

1.1 Frazier and Torkelson from the Committee on Ways and Means to which was referred:

1.2 S. F. No. 334, A bill for an act relating to education; modifying professional development  
1.3 requirements for Read Act implementation; amending Minnesota Statutes 2024, section  
1.4 120B.123, subdivision 5.

1.5 Reported the same back with the following amendments:

1.6 Delete everything after the enacting clause and insert:

1.7 "Section 1. **[16A.2865] TRANSFER; HUMAN SERVICES SYSTEMS**

1.8 **MODERNIZATION FUND.**

1.9 (a) If the balance in the human services systems modernization fund under section 16E.50  
1.10 at the end of a biennium is less than \$50,000,000, the commissioner of management and  
1.11 budget must transfer money according to this section.

1.12 (b) After the transfer under section 16A.286, if the remainder of the final general fund  
1.13 closing balance for a biennium exceeds the closing balance projected for that biennium at  
1.14 the end of the previous regular legislative session, the commissioner of management and  
1.15 budget must transfer from the general fund to the human services systems modernization  
1.16 fund the lesser of:

1.17 (1) the difference between \$50,000,000 and the balance in the human services systems  
1.18 modernization fund; or

1.19 (2) the difference between the remainder of the final general fund closing balance for  
1.20 the biennium and the closing balance projected for that biennium at the end of the previous  
1.21 regular legislative session.

1.22 (c) For the purposes of this section, "regular legislative session" includes a special  
1.23 legislative session to enact the biennial budget.

2.1 (d) If a transfer is required under this section, the transfer must be completed before  
 2.2 October 15 following the end of the previous biennium.

2.3 **Sec. 2. [16E.40] HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY**  
 2.4 **COUNCIL.**

2.5 Subdivision 1. **Definition.** For the purposes of this section and section 16E.50, "human  
 2.6 services systems" means any information technology system used by counties, federally  
 2.7 recognized Indian Tribes located in Minnesota, or the commissioners of human services or  
 2.8 children, youth, and families to administer a human services program.

2.9 Subd. 2. **Membership; staff support.** (a) The Human Services Systems Modernization  
 2.10 Advisory Council is established and consists of the following members:

2.11 (1) the commissioner of human services, or the commissioner's designee;

2.12 (2) the commissioner of children, youth, and families, or the commissioner's designee;

2.13 (3) the commissioner of information technology services, or the commissioner's designee;

2.14 (4) two members appointed by the Association of Minnesota Counties;

2.15 (5) two representatives of county financial assistance administration appointed by the  
 2.16 Minnesota Association of County Social Service Administrators; and

2.17 (6) one representative of federally recognized Indian Tribes located in Minnesota  
 2.18 appointed by the Minnesota Indian Affairs Council.

2.19 (b) The council member appointed under paragraph (a), clause (6), may rotate between  
 2.20 different individuals as determined by the appointing authority.

2.21 (c) The commissioner of information technology services must provide meeting space  
 2.22 and administrative and research support to the council.

2.23 (d) The council must elect a chair and vice-chair from among the membership at the  
 2.24 first council meeting each odd-numbered year.

2.25 Subd. 3. **Meetings.** The council must meet at least quarterly, or more frequently as  
 2.26 determined by the chair. Meetings of the council are subject to chapter 13D and must include  
 2.27 an opportunity for public testimony.

2.28 Subd. 4. **Terms; compensation; removal.** The terms, compensation, and removal of  
 2.29 members of the council are as provided in section 15.059.

