

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2676

(SENATE AUTHORS: ABELER and Hoffman)

| DATE | D-PG | OFFICIAL STATUS |
|------------|------|--|
| 03/14/2016 | 5030 | Introduction and first reading Referred to Health, Human Services and Housing |

A bill for an act

relating to state government; creating a Health and Human Services Coordinating and Financing Board to coordinate health and human services programs; restructuring the Department of Human Services by establishing a Department of Health Care Services, Department of Forensic Services, Department of Direct Care Services, and Office of Eligibility Services; transferring duties from the Department of Human Services and other state agencies to the new state agencies and office; transferring other duties among state agencies; requiring a report; amending Minnesota Statutes 2014, sections 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 43A.08, subdivision 1a; 299A.015; proposing coding for new law in Minnesota Statutes, chapters 60A; 144A; 256; proposing coding for new law as Minnesota Statutes, chapters 246C; 246D; 256R; 256S.

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

ARTICLE 1

HEALTH AND HUMAN SERVICES COORDINATING AND FINANCING BOARD

Section 1. **[256.0165] HEALTH AND HUMAN SERVICES COORDINATING AND FINANCING BOARD.**

Subdivision 1. Establishment; duties. The governor shall establish a Health and Human Services Coordinating and Financing Board. The board shall coordinate the implementation, administration, and financing of health and human services programs and initiatives that are managed by, or impact, multiple state and county agencies, to:

(1) deliver state and county services more effectively and efficiently, improve service integration, and reduce duplication of services;

(2) set funding and outcome priorities for programs and initiatives that are managed by, or impact, multiple state and county agencies, and allocate federal, state, and local funds across these programs, initiatives, and agencies, according to these priorities;

2.1 (3) improve responsiveness to consumer needs and concerns, and improve the
 2.2 consumer experience;

2.3 (4) address problems in service delivery and service quality promptly and
 2.4 effectively; and

2.5 (5) reduce state and county administrative costs.

2.6 Subd. 2. **Membership.** The board is comprised of:

2.7 (1) the commissioners of commerce, direct care services, employment and economic
 2.8 development, forensic services, health, health care services, human services, and public
 2.9 safety;

2.10 (2) the director of the Office of Eligibility Services; and

2.11 (3) three county representatives, with one member representing a large county, one
 2.12 representing an intermediate county, and one representing a small county by population,
 2.13 appointed by the governor upon the recommendation of the Association of Minnesota
 2.14 Counties.

2.15 Subd. 3. **Governance.** (a) The commissioners of health care services and health
 2.16 shall serve as cochairs. The board is governed by section 15.0575. The board shall meet at
 2.17 least monthly.

2.18 (b) The board shall appoint an executive director, who shall serve in the unclassified
 2.19 service. The constituent state and county agencies shall, using existing resources, make
 2.20 staff available to the board who shall serve under the executive director.

2.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

2.22 **ARTICLE 2**

2.23 **DEPARTMENT OF HEALTH CARE SERVICES**

2.24 Section 1. Minnesota Statutes 2014, section 15.01, is amended to read:

2.25 **15.01 DEPARTMENTS OF THE STATE.**

2.26 The following agencies are designated as the departments of the state government:
 2.27 the Department of Administration; the Department of Agriculture; the Department of
 2.28 Commerce; the Department of Corrections; the Department of Education; the Department
 2.29 of Employment and Economic Development; the Department of Health; the Department
 2.30 of Health Care Services; the Department of Human Rights; the Department of Human
 2.31 Services; the Department of Labor and Industry; the Department of Management and
 2.32 Budget; the Department of Military Affairs; the Department of Natural Resources; the
 2.33 Department of Public Safety; ~~the Department of Human Services;~~ the Department of

3.1 Revenue; the Department of Transportation; the Department of Veterans Affairs; and
 3.2 their successor departments.

3.3 **EFFECTIVE DATE.** This section is effective July 1, 2017.

