

**Senator Xiong from the Committee on State and Local Government, to which was re-referred**

**S.F. No. 626:** A bill for an act relating to direct care and treatment; establishing a commissioner and the Department of Direct Care and Treatment; repealing the direct care and treatment executive board; establishing the Advisory Council on Direct Care and Treatment; repealing an advisory committee; amending Minnesota Statutes 2024, sections 10.65, subdivision 2; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 15A.082, subdivisions 1, 3, 7; 43A.08, subdivisions 1, 1a; 245.021; 245.073; 246.13, subdivision 1; 246B.01, by adding a subdivision; 246C.01; 246C.015, subdivision 3, by adding a subdivision; 246C.02, subdivision 1; 246C.04, subdivisions 2, 3; 246C.07, subdivisions 1, 2, 8; 246C.09, subdivision 3; 246C.091, subdivisions 2, 3, 4; 252.021, by adding a subdivision; 252.50, subdivision 5; 253.195, by adding a subdivision; 253B.02, subdivisions 3, 4c, by adding a subdivision; 253B.03, subdivision 7; 253B.041, subdivision 4; 253B.09, subdivision 3a; 253B.18, subdivision 6; 253B.19, subdivision 2; 253B.20, subdivision 2; 253D.02, subdivision 3, by adding a subdivision; 254B.05, subdivision 4; 256.045, subdivisions 6, 7, by adding a subdivision; 256G.09, subdivision 3; 352.91, subdivisions 2a, 3c, 3d, 4a; 524.3-801; 611.57, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 246C; repealing Minnesota Statutes 2024, sections 246B.01, subdivision 2; 246C.015, subdivisions 2, 5a, 6; 246C.06, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 246C.07, subdivisions 4, 5; 246C.08; 252.021, subdivision 2; 253.195, subdivision 2; 253B.02, subdivision 7b; 253D.02, subdivision 7a; 254B.01, subdivision 15; 256.045, subdivision 1a; 256G.02, subdivision 5a; Laws 2024, chapter 79, article 1, section 20; Laws 2024, chapter 125, article 5, sections 40; 41; Laws 2024, chapter 127, article 50, sections 40; 41.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 26, insert:

"Sec. 4. Minnesota Statutes 2024, section 43A.241, is amended to read:

**43A.241 INSURANCE CONTRIBUTIONS; FORMER EMPLOYEES.**

(a) This section applies to a person who:

(1) was employed by the commissioner of corrections, the commissioner of human services, or the commissioner of Direct Care and Treatment ~~executive board~~;

(2) was covered by the correctional employee retirement plan under section 352.91 or the general state employees retirement plan of the Minnesota State Retirement System as defined in section 352.021;

(3) while employed under clause (1), was assaulted by:

(i) a person under correctional supervision for a criminal offense; or

(ii) a client or patient at the Minnesota Sex Offender Program, or at a state-operated forensic services program as defined in section 352.91, subdivision 3j; and

(4) as a direct result of the assault under clause (3), was determined to be totally and permanently physically disabled under laws governing the Minnesota State Retirement System.

(b) For a person to whom this section applies, the commissioner of corrections, the commissioner of human services, or the commissioner of Direct Care and Treatment ~~executive board~~, using existing budget resources, must continue to make the employer contribution for medical and dental benefits under the State Employee Group Insurance Program after the person terminates state service. If the person had dependent coverage at the time of terminating state service, employer contributions for dependent coverage also must continue under this section. The employer contributions must be in the amount of the employer contribution for active state employees at the time each payment is made. The employer contributions must continue until the person reaches age 65, provided the person makes the required employee contributions, in the amount required of an active state employee, at the time and in the manner specified by the commissioner ~~or executive board~~."

Page 5, delete section 10 and insert:

"Sec. 11. Minnesota Statutes 2024, section 246C.07, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The ~~executive board~~ commissioner must operate the ~~agency department~~ according to this chapter and applicable state and federal law. The overall management and control of the ~~agency department~~ is vested in the ~~executive board~~ commissioner in accordance with this chapter.

