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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2080**

02/01/2012 Authored by Daudt, Gottwalt, Abeler, Drazkowski, Dettmer and others

The bill was read for the first time and referred to the Committee on Health and Human Services Reform

02/27/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Public Safety and Crime Prevention Policy and Finance

03/01/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying persons ineligible for MFIP; modifying
1.3 MFIP sanctions; modifying MFIP time limits; modifying the MFIP exit level;
1.4 regulating use of electronic benefit transfer cards; amending Minnesota Statutes
1.5 2010, sections 256J.08, subdivisions 34b, 51b; 256J.24, subdivision 10; 256J.26,
1.6 subdivision 1; 256J.415; 256J.42, subdivisions 1, 4, 5, 6; 256J.425, subdivisions
1.7 1, 4, 4a, 5, 6; 256J.45, subdivision 2; 256J.46, subdivision 1; 256J.50,
1.8 subdivisions 6, 10; 256J.575, subdivision 3; 256J.621; 256J.626, subdivision 2;
1.9 256J.751, subdivision 1; Minnesota Statutes 2011 Supplement, section 256.987,
1.10 by adding a subdivision.

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

1.12 Section 1. Minnesota Statutes 2011 Supplement, section 256.987, is amended by
1.13 adding a subdivision to read:

1.14 Subd. 3. **EBT use restricted to certain states.** EBT debit cardholders in programs
1.15 listed under subdivision 1 are prohibited from using the cash portion of the EBT card at
1.16 vendors and automatic teller machines located outside of Minnesota, Iowa, North Dakota,
1.17 South Dakota, or Wisconsin. This subdivision does not apply to the food portion.

1.18 Sec. 2. Minnesota Statutes 2010, section 256J.08, subdivision 34b, is amended to read:

1.19 Subd. 34b. **Family violence waiver.** "Family violence waiver" means a waiver
1.20 of the ~~60-month~~ time limit under section 256J.42, subdivision 1, for victims of family
1.21 violence who meet the criteria in section 256J.545 and are complying with an employment
1.22 plan in section 256J.521, subdivision 3.

1.23 **EFFECTIVE DATE.** This section is effective July 1, 2012.

1.24 Sec. 3. Minnesota Statutes 2010, section 256J.08, subdivision 51b, is amended to read:

2.1 Subd. 51b. **Learning disabled.** "Learning disabled," for purposes of an extension
2.2 to the ~~60-month~~ time limit under section 256J.425, subdivision 3, clause (3), means
2.3 the person has a disorder in one or more of the psychological processes involved in
2.4 perceiving, understanding, or using concepts through verbal language or nonverbal means.
2.5 Learning disabled does not include learning problems that are primarily the result of
2.6 visual, hearing, or motor disabilities; developmental disability; emotional disturbance; or
2.7 due to environmental, cultural, or economic disadvantage.

2.8 **EFFECTIVE DATE.** This section is effective July 1, 2012.

2.9 Sec. 4. Minnesota Statutes 2010, section 256J.24, subdivision 10, is amended to read:

2.10 Subd. 10. **MFIP exit level.** The commissioner shall adjust the MFIP earned
2.11 income disregard to ensure that most participants do not lose eligibility for MFIP until
2.12 their income reaches at least ~~45~~ 100 percent of the federal poverty guidelines at the
2.13 time of the adjustment. The adjustment to the disregard shall be based on a household
2.14 size of three, and the resulting earned income disregard percentage must be applied to all
2.15 household sizes. The adjustment under this subdivision must be implemented whenever a
2.16 Supplemental Nutrition Assistance Program adjustment is reflected in the food portion of
2.17 the MFIP transitional standard as required under subdivision 5a.

2.18 Sec. 5. Minnesota Statutes 2010, section 256J.26, subdivision 1, is amended to read:

2.19 Subdivision 1. **Person convicted of drug offenses.** (a) ~~Applicants or participants~~
2.20 An individual who have has been convicted of a drug offense committed ~~after July~~
2.21 1, 1997, may, if otherwise eligible, receive MFIP benefits subject to the following
2.22 conditions: during the previous ten years from the date of application or recertification is
2.23 disqualified from receiving MFIP.