2.30 Subd. 5. **Duties.** (a) The council must provide recommendations to the commissioners  
 2.31 of human services; children, youth, and families; and information technology services on

3.1 the planning, prioritization, governance, financing, development, implementation, integration,  
3.2 replacement, and modernization of current and future human services systems. This may  
3.3 include, but is not limited to:

3.4 (1) reviewing the status of legacy and replacement human services systems;

3.5 (2) advising on statewide modernization priorities for human services systems;

3.6 (3) evaluating opportunities to improve interoperability of human services systems,  
3.7 including the development of an enterprise integration layer;

3.8 (4) identifying opportunities to maximize federal financial participation and align human  
3.9 services system design, development, implementation, and operations with applicable federal  
3.10 approval requirements;

3.11 (5) reviewing the effect of modernization decisions on counties, federally recognized  
3.12 Indian Tribes located in Minnesota, providers, and beneficiaries;

3.13 (6) providing recommendations to the legislature on statutory, budgetary, governance,  
3.14 enterprise architecture, and funding changes needed to support successful modernization;  
3.15 and

3.16 (7) developing a financing plan to support the ongoing operating costs of systems and  
3.17 projects developed and deployed with the funding under section 16E.50.

3.18 (b) For each human services system, the council must make recommendations on  
3.19 modernization goals and priorities, allocation of modernization resources, major system  
3.20 decisions, and tracking total system funding and expenditures from all sources.

3.21 (c) The council must provide updates on the council's duties under this subdivision to  
3.22 the Legislative Commission on Human Services Systems under section 256.0142 at least  
3.23 annually.

3.24 (d) The Human Services Systems Modernization Advisory Council must coordinate  
3.25 modernization plans and activities with the Technology Advisory Council established under  
3.26 section 16E.036.

3.27 Subd. 6. **Prior consultation required.** (a) Before initiating any work on a major  
3.28 modernization project or procurement that would materially affect counties or federally  
3.29 recognized Indian Tribes located in Minnesota, the commissioners of human services;  
3.30 children, youth, and families; and information technology services must present the proposal  
3.31 to the council and consider the council's recommendations. If the commissioners do not  
3.32 adopt a recommendation of the council that materially affects counties or federally recognized

4.1 Indian Tribes located in Minnesota, the commissioners must provide a written explanation  
4.2 within ten business days to the council and the chairs and ranking minority members of the  
4.3 legislative committees with jurisdiction over human services systems and state government  
4.4 finance.

4.5 (b) When making a recommendation under this subdivision, the council must consider:

4.6 (1) impacts on counties, federally recognized Indian Tribes located in Minnesota,  
4.7 providers, and beneficiaries;

4.8 (2) strategies to transition from legacy human services systems, including continuity of  
4.9 operations and mitigation of service disruption;

4.10 (3) project timelines, milestones, risks, and dependencies;

4.11 (4) federal approval pathways, including planning and implementation documentation;

4.12 (5) measurable outcomes related to reduction of manual work, duplicative data entry,  
4.13 processing time, and administrative burden;

4.14 (6) development and use of enterprise data, analytics, and performance dashboards; and

4.15 (7) prioritization of modernization initiatives based on clauses (1) to (6), feasibility,  
4.16 federal requirements, and available resources.

4.17 Subd. 7. **Report.** Beginning February 1, 2027, and annually thereafter, the council must  
4.18 submit a report to the Legislative Commission on Human Services Systems under section  
4.19 256.0142 and to the chairs and ranking minority members of the legislative committees  
4.20 with jurisdiction over human services systems and state government finance. The report  
4.21 must include:

4.22 (1) project status and risks;

4.23 (2) council findings and recommendations;

4.24 (3) major procurement or implementation developments;

4.25 (4) federal financial participation opportunities and constraints; and

4.26 (5) any recommended draft legislation.

4.27 **Sec. 3. [16E.50] HUMAN SERVICES SYSTEMS MODERNIZATION FUND.**

4.28 Subdivision 1. **Fund established.** The human services systems modernization fund is  
4.29 established in the state treasury to provide a funding source for multiyear modernization of  
4.30 human services systems. Money appropriated from the fund must not be encumbered until

5.1 after a consultation with the Human Services Systems Modernization Advisory Council  
5.2 occurs under section 16E.40, subdivision 6, and may only be used as authorized under  
5.3 subdivision 3.

5.4 Subd. 2. **Funding sources.** The fund consists of:

5.5 (1) money appropriated or transferred to the fund by law;

5.6 (2) money transferred to the fund under an interagency agreement or other lawful  
5.7 agreement;

5.8 (3) federal financial participation, federal reimbursements, or other federal payments  
5.9 received for expenditures from the fund; and

5.10 (4) gifts, grants, donations, and other contributions received for a purpose consistent  
5.11 with this section.