3.4 Sec. 2. Minnesota Statutes 2014, section 15.06, subdivision 1, is amended to read:

3.5 Subdivision 1. **Applicability.** This section applies to the following departments or
 3.6 agencies: the Departments of Administration;₂ Agriculture;₂ Commerce;₂ Corrections;₂
 3.7 Education;₂ Employment and Economic Development;₂ Health;₂ Health Care Services;
 3.8 Human Rights;₂ Human Services; Labor and Industry;₂ Management and Budget;₂ Natural
 3.9 Resources;₂ Public Safety; ~~Human Services;~~₂ Revenue;₂ Transportation;₂ and Veterans
 3.10 Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner
 3.11 of Iron Range Resources and Rehabilitation; the Office of MN.IT Services; the Bureau
 3.12 of Mediation Services; and their successor departments and agencies. The heads of the
 3.13 foregoing departments or agencies are "commissioners."

3.14 **EFFECTIVE DATE.** This section is effective July 1, 2017.

3.15 Sec. 3. Minnesota Statutes 2014, section 15A.0815, subdivision 2, is amended to read:

3.16 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision
 3.17 shall not exceed 133 percent of the salary of the governor. This limit must be adjusted
 3.18 annually on January 1. The new limit must equal the limit for the prior year increased
 3.19 by the percentage increase, if any, in the Consumer Price Index for all urban consumers
 3.20 from October of the second prior year to October of the immediately prior year. The
 3.21 commissioner of management and budget must publish the limit on the department's Web
 3.22 site. This subdivision applies to the following positions:

3.23 Commissioner of administration;

3.24 Commissioner of agriculture;

3.25 Commissioner of education;

3.26 Commissioner of commerce;

3.27 Commissioner of corrections;

3.28 Commissioner of health;

3.29 Commissioner of health care services;

3.30 Commissioner, Minnesota Office of Higher Education;

3.31 Commissioner, Housing Finance Agency;

3.32 Commissioner of human rights;

3.33 Commissioner of human services;

4.1 Commissioner of labor and industry;
 4.2 Commissioner of management and budget;
 4.3 Commissioner of natural resources;
 4.4 Commissioner, Pollution Control Agency;
 4.5 Executive director, Public Employees Retirement Association;
 4.6 Commissioner of public safety;
 4.7 Commissioner of revenue;
 4.8 Executive director, State Retirement System;
 4.9 Executive director, Teachers Retirement Association;
 4.10 Commissioner of employment and economic development;
 4.11 Commissioner of transportation; and
 4.12 Commissioner of veterans affairs.

4.13 **EFFECTIVE DATE.** This section is effective July 1, 2017.

4.14 Sec. 4. Minnesota Statutes 2014, section 43A.08, subdivision 1a, is amended to read:

4.15 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the
 4.16 following agencies may designate additional unclassified positions according to this
 4.17 subdivision: the Departments of Administration; Agriculture; Commerce; Corrections;
 4.18 Education; Employment and Economic Development; Explore Minnesota Tourism;
 4.19 Management and Budget; Health; Health Care Services; Human Rights; Human Services;
 4.20 Labor and Industry; Natural Resources; Public Safety; ~~Human Services~~; Revenue;
 4.21 Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies;
 4.22 the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the
 4.23 Office of MN.IT Services; the Offices of the Attorney General, Secretary of State, and State
 4.24 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
 4.25 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

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

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

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

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

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

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

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

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

5.10 **EFFECTIVE DATE.** This section is effective July 1, 2017.

5.11 **Sec. 5. [256R.01] DEPARTMENT OF HEALTH CARE SERVICES.**

5.12 The Department of Health Care Services is created. The governor shall appoint
5.13 the commissioner of health care services under section 15.06. The commissioner shall
5.14 administer:

5.15 (1) the medical assistance program under chapters 256 and 256B;

5.16 (2) the MinnesotaCare program under chapter 256L;

5.17 (3) mental health and chemical dependency services under chapters 245, 253C,
5.18 254A, and 254B;

5.19 (4) services for the elderly under chapters 256 and 256B;

5.20 (5) services for persons with disabilities under chapters 245D, 248, 252, 256C,
5.21 and 256Q; and

5.22 (6) health care quality, health care analysis, health economics, and related data
5.23 collection initiatives under chapters 62J, 62U, and 144.

5.24 **EFFECTIVE DATE.** This section is effective July 1, 2017.

5.25 **Sec. 6. [256R.05] TRANSFER OF DUTIES.**

5.26 (a) Section 15.039 applies to the transfer of duties required by this chapter.