2.24 ~~(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and~~
2.25 ~~utilities during any time the applicant is part of the assistance unit.~~

2.26 ~~(2) The convicted applicant or participant shall be subject to random drug testing as~~
2.27 ~~a condition of continued eligibility and following any positive test for an illegal controlled~~
2.28 ~~substance is subject to the following sanctions:~~

2.29 ~~(i) for failing a drug test the first time, the residual amount of the participant's grant~~
2.30 ~~after making vendor payments for shelter and utility costs, if any, must be reduced by an~~
2.31 ~~amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same~~
2.32 ~~size. When a sanction under this subdivision is in effect, the job counselor must attempt~~
2.33 ~~to meet with the person face-to-face. During the face-to-face meeting, the job counselor~~
2.34 ~~must explain the consequences of a subsequent drug test failure and inform the participant~~

3.1 ~~of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is~~
3.2 ~~not possible, the county agency must send the participant a notice of adverse action as~~
3.3 ~~provided in section 256J.31, subdivisions 4 and 5, and must include the information~~
3.4 ~~required in the face-to-face meeting; or~~

3.5 ~~(ii) for failing a drug test two times, the participant is permanently disqualified from~~
3.6 ~~receiving MFIP assistance, both the cash and food portions. The assistance unit's MFIP~~
3.7 ~~grant must be reduced by the amount which would have otherwise been made available to~~
3.8 ~~the disqualified participant. Disqualification under this item does not make a participant~~
3.9 ~~ineligible for food stamps or food support. Before a disqualification under this provision is~~
3.10 ~~imposed, the job counselor must attempt to meet with the participant face-to-face. During~~
3.11 ~~the face-to-face meeting, the job counselor must identify other resources that may be~~
3.12 ~~available to the participant to meet the needs of the family and inform the participant of~~
3.13 ~~the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is~~
3.14 ~~not possible, the county agency must send the participant a notice of adverse action as~~
3.15 ~~provided in section 256J.31, subdivisions 4 and 5, and must include the information~~
3.16 ~~required in the face-to-face meeting.~~

3.17 ~~(3) A participant who fails a drug test the first time and is under a sanction due to~~
3.18 ~~other MFIP program requirements is considered to have more than one occurrence of~~
3.19 ~~noncompliance and is subject to the applicable level of sanction as specified under section~~
3.20 ~~256J.46, subdivision 1, paragraph (d).~~

3.21 ~~(b) Applicants requesting only food stamps or food support or participants receiving~~
3.22 ~~only food stamps or food support, who have been convicted of a drug offense that~~
3.23 ~~occurred after July 1, 1997, may, if otherwise eligible, receive food stamps or food support~~
3.24 ~~if the convicted applicant or participant is subject to random drug testing as a condition~~
3.25 ~~of continued eligibility. Following a positive test for an illegal controlled substance, the~~
3.26 ~~applicant is subject to the following sanctions:~~

3.27 ~~(1) for failing a drug test the first time, food stamps or food support shall be reduced~~
3.28 ~~by an amount equal to 30 percent of the applicable food stamp or food support allotment.~~
3.29 ~~When a sanction under this clause is in effect, a job counselor must attempt to meet with~~
3.30 ~~the person face-to-face. During the face-to-face meeting, a job counselor must explain~~
3.31 ~~the consequences of a subsequent drug test failure and inform the participant of the right~~
3.32 ~~to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible,~~
3.33 ~~a county agency must send the participant a notice of adverse action as provided in~~
3.34 ~~section 256J.31, subdivisions 4 and 5, and must include the information required in the~~
3.35 ~~face-to-face meeting; and~~

4.1 ~~(2) for failing a drug test two times, the participant is permanently disqualified from~~
4.2 ~~receiving food stamps or food support. Before a disqualification under this provision is~~
4.3 ~~imposed, a job counselor must attempt to meet with the participant face-to-face. During~~
4.4 ~~the face-to-face meeting, the job counselor must identify other resources that may be~~
4.5 ~~available to the participant to meet the needs of the family and inform the participant of~~
4.6 ~~the right to appeal the disqualification under section 256J.40. If a face-to-face meeting~~
4.7 ~~is not possible, a county agency must send the participant a notice of adverse action as~~
4.8 ~~provided in section 256J.31, subdivisions 4 and 5, and must include the information~~
4.9 ~~required in the face-to-face meeting.~~

4.10 ~~(e)~~ (b) For the purposes of this subdivision, "drug offense" means an offense that
4.11 occurred after July 1, 1997, of sections 152.021 to 152.025, 152.0261, 152.0262, or
4.12 152.096. Drug offense also means a conviction in another jurisdiction of the possession,
4.13 use, or distribution of a controlled substance, or conspiracy to commit any of these
4.14 offenses, if the offense occurred after July 1, 1997, and the conviction is a felony offense
4.15 in that jurisdiction, or in the case of New Jersey, a high misdemeanor.

