

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 3022

(SENATE AUTHORS: HOFFMAN)

DATE
03/20/2023

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Introduction and first reading
Referred to Health and Human Services

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to human services; establishing the Department of Direct Care and Services;
1.3 amending Minnesota Statutes 2022, sections 15.01; 15.06, subdivision 1; 43A.08,
1.4 subdivision 1a; proposing coding for new law as Minnesota Statutes, chapter 246C.

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

1.6 Section 1. Minnesota Statutes 2022, section 15.01, is amended to read:

1.7 **15.01 DEPARTMENTS OF THE STATE.**

1.8 The following agencies are designated as the departments of the state government: the
1.9 Department of Administration; the Department of Agriculture; the Department of
1.10 Commerce; the Department of Corrections; the Department of Direct Care and Treatment,
1.11 the Department of Education; the Department of Employment and Economic Development;
1.12 the Department of Health; the Department of Human Rights; the Department of Human
1.13 Services, the Department of Information Technology Services; the Department of Iron
1.14 Range Resources and Rehabilitation; the Department of Labor and Industry; the Department
1.15 of Management and Budget; the Department of Military Affairs; the Department of Natural
1.16 Resources; the Department of Public Safety; ~~the Department of Human Services;~~ the
1.17 Department of Revenue; the Department of Transportation; the Department of Veterans
1.18 Affairs; and their successor departments.

1.19 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1.20 Sec. 2. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

1.21 Subdivision 1. **Applicability.** This section applies to the following departments or
1.22 agencies: the Departments of Administration, Agriculture, Commerce, Corrections, Direct

2.1 Care and Treatment, Education, Employment and Economic Development, Health, Human
 2.2 Rights, Human Services, Labor and Industry, Management and Budget, Natural Resources,
 2.3 Public Safety, ~~Human Services~~, Revenue, Transportation, and Veterans Affairs; the Housing
 2.4 Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range
 2.5 Resources and Rehabilitation; the Department of Information Technology Services; the
 2.6 Bureau of Mediation Services; and their successor departments and agencies. The heads of
 2.7 the foregoing departments or agencies are "commissioners."

2.8 **EFFECTIVE DATE.** This section is effective January 1, 2025.

2.9 Sec. 3. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

2.10 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
 2.11 agencies may designate additional unclassified positions according to this subdivision: the
 2.12 Departments of Administration; Agriculture; Commerce; Corrections; Direct Care and
 2.13 Treatment, Education; Employment and Economic Development; Explore Minnesota
 2.14 Tourism; Management and Budget; Health; Human Rights; Human Services, Labor and
 2.15 Industry; Natural Resources; Public Safety; ~~Human Services~~; Revenue; Transportation;
 2.16 and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery;
 2.17 the State Board of Investment; the Office of Administrative Hearings; the Department of
 2.18 Information Technology Services; the Offices of the Attorney General, Secretary of State,
 2.19 and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of
 2.20 Higher Education; the Perpich Center for Arts Education; and the Minnesota Zoological
 2.21 Board.

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

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

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

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

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

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

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

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

3.8 **EFFECTIVE DATE.** This section is effective January 1, 2025.

3.9 Sec. 4. **[246C.01] TITLE.**

3.10 This chapter may be cited as the "Department of Direct Care & Treatment Act."

3.11 Sec. 5. **[246C.02] DEPARTMENT OF DIRECT CARE AND TREATMENT;**
 3.12 **ESTABLISHMENT.**

3.13 (a) The Department of Direct Care and Treatment is created. An executive board shall
 3.14 head the Department of Direct Care and Treatment. The executive board shall develop and
 3.15 maintain direct care and treatment in a manner consistent with applicable law, including
 3.16 chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256. The
 3.17 Department of Direct Care and Treatment shall provide direct care and treatment services
 3.18 in coordination with counties and other vendors. Direct care and treatment services shall
 3.19 include specialized inpatient programs at secure treatment facilities as defined in sections
 3.20 253B.02, subdivision 18a, and 253D.02, subdivision 13; community preparation services;
 3.21 regional treatment centers; enterprise services; consultative services; aftercare services;
 3.22 community-based services and programs; transition services; nursing home services; and
 3.23 other services consistent with the mission of the Department of Direct Care and Treatment.