5.27 (b) The commissioner of administration, with the approval of the governor, may

5.28 issue reorganization orders under section 16B.37 as necessary to carry out the transfer of

5.29 duties required by this chapter. The provision of section 16B.37, subdivision 1, stating that

5.30 transfers under section 16B.37 may be made only to an agency that has been in existence

5.31 for at least one year does not apply to transfers to an agency created by this chapter.

6.1 (c) The initial salary for the commissioner of health care services is the same as the
 6.2 salary for the commissioner of health. The salary may be changed in the manner specified
 6.3 in section 15A.0815.

6.4 (d) The commissioner of management and budget must ensure that the aggregate
 6.5 cost for the commissioner of health care services is not more than the aggregate cost of the
 6.6 primary executives in the Department of Human Services and the Department of Health
 6.7 responsible for management of health care services immediately before the effective
 6.8 date of this chapter.

6.9 (e) For an employee affected by the transfer of duties required by this chapter,
 6.10 the seniority accrued by the employee at the employee's former agency transfers to the
 6.11 employee's new agency.

6.12 **EFFECTIVE DATE.** This section is effective July 1, 2017.

6.13 Sec. 7. **REVISOR'S INSTRUCTION.**

6.14 The revisor of statutes, in consultation with staff from the House Research
 6.15 Department; House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal
 6.16 Analysis; and the respective departments shall prepare legislation for introduction in the
 6.17 2017 legislative session proposing the statutory changes needed to implement the transfers
 6.18 of duties required by this article.

6.19 **EFFECTIVE DATE.** This section is effective July 1, 2016.

6.20 **ARTICLE 3**

6.21 **DEPARTMENT OF FORENSIC SERVICES**

6.22 Section 1. Minnesota Statutes 2014, section 15.01, is amended to read:

6.23 **15.01 DEPARTMENTS OF THE STATE.**

6.24 The following agencies are designated as the departments of the state government:
 6.25 the Department of Administration; the Department of Agriculture; the Department of
 6.26 Commerce; the Department of Corrections; the Department of Education; the Department
 6.27 of Employment and Economic Development; the Department of Forensic Services; the
 6.28 Department of Health; the Department of Human Rights; the Department of Human
 6.29 Services; the Department of Labor and Industry; the Department of Management and
 6.30 Budget; the Department of Military Affairs; the Department of Natural Resources; the
 6.31 Department of Public Safety; ~~the Department of Human Services;~~ the Department of

7.1 Revenue; the Department of Transportation; the Department of Veterans Affairs; and
7.2 their successor departments.

7.3 **EFFECTIVE DATE.** This section is effective July 1, 2017.

7.4 Sec. 2. Minnesota Statutes 2014, section 15.06, subdivision 1, is amended to read:

7.5 Subdivision 1. **Applicability.** This section applies to the following departments or
7.6 agencies: the Departments of Administration;₂ Agriculture;₂ Commerce;₂ Corrections;₂
7.7 Education;₂ Employment and Economic Development;₂ Forensic Services; Health;₂
7.8 Human Rights;₂ Human Services; Labor and Industry;₂ Management and Budget;₂ Natural
7.9 Resources;₂ Public Safety, ~~Human Services~~₂; Revenue;₂ Transportation;₂ and Veterans
7.10 Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner
7.11 of Iron Range Resources and Rehabilitation; the Office of MN.IT Services; the Bureau
7.12 of Mediation Services; and their successor departments and agencies. The heads of the
7.13 foregoing departments or agencies are "commissioners."

7.14 **EFFECTIVE DATE.** This section is effective July 1, 2017.