4.16 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
4.17 applicants who apply on or after that date and for all recertifications occurring on or
4.18 after that date.

4.19 Sec. 6. Minnesota Statutes 2010, section 256J.415, is amended to read:

4.20 **256J.415 NOTICE OF 12 MONTHS OF TANF ASSISTANCE REMAINING.**

4.21 (a) The county agency shall mail a notice to each assistance unit when the assistance
4.22 unit has 12 months of TANF assistance remaining and each month thereafter until the
4.23 ~~60-month~~ time limit under section 256J.42, subdivision 1, has expired. The notice must be
4.24 developed by the commissioner of human services and must contain information about the
4.25 ~~60-month~~ time limit, the number of months the participant has remaining, the hardship
4.26 extension policy, and any other information that the commissioner deems pertinent to an
4.27 assistance unit nearing the ~~60-month~~ time limit.

4.28 (b) For applicants who have less than 12 months remaining in the ~~60-month~~ time
4.29 limit because the unit previously received TANF assistance in Minnesota or another state,
4.30 the county agency shall notify the applicant of the number of months of TANF remaining
4.31 when the application is approved and begin the process required in paragraph (a).

4.32 **EFFECTIVE DATE.** This section is effective July 1, 2012.

4.33 Sec. 7. Minnesota Statutes 2010, section 256J.42, subdivision 1, is amended to read:

5.1 Subdivision 1. **Time limit.** (a) Except as otherwise provided for in this section, an
5.2 assistance unit in which any adult caregiver has received 60 months of cash assistance
5.3 funded in whole or in part by the TANF block grant in this or any other state or
5.4 United States territory, or from a tribal TANF program, MFIP, the AFDC program
5.5 formerly codified in sections 256.72 to 256.87, or the family general assistance program
5.6 formerly codified in sections 256D.01 to 256D.23, funded in whole or in part by state
5.7 appropriations, is ineligible to receive MFIP. Any cash assistance funded with TANF
5.8 dollars in this or any other state or United States territory, or from a tribal TANF program,
5.9 or MFIP assistance funded in whole or in part by state appropriations, that was received
5.10 by the unit on or after the date TANF was implemented, including any assistance received
5.11 in states or United States territories of prior residence, counts toward the 60-month
5.12 limitation. Months during which any cash assistance is received by an assistance unit
5.13 with a mandatory member who is disqualified for wrongfully obtaining public assistance
5.14 under section 256.98, subdivision 8, counts toward the time limit for the disqualified
5.15 member. The 60-month limit applies to a minor caregiver except under subdivision 5. The
5.16 60-month time period does not need to be consecutive months for this provision to apply.

5.17 (b) The months before July 1998 in which individuals received assistance as part of
5.18 the field trials as an MFIP, MFIP-R, or MFIP or MFIP-R comparison group family are
5.19 not included in the 60-month time limit.

5.20 (c) Notwithstanding paragraph (a), beginning July 1, 2012, an applicant in which
5.21 no adult caregiver has received cash assistance funded in whole or in part by the TANF
5.22 block grant in this or any other state or United States territory, or from a tribal TANF
5.23 program, MFIP, the AFDC program formerly codified in sections 256.72 to 256.87, or
5.24 the family general assistance program formerly codified in sections 256D.01 to 256D.23,
5.25 funded in whole or in part by state appropriations, is limited to 36 months of MFIP
5.26 assistance. Months during which any cash assistance is received by an assistance unit with
5.27 a mandatory member who is disqualified for wrongfully obtaining public assistance under
5.28 section 256.98, subdivision 8, counts toward the time limit for the disqualified member.
5.29 The 36-month time limit applies to a minor caregiver except under subdivision 5. The
5.30 36-month time period does not need to be consecutive months for this provision to apply.

5.31 **EFFECTIVE DATE.** This section is effective July 1, 2012.

5.32 Sec. 8. Minnesota Statutes 2010, section 256J.42, subdivision 4, is amended to read:

5.33 Subd. 4. **Victims of family violence.** Any cash assistance received by an assistance
5.34 unit in a month when a caregiver complied with a safety plan, an alternative employment

6.1 plan, or an employment plan under section 256J.521, subdivision 3, does not count toward
6.2 the ~~60-month limitation~~ time limit under section 256J.42, subdivision 1, on assistance.