5.12 Subd. 3. **Eligible and ineligible uses.** (a) Money appropriated from the fund must be  
5.13 used only for eligible multiyear modernization activities under subdivision 4 that replace,  
5.14 modernize, consolidate, integrate, migrate, or substantially enhance legacy human services  
5.15 systems and shared technology infrastructure used by the Department of Human Services;  
5.16 the Department of Children, Youth, and Families; counties; federally recognized Indian  
5.17 Tribes located in Minnesota; providers; beneficiaries; and other program partners.

5.18 (b) Money appropriated from the fund must not be used for ordinary agency operations  
5.19 that are unrelated to projects developed and implemented under this section, routine  
5.20 maintenance, or minor day-to-day technology improvements.

5.21 (c) The commissioner of information technology services must consult with the  
5.22 commissioners of human services and children, youth, and families and the Human Services  
5.23 Systems Modernization Advisory Council under section 16E.40 for any decisions on how  
5.24 to allocate any amount governed by this section.

5.25 Subd. 4. **Eligible activities.** The following multiyear activities are eligible for funding  
5.26 from this fund:

5.27 (1) modernization, integration, enhancement, replacement, migration, or decommissioning  
5.28 of major eligibility, enrollment, case management, claims payment, provider enrollment,  
5.29 licensing, child care, child support, assessment, and service delivery systems;

5.30 (2) development and implementation of enterprise architecture, shared services, reusable  
5.31 components, integration layers, application programming interfaces, middleware, identity  
5.32 and access management, and secure data exchange;

6.1 (3) modernization of legacy systems to reduce dependence on obsolete platforms,  
6.2 unsupported technology, duplicative systems, manual workarounds, paper-based processes,  
6.3 and noninteroperable system structures;

6.4 (4) development of statewide or shared technology infrastructure that supports state  
6.5 agencies, counties, federally recognized Indian Tribes located in Minnesota, providers, and  
6.6 beneficiaries across multiple programs;

6.7 (5) data modernization, including data governance, data quality, reporting architecture,  
6.8 analytics infrastructure, payment accuracy, fraud prevention, and program integrity  
6.9 capabilities;

6.10 (6) system changes necessary to improve interoperability among state, county, Tribal,  
6.11 provider, vendor, and federal systems; and

6.12 (7) evaluation, development, or implementation of automation, machine learning,  
6.13 predictive analytics, or advanced modeling tools when part of a multiyear modernization  
6.14 project. The activities under this clause are subject to applicable privacy, security,  
6.15 accessibility, data governance, procurement, and program integrity requirements.

6.16 Subd. 5. **Priorities.** (a) When the commissioner of information technology services has  
6.17 authority to prioritize projects under this section, the commissioner of information technology  
6.18 services must consult with the commissioners of human services and children, youth, and  
6.19 families and the Human Services Systems Modernization Advisory Council under section  
6.20 16E.40.

6.21 (b) When the commissioner of information technology services has authority to allocate  
6.22 money appropriated from this fund, the commissioner of information technology services  
6.23 must prioritize projects that:

6.24 (1) support the multiyear modernization plan under subdivision 6 for human services  
6.25 systems;

6.26 (2) replace, modernize, consolidate, or substantially transform legacy human services  
6.27 systems that create significant operational, fiscal, security, compliance, or service delivery  
6.28 risk;

6.29 (3) improve interoperability across state, county, Tribal, provider, vendor, and federal  
6.30 systems;

6.31 (4) reduce duplicative systems and avoid creating new stand-alone systems when shared,  
6.32 statewide, modular, or interoperable solutions are feasible;

7.1 (5) improve user experience, system reliability, cybersecurity, privacy, accessibility,  
7.2 data quality, and disaster recovery capacity;

7.3 (6) reduce long-term state, county, and Tribal administrative burden by modernizing  
7.4 core system architecture and shared infrastructure;

7.5 (7) improve program integrity, including fraud prevention, audit readiness, and  
7.6 compliance; and

7.7 (8) support phased implementation and measurable progress toward modernizing,  
7.8 consolidating, replacing, or decommissioning obsolete systems.