7.15 Sec. 3. Minnesota Statutes 2014, section 15A.0815, subdivision 2, is amended to read:

7.16 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision
7.17 shall not exceed 133 percent of the salary of the governor. This limit must be adjusted
7.18 annually on January 1. The new limit must equal the limit for the prior year increased
7.19 by the percentage increase, if any, in the Consumer Price Index for all urban consumers
7.20 from October of the second prior year to October of the immediately prior year. The
7.21 commissioner of management and budget must publish the limit on the department's Web
7.22 site. This subdivision applies to the following positions:

7.23 Commissioner of administration;

7.24 Commissioner of agriculture;

7.25 Commissioner of education;

7.26 Commissioner of commerce;

7.27 Commissioner of corrections;

7.28 Commissioner of forensic services;

7.29 Commissioner of health;

7.30 Commissioner, Minnesota Office of Higher Education;

7.31 Commissioner, Housing Finance Agency;

7.32 Commissioner of human rights;

7.33 Commissioner of human services;

8.1 Commissioner of labor and industry;
 8.2 Commissioner of management and budget;
 8.3 Commissioner of natural resources;
 8.4 Commissioner, Pollution Control Agency;
 8.5 Executive director, Public Employees Retirement Association;
 8.6 Commissioner of public safety;
 8.7 Commissioner of revenue;
 8.8 Executive director, State Retirement System;
 8.9 Executive director, Teachers Retirement Association;
 8.10 Commissioner of employment and economic development;
 8.11 Commissioner of transportation; and
 8.12 Commissioner of veterans affairs.

8.13 **EFFECTIVE DATE.** This section is effective July 1, 2017.

8.14 Sec. 4. Minnesota Statutes 2014, section 43A.08, subdivision 1a, is amended to read:

8.15 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the
 8.16 following agencies may designate additional unclassified positions according to this
 8.17 subdivision: the Departments of Administration; Agriculture; Commerce; Corrections;
 8.18 Education; Employment and Economic Development; Explore Minnesota Tourism;
 8.19 Forensic Services; Management and Budget; Health; Human Rights; Human Services;
 8.20 Labor and Industry; Natural Resources; Public Safety; ~~Human Services~~; Revenue;
 8.21 Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies;
 8.22 the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the
 8.23 Office of MN.IT Services; the Offices of the Attorney General, Secretary of State, and State
 8.24 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
 8.25 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

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

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

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

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

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

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

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

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

9.10 **EFFECTIVE DATE.** This section is effective July 1, 2017.

9.11 Sec. 5. **[246C.01] DEPARTMENT OF FORENSIC SERVICES.**

9.12 (a) The Department of Forensic Services is created. The governor shall appoint the
9.13 commissioner of forensic services under section 15.06. The commissioner shall create and
9.14 maintain forensic services programs. Forensic services shall be provided in coordination
9.15 with counties and other vendors. Forensic services shall include specialized inpatient
9.16 programs at secure treatment facilities as defined in sections 253B.02, subdivision 18a,
9.17 and 253D.02, subdivision 13; community preparation services; consultative services;
9.18 aftercare services; community-based services and programs; transition services; nursing
9.19 home services; or other services consistent with the mission of the Department of Forensic
9.20 Services.

9.21 (b) "Community preparation services" means specialized inpatient or outpatient
9.22 services or programs that are operated outside of a secure environment but administered
9.23 by a secure treatment facility.

9.24 **EFFECTIVE DATE.** This section is effective July 1, 2017.

9.25 Sec. 6. **[246C.05] TRANSFER OF DUTIES.**

9.26 (a) Section 15.039 applies to the transfer of duties required by this chapter.

9.27 (b) The commissioner of administration, with the approval of the governor, may
9.28 issue reorganization orders under section 16B.37 as necessary to carry out the transfer of
9.29 duties required by this chapter. The provision of section 16B.37, subdivision 1, stating that
9.30 transfers under section 16B.37 may be made only to an agency that has been in existence
9.31 for at least one year does not apply to transfers to an agency created by this chapter.

10.1 (c) The initial salary for the commissioner of forensic services is the same as the
 10.2 salary for the commissioner of health. The salary may be changed in the manner specified
 10.3 in section 15A.0815.

10.4 (d) The commissioner of management and budget must ensure that the aggregate
 10.5 cost for the commissioner of forensic services is not more than the aggregate cost of the
 10.6 primary executives in the Department of Human Services responsible for management of
 10.7 forensic services immediately before the effective date of this chapter.

10.8 (e) For an employee affected by the transfer of duties required by this chapter,
 10.9 the seniority accrued by the employee at the employee's former agency transfers to the
 10.10 employee's new agency.

10.11 **EFFECTIVE DATE.** This section is effective July 1, 2017.

