

STATE OF MINNESOTA
IN LEGISLATURE

Precision Streamline Minnesota Youth Stability, Workforce Development, and Opportunity Act

A bill for an act

relating to human services; establishing a precision-based, efficiency-driven, and performance-accountable funding model for youth homelessness and workforce development programs; requiring pre-funding audits, operational streamlining, and ongoing reporting; appropriating money; proposing coding for new law in Minnesota Statutes.

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

Section 1. PURPOSE.

Subdivision 1. Purpose.

The purpose of this act is to implement a precision-based and streamlined approach to youth services across the state of Minnesota.

This act is designed to maximize the effectiveness of public funding by targeting resources where they produce the highest measurable impact, eliminating waste, fraud, and inefficiencies, and strengthening long-term pathways to independence for youth.

This act further establishes a system that prioritizes sustainability by reducing long-term dependency on continuous funding increases, while maintaining or improving service outcomes through improved operational efficiency and accountability.

Sec. 2. APPROPRIATION.

Subdivision 1. Total Funding.

\$20,000,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 2028.

These funds shall be used to expand youth housing, workforce development, mentorship, and accountability systems as outlined in this act.

Sec. 3. PRECISION STREAMLINING AND PRE-FUNDING REVIEW.

Subdivision 1. Mandatory Pre-Funding Audit.

(a) Prior to the distribution of funds under this act, all eligible programs must undergo a comprehensive operational and financial review conducted by an independent panel of experts.

(b) The review shall include:

Identification of wasteful or duplicative spending;

Detection and elimination of fraud or misuse of funds;

Evaluation of administrative overhead and inefficiencies;

Recommendations to increase efficiency and maximize direct service delivery to youth.

Subdivision 2. Streamlining Implementation Requirement.

(a) Programs must implement required improvements identified in the review prior to receiving full funding.

(b) Streamlining efforts may include, but are not limited to:

Transitioning to digital systems to reduce administrative costs;

Reducing unnecessary overhead and non-essential spending;

Consolidating underutilized facilities;

Reallocating funds toward direct housing, mentorship, and youth services.

Subdivision 3. Phased Funding and Enforcement.

(a) Funds shall be distributed in phases based on compliance with audit findings and streamlining requirements.

(b) If a program fails to comply:

Funding may be temporarily frozen;

A corrective action plan shall be required;

Leadership restructuring may be recommended or required.

Subdivision 4. Continuity of Essential Services.

(a) In the event of a funding freeze or corrective action period, baseline operational funding shall continue at a reduced level to ensure:

Youth are not displaced from housing;

Critical services remain active;

Program stability is maintained during restructuring.

(b) Full funding shall resume upon verified compliance.

Subdivision 5. Sustainability Objective.

(a) All participating programs must demonstrate a plan to reduce long-term operational costs.

(b) The intent of this act is that, following the two-year funding period, programs will operate more efficiently, require fewer emergency funding increases, and maintain or improve outcomes with optimized resources.

Sec. 4. FUND ALLOCATION.

Subdivision 1. Housing and Support Services – \$12,000,000.

Funds shall be used to expand transitional and supportive housing capacity for youth, including:

- Increased availability of beds and housing units;
- Extended allowable length of stay for participants;
- Hiring additional caseworkers, counselors, and licensed therapists;
- Reducing staff-to-youth ratios to improve oversight and individualized care;
- Providing essential services such as food, transportation, and stabilization support.

Subdivision 2. Outreach and Case Management – \$2,000,000.

Funds shall support early intervention and direct outreach efforts, including:

- Identification of at-risk youth before homelessness occurs;
- Street outreach and drop-in services;
- Active case tracking and follow-up systems;
- Improved coordination between agencies and service providers.

Subdivision 3. Trade Skills and Workforce Development – \$6,000,000.

(a) Funds shall establish and expand partnerships between youth programs and:

- Trade schools;
- Apprenticeship programs;
- Local businesses and skilled labor organizations.

(b) Funds may be used for:

- Tuition assistance and certification programs;
- Paid apprenticeships and stipends;

Mentorship programs connecting youth with experienced professionals;
Equipment, tools, and training materials.

(c) Programs shall prioritize pathways leading to long-term, livable-wage employment.

Subdivision 4. Youth Employment Social Enterprise Grants – \$2,000,000.

(a) A competitive grant program is established to support businesses and organizations employing at-risk youth.

(b) Eligible applicants include:

Social enterprises;
Small businesses;
Community-based organizations providing paid work experience.

(c) Funds may be used to:

Offset operational losses directly related to youth employment and training;
Provide wages, supervision, and job readiness training;
Expand employment opportunities for youth participants.

(d) Priority shall be given to programs demonstrating strong mentorship and long-term employment outcomes.

Sec. 5. ACCOUNTABILITY, TRACKING, AND PERFORMANCE REPORTING.

Subdivision 1. Mandatory Semiannual Reporting.

All programs receiving funds under this act must submit reports every six months for a period of two years.

Subdivision 2. Outcome-Based Reporting Requirements.

Reports must include:

Total number of youth served;
Number of youth placed into stable housing;
Number of youth entering employment or trade programs;
Program completion rates;
Instances of program failure or dropout, including documented reasons where available.

Subdivision 3. Individualized Participant Tracking.

(a) Programs must maintain detailed progress records for each participating youth.

(b) Records shall include:

Current stage within the program (intake, housing, training, employment, transition);
Individual goals and milestones;
Identified barriers to success;
Services or interventions required to support successful outcomes.

(c) All data must be reported in a manner that protects personal identity while allowing performance evaluation.

Subdivision 4. Financial Transparency Requirements.

Programs must provide detailed financial documentation, including:

Full expense breakdowns;
Cost per participant;
Administrative versus direct service spending;
Identified inefficiencies and corrective actions taken.

Subdivision 5. Performance Enforcement.

Programs that fail to demonstrate measurable progress or financial accountability may be subject to:

Corrective action plans;
Increased oversight;
Temporary funding restrictions.

Subdivision 6. Longitudinal Outcome Tracking.

Programs shall track outcomes for up to two years following program completion where feasible, including:

Housing stability;
Employment retention;
Continued participation in education or trade programs.

Sec. 6. EFFECTIVE DATE.

This act is effective July 1, 2026.

Front-end accountability (audit)

Midstream control (phased funding)

Back-end tracking (real outcomes)