7.9 Subd. 6. **Multiyear modernization plan.** (a) The commissioner of information  
7.10 technology services must maintain a multiyear modernization plan for human services  
7.11 systems supported by the fund and must develop a preliminary plan by March 1, 2027. The  
7.12 plan must include:

7.13 (1) a statewide inventory of major human services systems;

7.14 (2) modernization priorities and sequencing;

7.15 (3) major projects and anticipated timelines;

7.16 (4) human services system dependencies and integration needs;

7.17 (5) estimated costs and funding sources, including a financing plan to support the ongoing  
7.18 operating costs of systems and projects developed and deployed with the funding under this  
7.19 section;

7.20 (6) federal financial participation assumptions;

7.21 (7) anticipated advance planning documents, implementation documents, cost allocation  
7.22 plans, procurement approvals, and certification requirements;

7.23 (8) major procurement and contract needs;

7.24 (9) planned legacy system transitions, replacements, migrations, and decommissioning;

7.25 (10) enterprise architecture standards and shared technology components;

7.26 (11) cybersecurity, privacy, accessibility, and data governance requirements;

7.27 (12) expected outcomes and performance measures; and

7.28 (13) tracking of all recommendations for statutory, budgetary, governance, procurement,  
7.29 or enterprise architecture changes.

8.1 (b) The commissioner of information technology services must consult with the  
 8.2 commissioners of human services and children, youth, and families and the Human Services  
 8.3 Systems Modernization Advisory Council under section 16E.40, when developing and  
 8.4 maintaining the multiyear modernization plan under this subdivision.

8.5 Subd. 7. **Annual report.** Beginning February 1, 2027, and annually thereafter, the  
 8.6 commissioner of information technology services, in consultation with the commissioners  
 8.7 of human services and children, youth, and families, must submit a report to the Human  
 8.8 Services Systems Modernization Advisory Council under section 16E.40, to the Legislative  
 8.9 Commission on Human Services Systems under section 256.0142, and to the chairs and  
 8.10 ranking minority members of the legislative committees with jurisdiction over human  
 8.11 services systems and state government finance. The report must include:

8.12 (1) fund balances, receipts, transfers, and expenditures;

8.13 (2) projects funded from the fund;

8.14 (3) project status, timelines, risks, and dependencies;

8.15 (4) federal financial participation received or anticipated;

8.16 (5) major procurements, contracts, or implementation developments;

8.17 (6) progress toward the multiyear modernization plan under subdivision 6;

8.18 (7) legacy systems replaced, consolidated, modernized, migrated, or decommissioned;

8.19 (8) measurable outcomes, including reductions in processing times, payment errors,  
 8.20 duplicative data entry, administrative burden, legacy system risk, and total cost of ownership;  
 8.21 and

8.22 (9) any recommended draft legislation.

8.23 **Sec. 4. [256.0142] LEGISLATIVE COMMISSION ON HUMAN SERVICES**  
 8.24 **SYSTEMS.**

8.25 Subdivision 1. **Establishment; duties.** (a) The Legislative Commission on Human  
 8.26 Services Systems is created to provide legislative oversight, monitoring, and  
 8.27 recommendations regarding the planning, financing, procurement, development,  
 8.28 implementation, operation, and modernization of human services systems.

8.29 (b) The commission must provide legislative oversight and monitoring of human services  
 8.30 systems modernization, including efforts by counties, federally recognized Indian Tribes  
 8.31 located in Minnesota, the Department of Human Services, the Department of Children,

9.1 Youth, and Families, and the Department of Information Technology Services to manage,  
9.2 develop, update, replace, integrate, or modernize human services systems.