10.12 Sec. 7. **REVISOR'S INSTRUCTION.**

10.13 The revisor of statutes, in consultation with staff from the House Research
 10.14 Department; House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal
 10.15 Analysis; and the respective departments shall prepare legislation for introduction in the
 10.16 2017 legislative session proposing the statutory changes needed to implement the transfers
 10.17 of duties required by this article.

10.18 **EFFECTIVE DATE.** This section is effective July 1, 2016.

10.19 **ARTICLE 4**

10.20 **DEPARTMENT OF DIRECT CARE SERVICES**

10.21 Section 1. Minnesota Statutes 2014, section 15.01, is amended to read:

10.22 **15.01 DEPARTMENTS OF THE STATE.**

10.23 The following agencies are designated as the departments of the state government:
 10.24 the Department of Administration; the Department of Agriculture; the Department of
 10.25 Commerce; the Department of Corrections; the Department of Direct Care Services; the
 10.26 Department of Education; the Department of Employment and Economic Development;
 10.27 the Department of Health; the Department of Human Rights; the Department of Human
 10.28 Services; the Department of Labor and Industry; the Department of Management and
 10.29 Budget; the Department of Military Affairs; the Department of Natural Resources; the
 10.30 Department of Public Safety; ~~the Department of Human Services;~~ the Department of
 10.31 Revenue; the Department of Transportation; the Department of Veterans Affairs; and
 10.32 their successor departments.

11.1 **EFFECTIVE DATE.** This section is effective July 1, 2017.

11.2 Sec. 2. Minnesota Statutes 2014, section 15.06, subdivision 1, is amended to read:

11.3 Subdivision 1. **Applicability.** This section applies to the following departments or
 11.4 agencies: the Departments of Administration;₂ Agriculture;₂ Commerce;₂ Corrections;₂
 11.5 Direct Care Services; Education;₂ Employment and Economic Development;₂ Health;₂
 11.6 Human Rights;₂ Human Services; Labor and Industry;₂ Management and Budget;₂ Natural
 11.7 Resources;₂ Public Safety, ~~Human Services~~; Revenue;₂ Transportation;₂ and Veterans
 11.8 Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner
 11.9 of Iron Range Resources and Rehabilitation; the Office of MN.IT Services; the Bureau
 11.10 of Mediation Services; and their successor departments and agencies. The heads of the
 11.11 foregoing departments or agencies are "commissioners."

11.12 **EFFECTIVE DATE.** This section is effective July 1, 2017.

11.13 Sec. 3. Minnesota Statutes 2014, section 15A.0815, subdivision 2, is amended to read:

11.14 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision
 11.15 shall not exceed 133 percent of the salary of the governor. This limit must be adjusted
 11.16 annually on January 1. The new limit must equal the limit for the prior year increased
 11.17 by the percentage increase, if any, in the Consumer Price Index for all urban consumers
 11.18 from October of the second prior year to October of the immediately prior year. The
 11.19 commissioner of management and budget must publish the limit on the department's Web
 11.20 site. This subdivision applies to the following positions:

11.21 Commissioner of administration;
 11.22 Commissioner of agriculture;
 11.23 Commissioner of education;
 11.24 Commissioner of commerce;
 11.25 Commissioner of corrections;
 11.26 Commissioner of direct care services;
 11.27 Commissioner of health;
 11.28 Commissioner, Minnesota Office of Higher Education;
 11.29 Commissioner, Housing Finance Agency;
 11.30 Commissioner of human rights;
 11.31 Commissioner of human services;
 11.32 Commissioner of labor and industry;
 11.33 Commissioner of management and budget;
 11.34 Commissioner of natural resources;

12.1 Commissioner, Pollution Control Agency;
 12.2 Executive director, Public Employees Retirement Association;
 12.3 Commissioner of public safety;
 12.4 Commissioner of revenue;
 12.5 Executive director, State Retirement System;
 12.6 Executive director, Teachers Retirement Association;
 12.7 Commissioner of employment and economic development;
 12.8 Commissioner of transportation; and
 12.9 Commissioner of veterans affairs.

12.10 **EFFECTIVE DATE.** This section is effective July 1, 2017.