(b) The ~~executive board~~ commissioner must appoint a chief executive officer according to section 246C.08. The chief executive officer is responsible for the administrative and operational duties of the Department of Direct Care and Treatment in accordance with this chapter and serves as the deputy commissioner for the purposes of sections 15.06 and as deputy agency head for the purposes of 43A.08.

(c) The ~~executive board~~ commissioner may delegate duties imposed by this chapter and under applicable state and federal law as deemed appropriate by the ~~board~~ commissioner and in accordance with this chapter. Any delegation of a specified statutory duty or power to an employee of the Department of Direct Care and Treatment other than the chief executive officer must be made by written order and filed with the secretary of state. Only the chief executive officer shall have the powers and duties of the ~~executive board~~ commissioner as specified in section 246C.08."

Page 7, line 12, delete "and"

Page 7, after line 12, insert:

"(8) one member appointed by the Minnesota Disability Law Center; and"

Page 7, line 13, delete "(8)" and insert "(9)" and delete "four" and insert "three"

3.1 Page 8, before line 1, insert:

3.2 "Sec. 15. Minnesota Statutes 2024, section 246C.08, is amended to read:

3.3 **246C.08 CHIEF EXECUTIVE OFFICER; SERVICE; DUTIES.**

3.4 Subdivision 1. **Service.** (a) The Direct Care and Treatment chief executive officer is  
3.5 appointed by the ~~executive board, in consultation with the governor, and serves at the~~  
3.6 ~~pleasure of the executive board, with the advice and consent of the senate~~ commissioner,  
3.7 and is the deputy commissioner for the purposes of section 15.06..

3.8 (b) The chief executive officer shall serve in the unclassified service in accordance with  
3.9 section 43A.08. The Compensation Council under section 15A.082 shall establish the salary  
3.10 of the chief executive officer.

3.11 Subd. 2. **Powers and duties.** (a) The chief executive officer's primary duty is to assist  
3.12 the ~~executive board~~ commissioner. The chief executive officer is responsible for the  
3.13 administrative and operational management of the agency.

3.14 ~~(b) The chief executive officer shall have all the powers of the executive board unless~~  
3.15 ~~the executive board directs otherwise. The chief executive officer shall have the authority~~  
3.16 ~~to speak for the executive board and Direct Care and Treatment within and outside the~~  
3.17 ~~agency.~~

3.18 ~~(e)~~ (b) In the event that a vacancy occurs for any reason within the chief executive officer  
3.19 position, the executive medical director appointed under section 246C.09 shall immediately  
3.20 become the temporary chief executive officer until the ~~executive board~~ commissioner  
3.21 appoints a new chief executive officer. During this period, the executive medical director  
3.22 shall have all the powers and authority delegated to the chief executive officer by the ~~board~~  
3.23 commissioner and specified in this chapter.

3.24 Subd. 3. **Minimum qualifications.** The chief executive officer must be selected by the  
3.25 commissioner without regard to political affiliation and must have wide and successful  
3.26 administrative experience in and understanding of health care, preferably behavioral health  
3.27 care, including clinical and operational needs of a large health care service and delivery  
3.28 organization."

3.29 Page 8, line 7, after "commissioner" insert ", the chief executive officer,"

3.30 Page 9, after line 6, insert:

4.1 "Sec. 20. Laws 2024, chapter 127, article 50, section 41, subdivision 2, is amended to  
4.2 read:

4.3 Subd. 2. **Chief executive officer.** (a) The commissioner of Direct Care and Treatment  
4.4 ~~executive board~~ must appoint as the initial chief executive officer for Direct Care and  
4.5 Treatment under Minnesota Statutes, section ~~246C.07~~ 246C.08, the chief executive officer  
4.6 of the direct care and treatment division of the Department of Human Services holding that  
4.7 position at the time the initial appointment is made by the ~~board~~ commissioner. The initial  
4.8 appointment of the chief executive officer must be made by the ~~executive board~~ commissioner  
4.9 by July 1, 2025. ~~The initial appointment of the chief executive officer is subject to~~  
4.10 ~~confirmation by the senate.~~