9.3 (c) The commission must:

9.4 (1) review the status, risks, dependencies, timelines, costs, and outcomes of legacy and  
9.5 modernized human services systems;

9.6 (2) monitor and review reports, updates, recommendations, and draft legislation submitted  
9.7 by the Human Services Systems Modernization Advisory Council under section 16E.40;

9.8 (3) review reports submitted by the commissioner of information technology services  
9.9 under section 16E.50 and any reports related to systems modernization appropriations;

9.10 (4) evaluate Minnesota's state-supervised, county-administered human services system  
9.11 and provide recommendations for changes, if applicable, including changes to roles and  
9.12 responsibilities for program eligibility, service delivery, case management, provider  
9.13 enrollment, service authorization, payment accuracy, and program integrity;

9.14 (5) review how other states procure, administer, and deliver human services programs  
9.15 and services and the information technology infrastructure utilized;

9.16 (6) identify areas within governance, procurement, funding, data-sharing, privacy,  
9.17 cybersecurity, accessibility, and technology structures that need legislative action; and

9.18 (7) recommend statutory, budgetary, governance, procurement, enterprise architecture,  
9.19 accountability, and funding changes needed to support successful modernization.

9.20 (d) The commission must work with federally recognized Indian Tribes located in  
9.21 Minnesota, counties, the Department of Human Services, the Department of Children,  
9.22 Youth, and Families, and the Department of Information Technology Services to:

9.23 (1) evaluate proposals for systems modernization to information technology systems  
9.24 used by counties, federally recognized Indian Tribes located in Minnesota, the Department  
9.25 of Human Services, or the Department of Children, Youth, and Families; and

9.26 (2) consider overall costs to the state, counties, and federally recognized Indian Tribes  
9.27 located in Minnesota for the implementation of systems modernization, and assess whether  
9.28 proposed solutions improve services to Minnesotans and efficiently allocate administrative  
9.29 responsibilities across stakeholders.

9.30 Subd. 2. **Members; meetings.** (a) The commission consists of eight members as follows:

9.31 (1) four members of the house of representatives, two appointed by the speaker of the  
9.32 house and two appointed by the minority leader of the house of representatives; and

10.1 (2) four members of the senate, two appointed by the senate majority leader and two  
 10.2 appointed by the senate minority leader.

10.3 (b) Members of the commission serve a term that begins upon appointment and expires  
 10.4 on December 31 of the even-numbered year following the year they are appointed.

10.5 (c) A vacancy must be filled in the same manner as the original appointment.

10.6 (d) The speaker of the house and the senate majority leader must each designate one  
 10.7 cochair from among the members appointed to the commission. The cochairs must alternate  
 10.8 presiding over commission meetings. The commission may elect other officers as necessary.

10.9 (e) The commission must meet at least twice a year and may meet more frequently at  
 10.10 the call of a cochair.

10.11 (f) Meetings of the commission are subject to section 3.055. The commission must  
 10.12 provide an opportunity for public testimony when practicable.

10.13 (g) The commission may request testimony, briefings, documents, and data from state  
 10.14 agencies, counties, federally recognized Indian Tribes located in Minnesota, vendors,  
 10.15 providers, and other stakeholders, subject to state and federal data privacy, security,  
 10.16 procurement, and confidentiality laws.

10.17 Subd. 3. **Administrative and research support.** The Legislative Coordinating  
 10.18 Commission must provide administrative support to the commission and arrange meeting  
 10.19 space for commission meetings. House and senate research, fiscal, and counsel staff may  
 10.20 provide research and technical assistance to the commission.

10.21 Subd. 4. **Agency cooperation.** The Department of Human Services, the Department of  
 10.22 Children, Youth, and Families, the Department of Information Technology Services,  
 10.23 Minnesota Management and Budget, counties, and other state agencies must cooperate with  
 10.24 the commission and provide information requested by the commission to the extent permitted  
 10.25 by state and federal law.

10.26 Subd. 5. **Report.** By February 15, 2028, and annually thereafter, the commission, in  
 10.27 cooperation with the commissioners of human services, information technology services,  
 10.28 and children, youth, and families, must provide a report to the chairs and ranking minority  
 10.29 members of the legislative committees with jurisdiction over human services and children,  
 10.30 youth, and families. The report must contain information on the results of the commission's  
 10.31 evaluations, identifications, and reviews under subdivision 1; recommendations for any  
 10.32 legislative changes; and funding needs to implement any recommended changes.