6.3 **EFFECTIVE DATE.** This section is effective July 1, 2012.

6.4 Sec. 9. Minnesota Statutes 2010, section 256J.42, subdivision 5, is amended to read:

6.5 Subd. 5. **Exemption for certain families.** (a) Any cash assistance received by an
6.6 assistance unit does not count toward the ~~60-month~~ time limit on assistance during a
6.7 month in which the caregiver is age 60 or older.

6.8 (b) From July 1, 1997, until the date MFIP is operative in the caregiver's county of
6.9 financial responsibility, any cash assistance received by a caregiver who is complying
6.10 with Minnesota Statutes 1996, section 256.73, subdivision 5a, and Minnesota Statutes
6.11 1998, section 256.736, if applicable, does not count toward the ~~60-month~~ time limit
6.12 on assistance. Thereafter, any cash assistance received by a minor caregiver who is
6.13 complying with the requirements of sections 256J.14 and 256J.54, if applicable, does not
6.14 count ~~towards~~ toward the 60-month time limit under section 256J.42, subdivision 1,
6.15 on assistance.

6.16 (c) Any diversionary assistance or emergency assistance received prior to July 1,
6.17 2003, does not count toward the ~~60-month~~ time limit under section 256J.42, subdivision 1.

6.18 (d) Any cash assistance received by an 18- or 19-year-old caregiver who is complying
6.19 with an employment plan that includes an education option under section 256J.54 does not
6.20 count toward the ~~60-month~~ time limit under section 256J.42, subdivision 1.

6.21 (e) Payments provided to meet short-term emergency needs under section 256J.626
6.22 and diversionary work program benefits provided under section 256J.95 do not count
6.23 toward the ~~60-month~~ time limit under section 256J.42, subdivision 1.

6.24 **EFFECTIVE DATE.** This section is effective July 1, 2012.

6.25 Sec. 10. Minnesota Statutes 2010, section 256J.42, subdivision 6, is amended to read:

6.26 Subd. 6. **Case review.** (a) Within 180 days, but not less than 60 days, before the end
6.27 of the participant's ~~60th~~ last month on assistance, the county agency or job counselor must
6.28 review the participant's case to determine if the employment plan is still appropriate and
6.29 attempt to meet with the participant face-to-face.

6.30 (b) During the face-to-face meeting, a county agency or the job counselor must:

6.31 (1) inform the participant how many months of counted assistance the participant
6.32 has accrued and when the participant is expected to reach the 60th month;

7.1 (2) explain the hardship extension criteria under section 256J.425 and what the
7.2 participant should do if the participant thinks a hardship extension applies;

7.3 (3) identify other resources that may be available to the participant to meet the
7.4 needs of the family; and

7.5 (4) inform the participant of the right to appeal the case closure under section
7.6 256J.40.

7.7 (c) If a face-to-face meeting is not possible, the county agency must send the
7.8 participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5.

7.9 (d) Before a participant's case is closed under this section, the county must ensure
7.10 that:

7.11 (1) the case has been reviewed by the job counselor's supervisor or the review team
7.12 designated by the county to determine if the criteria for a hardship extension, if requested,
7.13 were applied appropriately; and

7.14 (2) the county agency or the job counselor attempted to meet with the participant
7.15 face-to-face.

7.16 **EFFECTIVE DATE.** This section is effective July 1, 2012.

7.17 Sec. 11. Minnesota Statutes 2010, section 256J.425, subdivision 1, is amended to read:

7.18 Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant
7.19 in an assistance unit subject to the time limit under section 256J.42, subdivision 1, must be
7.20 in compliance in the participant's ~~60th~~ last counted month. For purposes of determining
7.21 eligibility for a hardship extension, a participant is in compliance in any month that the
7.22 participant has not been sanctioned. In order to maintain eligibility for any of the hardship
7.23 extension categories a participant shall develop and comply with either an employment
7.24 plan or a family stabilization services plan, whichever is appropriate.

7.25 (b) If one participant in a two-parent assistance unit is determined to be ineligible for
7.26 a hardship extension, the county shall give the assistance unit the option of disqualifying
7.27 the ineligible participant from MFIP. In that case, the assistance unit shall be treated as a
7.28 one-parent assistance unit and the assistance unit's MFIP grant shall be calculated using
7.29 the shared household standard under section 256J.08, subdivision 82a.

