Authority to award subject to additional assistance and oversight. A grantor that identifies an area of significant concern regarding an applicant's financial standing or otherwise obtains additional technical assistance, as needed, and the grantor imposes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the grantor to protect the interests of the state.

Subd. 4. Assistance from administration. An agency without adequate resources or experience to perform obligations under this section may contract with the commissioner of administration to perform the agency's duties under this section.

Subd. 5. Agency authority to not award grant. If an agency determines that there is an appreciable risk that a grantee receiving a competitive, single source, or sole source grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee and the commissioner of administration and give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must not award the grant.

Subd. 6. Legislatively-named grantees. If an agency determines that there is an appreciable risk that a grantee receiving a legislatively-named grant cannot or would not perform the required duties under the grant agreement, the agency must notify the commissioner of administration, the chair and ranking minority members of Ways and Means Committee in the house of representatives, the chairs and ranking minority members of the Finance Committee in the senate, and the chairs and ranking minority members of the committees in the house of representatives and the senate with primary jurisdiction over the bill in which the money for the grant was appropriated. The agency must give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must delay award of the grant until adjournment of the next regular or special legislative session.

Subd. 7. Subgrants. If a grantee will disburse the money received from the grant to other organizations to perform duties required under the grant agreement, the agency must be a party to agreements between the grantee and a subgrantee. Before entering agreements...
for subgrants, the agency must perform the financial review required under this section with
respect to the subgrantees.

Subd. 8. Effect. The requirements of this section are in addition to other requirements
imposed by law, the commissioner of administration under Minnesota Statutes, sections
16B.97 to 16B.98, or agency grant policy.

Sec. 13. FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS
REQUIRED.

Subdivision 1. Financial review required. (a) Before awarding a competitive,
legislatively named, single-source, or sole-source grant to a nonprofit organization under
this act, the grantor must require the applicant to submit financial information sufficient for
the grantor to document and assess the applicant's current financial standing and management;
items of significant concern must be addressed with the applicant and resolved to the
satisfaction of the grantor before a grant is awarded. The grantor must document the material
requested and reviewed; whether the applicant had a significant operating deficit, a deficit
in unrestricted net assets, or insufficient internal controls; whether and how the applicant
resolved the grantor's concerns; and the grantor's final decision. This documentation must
be maintained in the grantor's files.

(b) At a minimum, the grantor must require each applicant to provide the following
information:

(1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the
Internal Revenue Service. If the applicant has not been in existence long enough or is not
required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate
to the grantor that the applicant is exempt and must instead submit documentation of internal
controls and the applicant's most recent financial statement prepared in accordance with
generally accepted accounting principles and approved by the applicant's board of directors
or trustees or, if there is no such board, by the applicant's managing group;

(2) evidence of registration and good standing with the secretary of state under Minnesota
Statutes, chapter 317A, or other applicable law;

(3) unless exempt under Minnesota Statutes, section 309.515; evidence of registration
and good standing with the attorney general under Minnesota Statutes, chapter 309; and

(4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's
most recent audited financial statement prepared in accordance with generally accepted
accounting principles;

Subd. 2. Authority to postpone or forgo. Notwithstanding any contrary provision in
this act, a grantor that identifies an area of significant concern regarding the financial standing

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or management of a legislatively named applicant may postpone or forgo awarding the
grant.

Subd. 3. Authority to award subject to additional assistance and oversight. A grantor
that identifies an area of significant concern regarding an applicant's financial standing or
management may award a grant to the applicant if the grantor provides or the grantee
otherwise obtains additional technical assistance as needed and the grantor imposes additional
requirements in the grant agreement. Additional requirements may include but are not
limited to enhanced monitoring, additional reporting, or other reasonable requirements
imposed by the grantor to protect the interests of the state.

Subd. 4. Relation to other law and policy. The requirements in this section are in
addition to any other requirements imposed by law, the commissioner of administration
under Minnesota Statutes, sections 16B.97 to 16B.98, or agency policy.