10.33 Subd. 6. **Expiration.** The commission expires December 31, 2033.

11.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

11.2 Sec. 5. **HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL;**  
 11.3 **FIRST APPOINTMENTS AND MEETING.**

11.4 Appointing authorities for the Human Services Systems Modernization Advisory Council  
 11.5 under Minnesota Statutes, section 16E.40, must make initial appointments by August 15,  
 11.6 2026. The commissioner of information technology services, or the commissioner's designee,  
 11.7 must convene the first meeting of the council by September 15, 2026.

11.8 Sec. 6. **LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS; FIRST**  
 11.9 **APPOINTMENTS AND FIRST MEETING.**

11.10 Appointing authorities for the Legislative Commission on Human Services Systems  
 11.11 under Minnesota Statutes, section 256.0142, must make first appointments to, and designate  
 11.12 the cochairs of, the Legislative Commission on Human Services Systems by August 15,  
 11.13 2026. The member designated as cochair by the majority leader of the senate must convene  
 11.14 the first meeting of the commission by September 15, 2026.

11.15 Sec. 7. **APPROPRIATION; COUNTY INFORMATION TECHNOLOGY SYSTEMS**  
 11.16 **UPDATES.**

11.17 Subdivision 1. **Appropriation.** \$10,000,000 in fiscal year 2027 is appropriated from  
 11.18 the general fund to the commissioner of information technology services to update  
 11.19 information technology systems used by counties. This appropriation must be used, in  
 11.20 collaboration with the Human Services Systems Modernization Advisory Council under  
 11.21 Minnesota Statutes, section 16E.40, to fund the projects under subdivision 3. Minnesota  
 11.22 Statutes, section 16B.98, subdivision 14, does not apply to this appropriation. This is a  
 11.23 onetime appropriation and is available until June 30, 2031.

11.24 Subd. 2. **County grants.** The commissioner of information technology services may  
 11.25 make grants to counties for projects under this section. Counties must submit an application  
 11.26 in a form and manner determined by the commissioner of information technology services.  
 11.27 If multiple counties want to apply for a grant, the counties must choose a single county to  
 11.28 act as a fiscal agent. The fiscal agent may make subgrants or transfer appropriated money  
 11.29 to other counties identified in the grant application under an intergovernmental agreement  
 11.30 or contract. Any grant or subgrant is subject to the reporting requirements determined by  
 11.31 the commissioner of information technology services.

12.1 Subd. 3. Information technology modernization projects. The appropriation under  
12.2 subdivision 1 must be used to fund the following information technology projects:

12.3 (1) shared data access, reporting, analytics, dashboards, and operational support tools  
12.4 for county and Tribal human services administration;

12.5 (2) workflow automation, electronic forms, electronic signatures, document management,  
12.6 case routing, case notes, notices, verification tools, and data-entry support tools for county  
12.7 and Tribal workers;

12.8 (3) participant, provider, partner, county, Tribal, and worker-facing functionality,  
12.9 including secure portals, document upload, electronic notices, application and benefit status  
12.10 tracking, account management, secure messaging, and communication tools;

12.11 (4) user interface improvements, worker portals, application programming interfaces,  
12.12 integration tools, rules engines, automation tools, and other tools that replace, supplement,  
12.13 or reduce reliance on legacy systems, manual workarounds, paper-based processes, or  
12.14 character-based screens used by counties and Tribal Nations;

12.15 (5) improvements to MNbenefits and related application, renewal, verification, and  
12.16 self-service functionality when the improvements support county or Tribal administration;

12.17 (6) improvements to human services systems used by counties or Tribal Nations;

12.18 (7) system functionality related to eligibility support, case administration, notices,  
12.19 verification, income verification, identity matching, service authorization, provider  
12.20 enrollment, provider payment, claims processing, third-party billing, payment accuracy,  
12.21 and program integrity when used by counties or Tribal Nations;

12.22 (8) reusable integration tools, application programming interfaces, middleware, identity  
12.23 and access management, secure data exchange, and shared components that improve  
12.24 interoperability among county, Tribal, state, provider, vendor, and federal systems;