12.11 Sec. 4. Minnesota Statutes 2014, section 43A.08, subdivision 1a, is amended to read:

12.12 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the
 12.13 following agencies may designate additional unclassified positions according to this
 12.14 subdivision: the Departments of Administration; Agriculture; Commerce; Corrections;
 12.15 Direct Care Services; Education; Employment and Economic Development; Explore
 12.16 Minnesota Tourism; Management and Budget; Health; Human Rights; Human Services;
 12.17 Labor and Industry; Natural Resources; Public Safety; ~~Human Services~~; Revenue;
 12.18 Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies;
 12.19 the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the
 12.20 Office of MN.IT Services; the Offices of the Attorney General, Secretary of State, and State
 12.21 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
 12.22 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

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

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

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

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

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

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

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

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

13.8 **EFFECTIVE DATE.** This section is effective July 1, 2017.

13.9 **Sec. 5. [246D.01] DEPARTMENT OF DIRECT CARE SERVICES.**

13.10 The Department of Direct Care Services is created. The governor shall appoint the
 13.11 commissioner of direct care services under section 15.06. The commissioner shall develop
 13.12 and maintain direct care services in a manner consistent with sections 245.461 and 245.487
 13.13 and chapters 246, 252, 253, 254A, and 254B. Direct care services shall be provided
 13.14 in coordination with counties and other vendors. Direct care services shall include
 13.15 regional treatment centers, enterprise services, community-based services and programs,
 13.16 community preparation services, consultative services, and other services consistent with
 13.17 the mission of the Department of Direct Care Services. These services shall include
 13.18 crisis beds, waived homes, intermediate care facilities, and day training and habilitation
 13.19 facilities. The administrative structure of direct care services must be statewide in character.
 13.20 The direct care services staff may deliver services at any location throughout the state.

13.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

13.22 **Sec. 6. [246D.05] TRANSFER OF DUTIES.**

13.23 (a) Section 15.039 applies to the transfer of duties required by this chapter.

13.24 (b) The commissioner of administration, with the approval of the governor, may
 13.25 issue reorganization orders under section 16B.37 as necessary to carry out the transfer of
 13.26 duties required by this chapter. The provision of section 16B.37, subdivision 1, stating that
 13.27 transfers under section 16B.37 may be made only to an agency that has been in existence
 13.28 for at least one year does not apply to transfers to an agency created by this chapter.

13.29 (c) The initial salary for the commissioner of direct care services is the same as the
 13.30 salary for the commissioner of health. The salary may be changed in the manner specified
 13.31 in section 15A.0815.

13.32 (d) The commissioner of management and budget must ensure that the aggregate
 13.33 cost for the commissioner of direct care services is not more than the aggregate cost of the

14.1 primary executives in the Department of Human Services responsible for management of
 14.2 direct care services immediately before the effective date of this chapter.

14.3 (e) For an employee affected by the transfer of duties required by this chapter,
 14.4 the seniority accrued by the employee at the employee's former agency transfers to the
 14.5 employee's new agency.

14.6 **EFFECTIVE DATE.** This section is effective July 1, 2017.

14.7 **Sec. 7. REVISOR'S INSTRUCTION.**

14.8 The revisor of statutes, in consultation with staff from the House Research
 14.9 Department; House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal
 14.10 Analysis; and the respective departments shall prepare legislation for introduction in the
 14.11 2017 legislative session proposing the statutory changes needed to implement the transfers
 14.12 of duties required by this article.

14.13 **EFFECTIVE DATE.** This section is effective July 1, 2016.

14.14 **ARTICLE 5**

14.15 **OFFICE OF ELIGIBILITY SERVICES**

14.16 **Section 1. [256S.01] OFFICE OF ELIGIBILITY SERVICES.**

14.17 Subdivision 1. **Creation.** A state Office of Eligibility Services is created.

14.18 Subd. 2. **Director.** (a) The office shall be under the direction of a director who
 14.19 shall be appointed by the governor, with the advice and consent of the senate, for a term
 14.20 ending on June 30 of the sixth calendar year after appointment. Senate confirmation of
 14.21 the director shall be as provided by section 15.066. The director shall appoint deputies
 14.22 to serve in the office as necessary to fulfill the duties of the office. The director may
 14.23 delegate to a subordinate employee the exercise of a specified statutory power or duty,
 14.24 subject to the control of the director. Every delegation must be by written order filed
 14.25 with the secretary of state.