7.30 (c) Prior to denying an extension, the county must review the sanction status and
7.31 determine whether the sanction is appropriate or if good cause exists under section
7.32 256J.57. If the sanction was inappropriately applied or the participant is granted a good
7.33 cause exception before the end of the last month ~~60~~, the participant shall be considered for
7.34 an extension.

8.1 **EFFECTIVE DATE.** This section is effective July 1, 2012.

8.2 Sec. 12. Minnesota Statutes 2010, section 256J.425, subdivision 4, is amended to read:

8.3 Subd. 4. **Employed participants.** (a) An assistance unit subject to the time limit
8.4 under section 256J.42, subdivision 1, is eligible to receive assistance under a hardship
8.5 extension if the participant who reached the time limit belongs to:

8.6 (1) a one-parent assistance unit in which the participant is participating in work
8.7 activities for at least 30 hours per week, of which an average of at least 25 hours per week
8.8 every month are spent participating in employment;

8.9 (2) a two-parent assistance unit in which the participants are participating in work
8.10 activities for at least 55 hours per week, of which an average of at least 45 hours per week
8.11 every month are spent participating in employment; or

8.12 (3) an assistance unit in which a participant is participating in employment for fewer
8.13 hours than those specified in clause (1), and the participant submits verification from a
8.14 qualified professional, in a form acceptable to the commissioner, stating that the number
8.15 of hours the participant may work is limited due to illness or disability, as long as the
8.16 participant is participating in employment for at least the number of hours specified by the
8.17 qualified professional. The participant must be following the treatment recommendations
8.18 of the qualified professional providing the verification. The commissioner shall develop a
8.19 form to be completed and signed by the qualified professional, documenting the diagnosis
8.20 and any additional information necessary to document the functional limitations of the
8.21 participant that limit work hours. If the participant is part of a two-parent assistance unit,
8.22 the other parent must be treated as a one-parent assistance unit for purposes of meeting the
8.23 work requirements under this subdivision.

8.24 (b) For purposes of this section, employment means:

8.25 (1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);

8.26 (2) subsidized employment under section 256J.49, subdivision 13, clause (2);

8.27 (3) on-the-job training under section 256J.49, subdivision 13, clause (2);

8.28 (4) an apprenticeship under section 256J.49, subdivision 13, clause (1);

8.29 (5) supported work under section 256J.49, subdivision 13, clause (2);

8.30 (6) a combination of clauses (1) to (5); or

8.31 (7) child care under section 256J.49, subdivision 13, clause (7), if it is in combination
8.32 with paid employment.

8.33 (c) If a participant is complying with a child protection plan under chapter 260C,
8.34 the number of hours required under the child protection plan count toward the number
8.35 of hours required under this subdivision.

9.1 (d) The county shall provide the opportunity for subsidized employment to
9.2 participants needing that type of employment within available appropriations.

9.3 (e) To be eligible for a hardship extension for employed participants under this
9.4 subdivision, a participant must be in compliance for at least ten out of the 12 months the
9.5 participant received MFIP immediately preceding the month after the participant's ~~61st~~
9.6 last month on assistance. If ten or fewer months of eligibility for TANF assistance remain
9.7 at the time the participant from another state applies for assistance, the participant must
9.8 be in compliance every month.

9.9 (f) The employment plan developed under section 256J.521, subdivision 2, for
9.10 participants under this subdivision must contain at least the minimum number of hours
9.11 specified in paragraph (a) for the purpose of meeting the requirements for an extension
9.12 under this subdivision. The job counselor and the participant must sign the employment
9.13 plan to indicate agreement between the job counselor and the participant on the contents
9.14 of the plan.

9.15 (g) Participants who fail to meet the requirements in paragraph (a), without good
9.16 cause under section 256J.57, shall be sanctioned or permanently disqualified under
9.17 subdivision 6. Good cause may only be granted for that portion of the month for which
9.18 the good cause reason applies. Participants must meet all remaining requirements in the
9.19 approved employment plan or be subject to sanction or permanent disqualification.

9.20 (h) If the noncompliance with an employment plan is due to the involuntary loss of
9.21 employment, the participant is exempt from the hourly employment requirement under
9.22 this subdivision for one month. Participants must meet all remaining requirements in the
9.23 approved employment plan or be subject to sanction or permanent disqualification. This
9.24 exemption is available to each participant two times in a 12-month period.