12.25 (9) testing, security, privacy, accessibility, training, change management, and  
12.26 implementation support necessary to carry out activities funded under this section;

12.27 (10) activities necessary to maintain continuity of operations for counties and Tribal  
12.28 Nations during system changes, phased implementation, data conversion, migration, or  
12.29 transition from legacy systems;

12.30 (11) evaluation, development, or implementation of automation tools, including artificial  
12.31 intelligence, process automation, predictive analytics, or advanced modeling, when used to  
12.32 improve county or Tribal administrative efficiency, payment accuracy, program integrity,

13.1 or service delivery and when subject to applicable privacy, security, accessibility, data  
 13.2 governance, procurement, and program integrity requirements;

13.3 (12) projects that are scalable for statewide or shared use by counties and Tribal Nations  
 13.4 and avoid creating duplicative systems when shared, statewide, modular, or interoperable  
 13.5 solutions are feasible; and

13.6 (13) supporting additional priorities identified by the Human Services Systems  
 13.7 Modernization Advisory Council under Minnesota Statutes, section 16E.40.

13.8 Subd. 4. **Transfer.** The commissioner of management and budget must transfer any  
 13.9 unencumbered or unexpended amount of the appropriation under subdivision 1 as of June  
 13.10 30, 2031, from the general fund to the human services systems modernization fund under  
 13.11 Minnesota Statutes, section 16E.50.

13.12 Sec. 8. **APPROPRIATION; LEGISLATIVE COMMISSION ON HUMAN SERVICES**  
 13.13 **SYSTEMS.**

13.14 \$559,000 in fiscal year 2027 is appropriated from the human services systems  
 13.15 modernization fund to the Legislative Coordinating Commission to administer the Legislative  
 13.16 Commission on Human Services Systems under Minnesota Statutes, section 256.0142. This  
 13.17 is a onetime appropriation and is available until June 30, 2029.

13.18 Sec. 9. **APPROPRIATION; HUMAN SERVICES SYSTEMS MODERNIZATION**  
 13.19 **ADVISORY COUNCIL.**

13.20 \$3,900,000 in fiscal year 2027 is appropriated from the human services systems  
 13.21 modernization fund to the commissioner of information technology services to support the  
 13.22 Human Services Systems Modernization Advisory Council under Minnesota Statutes, section  
 13.23 16E.40. This is a onetime appropriation and is available until June 30, 2029.

13.24 Sec. 10. **APPROPRIATIONS; COMMISSIONER OF CHILDREN, YOUTH, AND**  
 13.25 **FAMILIES.**

13.26 (a) \$2,163,000 in fiscal year 2027 is appropriated from the human services systems  
 13.27 modernization fund to the commissioner of children, youth, and families for the MAXIS  
 13.28 integration layer. The base for this appropriation is \$4,737,000 in fiscal year 2028 and  
 13.29 \$3,893,000 in fiscal year 2029.

13.30 (b) \$1,074,000 in fiscal year 2027 is appropriated from the human services systems  
 13.31 modernization fund to the commissioner of children, youth, and families to consolidate the

14.1 economic assistance program policy manual and for an artificial intelligence chatbot. This  
14.2 is a onetime appropriation and is available until June 30, 2029.

14.3 (c) \$1,583,000 in fiscal year 2027 is appropriated from the human services systems  
14.4 modernization fund to the commissioner of children, youth, and families to expand income  
14.5 verification technology. The base for this appropriation is \$1,655,000 in fiscal year 2028  
14.6 and \$1,655,000 in fiscal year 2029.

14.7 (d) \$1,414,000 in fiscal year 2027 is appropriated from the human services systems  
14.8 modernization fund to the commissioner of children, youth, and families to develop a secure  
14.9 applicant portal. This is a onetime appropriation and is available until June 30, 2029.

14.10 (e) \$2,650,000 in fiscal year 2027 is appropriated from the human services systems  
14.11 modernization fund to the commissioner of children, youth, and families for an eligibility  
14.12 system modernization study and a roadmap for technology modernization. This is a onetime  
14.13 appropriation.