14.26 (b) The director shall be in the unclassified service, but may be removed only for
 14.27 cause.

14.28 Subd. 3. **Duties.** (a) The director of eligibility services shall determine initial and
 14.29 ongoing client eligibility, and act on client appeals, for:

14.30 (1) social service and income assistance programs administered under chapters
 14.31 119B, 256, 256D, 256E, 256F, 256I, 256J, 256K, 256N, and 256P;

14.32 (2) mental health and chemical dependency programs administered under chapters
 14.33 245, 253C, 254A, and 254B;

15.1 (3) health care programs administered under chapters 256, 256B, and 256L;

15.2 (4) programs for persons with disabilities administered under chapters 245D, 248,
15.3 252, 256C, and 256Q;

15.4 (5) student higher education grant, loan, and assistance programs administered
15.5 under chapter 136A;

15.6 (6) student prekindergarten through grade 12 scholarship, nutrition, and assistance
15.7 programs administered under chapters 119A and 120A to 127A; and

15.8 (7) housing assistance programs administered under chapters 462A and 462C.

15.9 (b) The director of eligibility services shall work with the commissioners of the
15.10 relevant state agencies and directors of relevant local agencies to coordinate eligibility
15.11 determination for the programs listed in paragraph (a) with program operations, and to
15.12 streamline, simplify, and consolidate the application and renewal process for persons
15.13 seeking or receiving assistance through the programs.

15.14 **EFFECTIVE DATE.** This section is effective July 1, 2017.

15.15 Sec. 2. **[256S.05] TRANSFER OF DUTIES.**

15.16 (a) Section 15.039 applies to the transfer of duties required by this chapter.

15.17 (b) The commissioner of administration, with approval of the governor, may issue
15.18 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties
15.19 required by this chapter. The provision of section 16B.37, subdivision 1, stating that
15.20 transfers under that section may be made only to an agency that has been in existence for
15.21 at least one year does not apply to transfers to an agency created by this chapter.

15.22 (c) The commissioner of management and budget must ensure that the aggregate
15.23 cost for the director of the Office of Eligibility Services is not more than the aggregate cost
15.24 of the primary executives in state agencies responsible for client eligibility determinations
15.25 and client appeals immediately before the effective date of this chapter.

15.26 (d) For an employee affected by the transfer of duties required by this chapter,
15.27 the seniority accrued by the employee at the employee's former agency transfers to the
15.28 employee's new agency.

15.29 **EFFECTIVE DATE.** This section is effective July 1, 2017.

15.30 Sec. 3. **REVISOR'S INSTRUCTION.**

15.31 The revisor of statutes, in consultation with staff from the House Research
15.32 Department; House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal
15.33 Analysis; and the respective departments shall prepare legislation for introduction in the

16.1 2017 legislative session proposing the statutory changes needed to implement the transfers
 16.2 of duties required by this article.

16.3 **EFFECTIVE DATE.** This section is effective July 1, 2016.

16.4 **ARTICLE 6**

16.5 **TRANSFER OF DUTIES**

16.6 Section 1. **[60A.033] DUTIES TRANSFERRED FROM ANOTHER AGENCY.**

16.7 (a) The following powers and duties of the Department of Health are transferred to
 16.8 the Department of Commerce under section 15.039:

16.9 (1) regulation of health maintenance organizations and community integrated service
 16.10 networks, including regulation of enrollee appeal and complaint resolution processes;

16.11 (2) regulation of county-based purchasing plans and utilization review organizations;

16.12 (3) certification of health care provider network adequacy in health plans; and

16.13 (4) health plan quality assurance and performance measurement activities.

16.14 (b) For an employee affected by the transfer of duties required by this section,
 16.15 the seniority accrued by the employee at the employee's former agency transfers to the
 16.16 employee's new agency.

16.17 Sec. 2. **[144A.491] DUTIES TRANSFERRED FROM ANOTHER AGENCY.**

16.18 (a) The powers and duties of the Department of Human Services with respect to
 16.19 programs and facilities licensed or regulated under chapter 245A, 245D, or 245F, are
 16.20 transferred to the Department of Health under section 15.039.