3.24 (b) "Community preparation services" means specialized inpatient or outpatient services
 3.25 or programs operated outside of a secure environment but administered by a secure treatment
 3.26 facility.

3.27 **EFFECTIVE DATE.** This section is effective January 1, 2025.

3.28 Sec. 6. **[246C.03] TRANSITION OF AUTHORITY; DEVELOPMENT OF A BOARD.**

3.29 Subdivision 1. Authority until board is developed and powers defined. Upon the
 3.30 effective date of this act, the commissioner of human services shall continue to exercise all
 3.31 authorities and responsibilities under chapters 13, 245, 246, 246B, 252, 253, 253B, 253C,

4.1 253D, 254A, 254B, and 256, until legislation is effective that develops the Department of
4.2 Direct Care and Treatment executive board and defines the responsibilities and powers of
4.3 the Department of Direct Care and Treatment and its executive board.

4.4 Subd. 2. **Development of Department of Direct Care and Treatment Board.** (a) The
4.5 commissioner of human services shall prepare legislation for introduction during the 2024
4.6 legislative session, with input from stakeholders the commissioner deems necessary,
4.7 proposing legislation for the creation and implementation of the Direct Care and Treatment
4.8 executive board and defining the responsibilities, powers, and function of the Department
4.9 of Direct Care and Treatment executive board.

4.10 (b) The Department of Direct Care and Treatment executive board shall consist of no
4.11 more than five members, all appointed by the governor.

4.12 (c) An executive board member's qualifications must be appropriate for overseeing a
4.13 complex behavioral health system, such as experience serving on a hospital or non-profit
4.14 board or working as a licensed health care provider, in an allied health profession, or in
4.15 health care administration.

4.16 **EFFECTIVE DATE.** This section is effective July 1, 2023.

4.17 Sec. 7. **[246C.04] TRANSFER OF DUTIES.**

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

4.19 (b) The commissioner of administration, with the governor's approval, shall issue
4.20 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties
4.21 required by section 246C.01. The provision of section 16B.37, subdivision 1, stating that
4.22 transfers under section 16B.37 may only be to an agency that has existed for at least one
4.23 year does not apply to transfers to an agency created by this chapter.

4.24 (c) The initial salary for the health systems chief executive officer of the Department of
4.25 Direct Care and Treatment is the same as the salary for the health systems chief executive
4.26 officer of direct care and treatment at the Department of Human Services immediately before
4.27 July 1, 2024.

4.28 Sec. 8. **[246C.05] SUCCESSOR AND EMPLOYEE PROTECTION CLAUSE.**

4.29 (a) Personnel who perform the functions assigned to the commissioner of direct care
4.30 and treatment in chapters 13, 43A, 245, 246, 246B, 252, 253, 253B, 253D, and 256 and any
4.31 other applicable chapters or sections of law are transferred to the Department of Direct Care

5.1 and Treatment effective 30 days after approval of the transfer by the commissioner of direct
5.2 care and treatment.

5.3 (b) All employees of the Department of Human Services transferred to the Department
5.4 of Direct Care and Treatment will become employees of the Department of Direct Care and
5.5 Treatment and will cease to be employees of the Department of Human Services, effective
5.6 30 days after approval of the transfer by the commissioner of direct care and treatment.
5.7 Transferred employees must be assigned the same employment status, bargaining unit, and
5.8 job classification as they had at the time of the transfer. Nothing in this provision prohibits
5.9 the Department of Direct Care and Treatment from taking any action subsequent to the
5.10 transfer that is allowed under chapter 43A, a collective bargaining agreement, or
5.11 compensation plan, or is otherwise permitted by law.

5.12 (c) All collective bargaining agreements and compensation plans that cover any employee
5.13 of the Department of Human Services who is transferred to the Department of Direct Care
5.14 and Treatment continue in full force and effect with the Department of Direct Care and
5.15 Treatment.

5.16 Sec. 9. **REVISOR INSTRUCTION.**

5.17 The revisor of statutes, in consultation with staff from the House Research Department;
5.18 House Fiscal Analysis; the Office of Senate Counsel, Research and Fiscal Analysis; and
5.19 the respective departments shall prepare legislation for introduction in the 2024 legislative
5.20 session proposing the statutory changes necessary to implement the transfers of duties that
5.21 this article requires.

5.22 **EFFECTIVE DATE.** This section is effective July 1, 2023.