9.25 **EFFECTIVE DATE.** This section is effective July 1, 2012.

9.26 Sec. 13. Minnesota Statutes 2010, section 256J.425, subdivision 4a, is amended to read:

9.27 Subd. 4a. **Hardship extension pending documentation.** If the documentation
9.28 needed to determine if a participant is eligible for a hardship extension under subdivision 2
9.29 or 3 is not available by the ~~60th~~ participant's last month under section 256J.42, subdivision
9.30 1, the county agency may extend the participant pending receipt of the documentation if
9.31 the county believes the participant is likely to qualify for a hardship extension and the
9.32 participant is cooperating with efforts to obtain the documentation. If the participant
9.33 is found to be not eligible for an extension, the participant may be responsible for an
9.34 overpayment.

10.1 **EFFECTIVE DATE.** This section is effective July 1, 2012.

10.2 Sec. 14. Minnesota Statutes 2010, section 256J.425, subdivision 5, is amended to read:

10.3 Subd. 5. **Accrual of certain exempt months.** (a) Participants who are not eligible
10.4 for assistance under a hardship extension under this section shall be eligible for a hardship
10.5 extension for a period of time equal to the number of months that were counted toward
10.6 the ~~60-month~~ time limit under section 256J.42, subdivision 1, while the participant was a
10.7 caregiver with a child or an adult in the household who meets the disability or medical
10.8 criteria for home care services under section 256B.0651, subdivision 1, paragraph (c), or a
10.9 home and community-based waiver services program under chapter 256B, or meets the
10.10 criteria for severe emotional disturbance under section 245.4871, subdivision 6, or for
10.11 serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c),
10.12 and who was subject to the requirements in section 256J.561, subdivision 2.

10.13 (b) A participant who received MFIP assistance that counted toward the ~~60-month~~
10.14 time limit while the participant met the state time limit exemption criteria under section
10.15 256J.42, subdivision 4 or 5, is eligible for assistance under a hardship extension for a
10.16 period of time equal to the number of months that were counted toward the ~~60-month~~
10.17 time limit while the participant met the state time limit exemption criteria under section
10.18 256J.42, subdivision 4 or 5.

10.19 (c) After the accrued months have been exhausted, the county agency must
10.20 determine if the assistance unit is eligible for an extension under another extension
10.21 category in subdivision 2, 3, or 4.

10.22 (d) At the time of the case review, a county agency must explain to the participant
10.23 the basis for receiving a hardship extension based on the accrual of exempt months.
10.24 The participant must provide documentation necessary to enable the county agency to
10.25 determine whether the participant is eligible to receive a hardship extension based on the
10.26 accrual of exempt months or authorize a county agency to verify the information.

10.27 (e) While receiving extended MFIP assistance under this subdivision, a participant
10.28 is subject to the MFIP policies that apply to participants during the ~~first 60~~ unextended
10.29 months of MFIP, unless the participant is a member of a two-parent family in which one
10.30 parent is extended under subdivision 3 or 4. For two-parent families in which one parent
10.31 is extended under subdivision 3 or 4, the sanction provisions in subdivision 6 shall apply.

10.32 **EFFECTIVE DATE.** This section is effective July 1, 2012.

10.33 Sec. 15. Minnesota Statutes 2010, section 256J.425, subdivision 6, is amended to read:

11.1 Subd. 6. **Sanctions for extended cases.** (a) If one or both participants in an
11.2 assistance unit receiving assistance under subdivision 3 or 4 are not in compliance with
11.3 the employment and training service requirements in sections 256J.521 to 256J.57,
11.4 the sanctions under this subdivision apply. For a first occurrence of noncompliance,
11.5 an assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph
11.6 (c), clause (1). For a second or third occurrence of noncompliance, the assistance unit
11.7 must be sanctioned under section 256J.46, subdivision 1, paragraph (c), clause (2). For a
11.8 fourth occurrence of noncompliance, the assistance unit is disqualified from MFIP. If a
11.9 participant is determined to be out of compliance, the participant may claim a good cause
11.10 exception under section 256J.57.

11.11 (b) If both participants in a two-parent assistance unit are out of compliance at the
11.12 same time, it is considered one occurrence of noncompliance.

11.13 (c) When a parent in an extended two-parent assistance unit who has not used ~~60~~
11.14 36 months of assistance is out of compliance with the employment and training service
11.15 requirements in sections 256J.521 to 256J.57, sanctions must be applied as specified in
11.16 clauses (1) and (2).

