

536.19  
536.20  
536.21  
536.22  
536.23  
536.24  
536.25  
536.26  
536.27  
536.28  
536.29  
536.30  
536.31  
537.1  
537.2  
537.3  
537.4  
537.5  
537.6  
537.7  
537.8  
537.9  
537.10  
537.11  
537.12  
537.13  
537.14  
537.15  
537.16  
537.17  
537.18  
537.19  
537.20  
537.21

**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 chairs 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 GRANT ALLOCATIONS.**

(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).

537.22 (d) The commissioner of human services shall allocate \$500,000 in fiscal year 2026 and  
 537.23 \$500,000 in fiscal year 2027 from the child care and development block grant for the shared  
 537.24 services grants under Minnesota Statutes, section 119B.28.

537.25 (e) The commissioner of human services shall allocate \$300,000 in fiscal year 2026 and  
 537.26 \$300,000 in fiscal year 2027 from the child care and development block grant for child care  
 537.27 provider access to technology grants under Minnesota Statutes, section 119B.29.

537.28 Sec. 3. **INFORMATION TECHNOLOGY PROJECTS FOR SERVICE DELIVERY**  
 537.29 **TRANSFORMATION.**

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

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

538.7 (1) a schedule of planned completion dates for the projects included in subdivisions 3  
 538.8 to 7;

538.9 (2) the projected budget amount for each project included in subdivisions 3 to 7; and

538.10 (3) baseline metrics and other performance indicators against which progress will be  
 538.11 measured so the outcomes identified in subdivisions 3 to 7 are achieved.

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

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

538.26 Subd. 3. **Transforming service delivery.** Any amount appropriated for this subdivision  
 538.27 is to advance efforts to develop and maintain a person-centered human services system by

538.28 increasing the ease, speed, and simplicity of accessing human services for Minnesotans,  
538.29 and for county, Tribal, and state human services workers. Outcomes to be achieved include:

538.30 (1) funding foundational work and persistent cross-functional product teams of business  
538.31 and technology resources to support ongoing iterative development that:

539.1 (i) improves the experience of Minnesotans interacting with the human services system,  
539.2 including reducing the overall time from an application to the determination of eligibility  
539.3 and receiving of benefits;

539.4 (ii) improves information technology delivery times and efficiency of software  
539.5 development by increasing business agility to respond to new or shifting needs; and

539.6 (iii) improves the experience of county and Tribal human services workers; and

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

539.9 Subd. 4. **Integrated services for children and families.** (a) Any amount appropriated  
539.10 for this subdivision is to stabilize and update legacy information technology systems,  
539.11 modernize systems, and develop a plan for the future of information technology systems  
539.12 for the programs that serve children and families. Outcomes to be achieved include:

539.13 (1) reducing unscheduled downtime on Social Services Information System by at least  
539.14 50 percent;

539.15 (2) completing the transition of automated child support systems from mainframe  
539.16 technology to a web-based environment;

539.17 (3) making information received regarding an individual's eligibility for benefits easier  
539.18 to understand; and

539.19 (4) enhancing the child support participant portal to provide additional options for  
539.20 uploading and updating information, making payments, exchanging data securely, and  
539.21 providing other features requested by users of the portal.

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

539.30 (c) The commissioner of human services must conduct a study and develop  
539.31 recommendations to streamline and reduce SSIS data entry requirements for child protection  
539.32 cases. The study must be completed in partnership with local social services agencies and

539.33 others, as determined by the commissioner. The study must review all input fields required  
540.1 on current reporting forms and determine which input fields and information are required  
540.2 under state or federal law. By June 30, 2024, the commissioner must provide a status report  
540.3 and an implementation timeline to the chairs and ranking minority members of the legislative  
540.4 committees with jurisdiction over child protection. The status report must include information  
540.5 about procedures for soliciting ongoing user input from stakeholders, progress on solicitation  
540.6 and hiring of a consultant to conduct the system evaluation required under paragraph (a),  
540.7 and a report on progress and completed efforts to streamline data entry requirements and  
540.8 improve user experience.

540.9 Subd. 5. **Medicaid Management Information System modernization.** Any amount  
540.10 appropriated for this subdivision is to meet federal compliance requirements and enhance,  
540.11 modernize, and stabilize the functionality of Minnesota's Medicaid Management Information  
540.12 System. Outcomes to be achieved include:

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

540.16 (2) improving the timeliness and accuracy of claims processing and approval of prior  
540.17 authorization requests; and

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

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

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

540.27 (2) creating an electronic licensing application within the provider licensing and reporting  
540.28 hub to ensure efficient data collection and analysis; and

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

540.32 Subd. 7. **Improving the Minnesota Eligibility Technology System functionality.** Any  
540.33 amount appropriated for this subdivision is to meet federal compliance requirements and  
541.1 for necessary repairs to improve the core functionality of the Minnesota Eligibility  
541.2 Technology System to improve the speed and accuracy of eligibility determinations and

541.3 reduce the administrative burden for state, county, and Tribal workers. Outcomes to be  
541.4 achieved include:

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

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

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

541.10 Sec. 4. **OUTCOMES AND EVALUATION CONSULTATION REQUIREMENTS.**

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

541.23 Sec. 5. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**  
541.24 **RECIPIENTS.**

541.25 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the  
541.26 meanings given.

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

UES2995-2

568.4 Sec. 14. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS**  
568.5 **REQUIRED.**

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

541.27 (b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

541.28 (c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

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

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

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

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

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

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

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

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

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

568.32 Subd. 2. **Authority to postpone or forgo; reporting required.** (a) Notwithstanding  
568.33 any contrary provision in this act, a grantor that identifies an area of significant concern  
569.1 regarding the financial standing or management of a legislatively named applicant may  
569.2 postpone or forgo awarding the grant.

569.3 (b) No later than 30 days after a grantor exercises the authority provided under paragraph  
569.4 (a), the grantor must report to the chairs and ranking minority members of the legislative  
569.5 committees with jurisdiction over the grantor's operating budget. The report must identify  
569.6 the legislatively named applicant and the grantor's reason for postponing or forgoing the  
569.7 grant.

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

542.18 (5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent  
542.19 financial audit performed by an independent third party in accordance with generally accepted  
542.20 accounting principles; and

542.21 (6) certification, provided by the grantee, that none of its principals have been convicted  
542.22 of a financial crime.

542.23 Subd. 3. **Additional measures for some grantees.** The agency may require additional  
542.24 information and must provide enhanced oversight for grants that have not previously received  
542.25 state or federal grants for similar amounts or similar duties and so have not yet demonstrated  
542.26 the ability to perform the duties required under the grant on the scale required.

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

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

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

543.14 Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to  
543.15 other organizations to perform duties required under the grant agreement, the agency must  
543.16 be a party to agreements between the grantee and a subgrantee. Before entering agreements

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

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



543.17 for subgrants, the agency must perform the financial review required under this section with  
543.18 respect to the subgrantees.

543.19 Subd. 8. **Effect.** The requirements of this section are in addition to other requirements  
543.20 imposed by law, the commissioner of administration under Minnesota Statutes, sections  
543.21 16B.97 to 16B.98, or agency grant policy.

H0238-3

230.11 Sec. 13. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS**  
230.12 **REQUIRED.**

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

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

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

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

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

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

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



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

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

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