14.14 (f) \$3,878,000 in fiscal year 2027 is appropriated from the human services systems  
14.15 modernization fund to the commissioner of children, youth, and families to replace the  
14.16 MAXIS green screens. The base for this appropriation is \$1,732,000 in fiscal year 2028 and  
14.17 \$1,004,000 in fiscal year 2029.

14.18 (g) \$11,914,000 in fiscal year 2027 is appropriated from the human services systems  
14.19 modernization fund to the commissioner of children, youth, and families to develop a rules  
14.20 engine to improve MAXIS automation and minimize manual workarounds. \$9,042,000 of  
14.21 this amount is available until June 30, 2029. The base for this appropriation is \$2,264,000  
14.22 in fiscal year 2028 and \$1,240,000 in fiscal year 2029.

14.23 (h) \$3,265,000 in fiscal year 2027 is appropriated from the human services systems  
14.24 modernization fund to the commissioner of children, youth, and families for an interagency  
14.25 governance team to support information technology project implementation, cross-agency  
14.26 coordination, and engagement with counties and Tribal Nations. This appropriation includes  
14.27 funding for Department of Information Technology Services staff. This is a onetime  
14.28 appropriation and is available until June 30, 2029.

14.29 **Sec. 11. APPROPRIATIONS; COMMISSIONER OF HUMAN SERVICES.**

14.30 (a) \$1,810,000 in fiscal year 2027 is appropriated from the human services systems  
14.31 modernization fund to the commissioner of human services for an interagency governance  
14.32 team to support information technology project implementation, cross-agency coordination,

15.1 and engagement with counties and Tribal Nations. This is a onetime appropriation and is  
 15.2 available until June 30, 2029.

15.3 (b) \$9,660,000 in fiscal year 2027 is appropriated from the human services systems  
 15.4 modernization fund to the commissioner of human services for administration of MAXIS  
 15.5 and METS system improvements under Minnesota Statutes, section 16E.50, subdivision 4.  
 15.6 This is a onetime appropriation and is available until June 30, 2029.

15.7 **Sec. 12. APPROPRIATIONS; COMMISSIONER OF INFORMATION**  
 15.8 **TECHNOLOGY.**

15.9 \$11,413,000 in fiscal year 2027 is appropriated from the human services systems  
 15.10 modernization fund to the commissioner of information technology services for information  
 15.11 technology projects under Minnesota Statutes, section 16E.50, subdivision 4. The amount  
 15.12 appropriated in fiscal year 2027 is available until June 30, 2031. This is a onetime  
 15.13 appropriation and is available until June 30, 2031.

15.14 **Sec. 13. APPROPRIATIONS; FRAUD PREVENTION AND DETECTION.**

15.15 \$15,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner  
 15.16 of information technology services for technology modernization to advance fraud prevention  
 15.17 and detection by improving data sharing between agencies, utilizing modern analytics, and  
 15.18 enhancing security, identity authentication, and verification capabilities for state services.  
 15.19 This is a onetime appropriation and is available until June 30, 2031.

15.20 **Sec. 14. TRANSFER.**

15.21 The commissioner of management and budget must transfer \$49,999,000 in fiscal year  
 15.22 2027 from the general fund to the human services systems modernization fund under  
 15.23 Minnesota Statutes, section 16E.50. The base for this transfer is \$8,536,000 in fiscal year  
 15.24 2028 and \$6,464,000 in fiscal year 2029."

15.25 Delete the title and insert:

15.26 "A bill for an act  
 15.27 relating to state government; creating a Human Services Systems Modernization  
 15.28 Advisory Council and a Legislative Commission on Human Services Systems;  
 15.29 establishing a modernization fund and eligible uses; requiring reports; appropriating  
 15.30 money; proposing coding for new law in Minnesota Statutes, chapters 16A; 16E;  
 15.31 256."

15.32 With the recommendation that when so amended the bill be placed on the General  
 15.33 Register.

16.1 This Committee action taken May 15, 2026

16.2 ..... Co-Chair

16.3 ..... Co-Chair