4.11 (b) In its report issued April 1, 2025, the Compensation Council under Minnesota Statutes,  
4.12 section 15A.082, must establish the salary of the chief executive officer at an amount equal  
4.13 to or greater than the amount paid to the chief executive officer of the direct care and  
4.14 treatment division of the Department of Human Services as of the date of initial appointment.  
4.15 The salary of the chief executive officer shall become effective July 1, 2025, pursuant to  
4.16 Minnesota Statutes, section 15A.082, subdivision 3. Notwithstanding Minnesota Statutes,  
4.17 sections 15A.082 and 246C.08, subdivision 1, if the initial appointment of the chief executive  
4.18 officer occurs prior to the effective date of the salary specified by the Compensation Council  
4.19 in its April 1, 2025, report, the salary of the chief executive officer must equal the amount  
4.20 paid to the chief executive officer of the direct care and treatment division of the Department  
4.21 of Human Services as of the date of initial appointment."

4.22 Page 9, after line 14, insert:

4.23 "Sec. 22. **SALARY FOR THE COMMISSIONER OF THE DEPARTMENT OF**  
4.24 **DIRECT CARE AND TREATMENT.**

4.25 If the initial appointment of the commissioner of the Department of Direct Care and  
4.26 Treatment occurs prior to the commissioner's salary being determined by the Compensation  
4.27 Council under Minnesota Statutes, section 15A.082, the commissioner's salary must equal  
4.28 the salary of the chief executive officer of Direct Care and Treatment, as determined under  
4.29 Minnesota Statutes, section 15A.0815, subdivision 2.

4.30 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
4.31 expires upon adoption by the Compensation Council of a salary for the position of  
4.32 commissioner of the Department of Direct Care and Treatment."

4.33 Page 10, delete lines 9 to 15

5.1 Page 10, delete section 23 and insert:

5.2 "Sec. 27. **REPEALER.**

5.3 (a) Minnesota Statutes 2024, sections 246C.015, subdivisions 5a and 6; 246C.06,  
5.4 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10; and 246C.07, subdivisions 4 and 5, are repealed.

5.5 (b) Laws 2024, chapter 79, article 1, section 20, is repealed.

5.6 (c) Laws 2024, chapter 125, article 5, sections 40; and 41; and Laws 2024, chapter 127,  
5.7 article 50, sections 40; and 41, subdivisions 1, and 3, are repealed retroactive to July 1,  
5.8 2024."

5.9 Page 15, line 10, delete "and"

5.10 Page 15, line 12, delete the new language and reinstate the stricken language

5.11 Page 15, line 13, reinstate the stricken language and before the period, insert "who serves  
5.12 as the deputy agency head"

5.13 Page 16, line 30, after "treatment" insert "or the commissioner's designee"

5.14 Page 17, line 2, reinstate the stricken "~~The chief executive officer~~"

5.15 Page 17, line 3, reinstate stricken "~~or~~" and delete the new language

5.16 Page 20, line 10, delete the new language

5.17 Page 20, line 13, delete the new language and strike "and the"

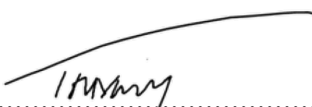
5.18 Page 20, line 14, delete the new language

5.19 Page 35, line 21, strike "deputy commissioner" and insert "chief executive officer"

5.20 Renumber the sections in sequence

5.21 Amend the title numbers accordingly

5.22 And when so amended the bill do pass and be re-referred to the Committee on Human  
5.23 Services. Amendments adopted. Report adopted.

5.24   
5.25 .....  
(Committee Chair)

5.26 March 18, 2025.....  
5.27 (Date of Committee recommendation)