11.17 (1) If the assistance unit is receiving assistance under subdivision 3 or 4, the
11.18 assistance unit is subject to the sanction policy in this subdivision.

11.19 (2) If the assistance unit is receiving assistance under subdivision 2, the assistance
11.20 unit is subject to the sanction policy in section 256J.46.

11.21 (d) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent
11.22 who has not reached the ~~60-month~~ time limit under section 256J.42, subdivision 1, is
11.23 out of compliance with the employment and training services requirements in sections
11.24 256J.521 to 256J.57 when the case is extended, the sanction in the ~~61st~~ month after the
11.25 last month of the time limit under section 256J.42, subdivision 1, is considered the first
11.26 sanction for the purposes of applying the sanctions in this subdivision, except that the
11.27 sanction amount shall be 30 percent.

11.28 **EFFECTIVE DATE.** This section is effective July 1, 2012.

11.29 Sec. 16. Minnesota Statutes 2010, section 256J.45, subdivision 2, is amended to read:

11.30 Subd. 2. **General information.** The MFIP orientation must consist of a presentation
11.31 that informs caregivers of:

11.32 (1) the necessity to obtain immediate employment;

11.33 (2) the work incentives under MFIP, including the availability of the federal earned
11.34 income tax credit and the Minnesota working family tax credit;

12.1 (3) the requirement to comply with the employment plan and other requirements
 12.2 of the employment and training services component of MFIP, including a description
 12.3 of the range of work and training activities that are allowable under MFIP to meet the
 12.4 individual needs of participants;

12.5 (4) the consequences for failing to comply with the employment plan and other
 12.6 program requirements, and that the county agency may not impose a sanction when failure
 12.7 to comply is due to the unavailability of child care or other circumstances where the
 12.8 participant has good cause under subdivision 3;

12.9 (5) the rights, responsibilities, and obligations of participants;

12.10 (6) the types and locations of child care services available through the county agency;

12.11 (7) the availability and the benefits of the early childhood health and developmental
 12.12 screening under sections 121A.16 to 121A.19; 123B.02, subdivision 16; and 123B.10;

12.13 (8) the caregiver's eligibility for transition year child care assistance under section
 12.14 119B.05;

12.15 (9) the availability of all health care programs, including transitional medical
 12.16 assistance;

12.17 (10) the caregiver's option to choose an employment and training provider and
 12.18 information about each provider, including but not limited to, services offered, program
 12.19 components, job placement rates, job placement wages, and job retention rates;

12.20 (11) the caregiver's option to request approval of an education and training plan
 12.21 according to section 256J.53;

12.22 (12) the work study programs available under the higher education system; and

12.23 (13) information about the ~~60-month~~ time limit exemptions under the family violence
 12.24 waiver and referral information about shelters and programs for victims of family violence.

12.25 **EFFECTIVE DATE.** This section is effective July 1, 2012.

12.26 Sec. 17. Minnesota Statutes 2010, section 256J.46, subdivision 1, is amended to read:

12.27 Subdivision 1. **Participants not complying with program requirements.** (a)

12.28 A participant who fails without good cause under section 256J.57 to comply with the
 12.29 requirements of this chapter, and who is not subject to a sanction under subdivision 2,
 12.30 shall be subject to a sanction as provided in this subdivision. Prior to the imposition of
 12.31 a sanction, a county agency shall provide a notice of intent to sanction under section
 12.32 256J.57, subdivision 2, and, when applicable, a notice of adverse action as provided
 12.33 in section 256J.31.

12.34 (b) A sanction under this subdivision becomes effective the month following the
 12.35 month in which a required notice is given. A sanction must not be imposed when a

13.1 participant comes into compliance with the requirements for orientation under section
13.2 256J.45 prior to the effective date of the sanction. A sanction must not be imposed
13.3 when a participant comes into compliance with the requirements for employment and
13.4 training services under sections 256J.515 to 256J.57 ten days prior to the effective date
13.5 of the sanction. For purposes of this subdivision, each month that a participant fails to
13.6 comply with a requirement of this chapter shall be considered a separate occurrence of
13.7 noncompliance. If both participants in a two-parent assistance unit are out of compliance
13.8 at the same time, it is considered one occurrence of noncompliance.