16.21 (b) For an employee affected by the transfer of duties required by this section,
 16.22 the seniority accrued by the employee at the employee's former agency transfers to the
 16.23 employee's new agency.

16.24 **EFFECTIVE DATE.** This section is effective July 1, 2017.

16.25 Sec. 3. Minnesota Statutes 2014, section 299A.015, is amended to read:

16.26 **299A.015 DUTIES TRANSFERRED FROM OTHER AGENCY.**

16.27 (a) The powers and duties of the Department of Children, Families, and Learning
 16.28 with respect to the Office of Drug Policy and Violence Prevention and Community
 16.29 Advisory Violence Prevention Council under Minnesota Statutes 1998, sections 119A.25,
 16.30 119A.26, 119A.27, 119A.28, 119A.29, 119A.31, 119A.32, 119A.33, and 119A.34, are
 16.31 transferred to the Department of Public Safety under section 15.039.

17.1 (b) The powers and duties of the Department of Human Services with respect to
 17.2 the Department of Human Services Background Study Act under chapter 245C, are
 17.3 transferred to the Department of Public Safety under section 15.039.

17.4 (c) The powers and duties of the Department of Health with respect to background
 17.5 studies required by sections 144.058, 144A.476, 144A.62, 144A.754, 145A.061, and
 17.6 157.17, are transferred to the Department of Public Safety under section 15.039.

17.7 (d) For the purpose of completing background studies, the commissioner of public
 17.8 safety shall have authority to access:

17.9 (1) maltreatment data maintained by local welfare agencies or agencies responsible
 17.10 for assessing or investigating reports under section 626.556; and

17.11 (2) names of substantiated perpetrators related to maltreatment of vulnerable adults
 17.12 maintained by the commissioner of human services under section 626.557.

17.13 (e) For employees affected by the transfer of duties required by paragraphs (b) and
 17.14 (c), the seniority accrued by the employee at the employee's former agency transfers to the
 17.15 employee's new agency.

17.16 **EFFECTIVE DATE.** This section is effective July 1, 2017.

17.17 **Sec. 4. DIRECTION TO COMMISSIONERS OF HUMAN SERVICES AND**
 17.18 **EMPLOYMENT AND ECONOMIC DEVELOPMENT.**

17.19 The commissioners of human services and employment and economic development,
 17.20 in consultation with counties and stakeholders, shall: (1) prepare legislation for the 2017
 17.21 legislative session to transfer the Minnesota family investment program under Minnesota
 17.22 Statutes, chapter 256J, except for the child-only TANF program under Minnesota
 17.23 Statutes, section 256J.88, from the Department of Human Services to the Department of
 17.24 Employment and Economic Development; and (2) report to the chairs and ranking minority
 17.25 members of the legislative committees with jurisdiction over human services policy and
 17.26 finance and employment and economic development policy and finance regarding the
 17.27 proposed transfer of the Minnesota family investment program by February 1, 2017.

17.28 **EFFECTIVE DATE.** This section is effective July 1, 2016.

17.29 **Sec. 5. REVISOR'S INSTRUCTION.**

17.30 The revisor of statutes, in consultation with staff from the House Research
 17.31 Department; House Fiscal Analysis; the Office of Senate Counsel, Research, and Fiscal
 17.32 Analysis; and the respective departments shall prepare legislation for introduction in the

18.1 2017 legislative session proposing the statutory changes needed to implement the transfers
18.2 of duties required by this article.

18.3 **EFFECTIVE DATE.** This section is effective July 1, 2016.

APPENDIX
Article locations in 16-6363

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|-----------|--|---------------|
| ARTICLE 1 | HEALTH AND HUMAN SERVICES COORDINATING AND FINANCING BOARD | Page.Ln 1.14 |
| ARTICLE 2 | DEPARTMENT OF HEALTH CARE SERVICES | Page.Ln 2.22 |
| ARTICLE 3 | DEPARTMENT OF FORENSIC SERVICES | Page.Ln 6.20 |
| ARTICLE 4 | DEPARTMENT OF DIRECT CARE SERVICES | Page.Ln 10.19 |
| ARTICLE 5 | OFFICE OF ELIGIBILITY SERVICES | Page.Ln 14.14 |
| ARTICLE 6 | TRANSFER OF DUTIES | Page.Ln 16.4 |