13.9 (c) Sanctions for noncompliance shall be imposed as follows:

13.10 (1) For the first occurrence of noncompliance by a participant in an assistance unit,
13.11 the assistance unit's grant shall be reduced by ten percent of the MFIP standard of need
13.12 for an assistance unit of the same size with the residual grant paid to the participant. The
13.13 reduction in the grant amount must be in effect for a minimum of one month and shall be
13.14 removed in the month following the month that the participant returns to compliance.

13.15 (2) For a ~~second, third, fourth, fifth, or sixth~~ occurrence of noncompliance by a
13.16 participant in an assistance unit, the assistance unit's shelter costs shall be vendor paid
13.17 up to the amount of the cash portion of the MFIP grant for which the assistance unit is
13.18 eligible. At county option, the assistance unit's utilities may also be vendor paid up to
13.19 the amount of the cash portion of the MFIP grant remaining after vendor payment of the
13.20 assistance unit's shelter costs. The residual amount of the grant after vendor payment, if
13.21 any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an
13.22 assistance unit of the same size before the residual grant is paid to the assistance unit. The
13.23 reduction in the grant amount must be in effect for a minimum of one month and shall be
13.24 removed in the month following the month that the participant in a one-parent assistance
13.25 unit returns to compliance. In a two-parent assistance unit, the grant reduction must
13.26 be in effect for a minimum of one month and shall be removed in the month following
13.27 the month both participants return to compliance. The vendor payment of shelter costs
13.28 and, if applicable, utilities shall be removed six months after the month in which the
13.29 participant or participants return to compliance. If an assistance unit is sanctioned under
13.30 this clause, the participant's case file must be reviewed to determine if the employment
13.31 plan is still appropriate.

13.32 (d) For a ~~seventh~~ third occurrence of noncompliance by a participant in an assistance
13.33 unit, or when the participants in a two-parent assistance unit have a total of ~~seven~~ three
13.34 occurrences of noncompliance, the county agency shall close the MFIP assistance unit's
13.35 financial assistance case, both the cash and food portions, and redetermine the family's
13.36 continued eligibility for food support payments. The MFIP case must remain closed for a

14.1 minimum of one full month. Before the case is closed, the county agency must review
14.2 the participant's case to determine if the employment plan is still appropriate and attempt
14.3 to meet with the participant face-to-face. The participant may bring an advocate to the
14.4 face-to-face meeting. If a face-to-face meeting is not conducted, the county agency must
14.5 send the participant a written notice that includes the information required under clause (1).

14.6 (1) During the face-to-face meeting, the county agency must:

14.7 (i) determine whether the continued noncompliance can be explained and mitigated
14.8 by providing a needed preemployment activity, as defined in section 256J.49, subdivision
14.9 13, clause (9);

14.10 (ii) determine whether the participant qualifies for a good cause exception under
14.11 section 256J.57, or if the sanction is for noncooperation with child support requirements,
14.12 determine if the participant qualifies for a good cause exemption under section 256.741,
14.13 subdivision 10;

14.14 (iii) determine whether the work activities in the employment plan are appropriate
14.15 based on the criteria in section 256J.521, subdivision 2 or 3;

14.16 (iv) determine whether the participant qualifies for the family violence waiver;

14.17 (v) inform the participant of the participant's sanction status and explain the
14.18 consequences of continuing noncompliance;

14.19 (vi) identify other resources that may be available to the participant to meet the
14.20 needs of the family; and

14.21 (vii) inform the participant of the right to appeal under section 256J.40.

14.22 (2) If the lack of an identified activity or service can explain the noncompliance, the
14.23 county must work with the participant to provide the identified activity.

14.24 (3) The grant must be restored to the full amount for which the assistance unit is
14.25 eligible retroactively to the first day of the month in which the participant was found to
14.26 lack preemployment activities or to qualify for a family violence waiver or for a good
14.27 cause exemption under section 256.741, subdivision 10, or 256J.57.

14.28 (e) For the purpose of applying sanctions under this section, only occurrences of
14.29 noncompliance that occur after July 1, ~~2003~~ 2012, shall be considered. If the participant
14.30 is in 30 percent sanction in the month this section takes effect, that month counts as the
14.31 first occurrence for purposes of applying the sanctions under this section, but the sanction
14.32 shall remain at 30 percent for that month.

14.33 (f) An assistance unit whose case is closed under paragraph (d) or (g), may
14.34 reapply for MFIP and shall be eligible if the participant complies with MFIP program
14.35 requirements and demonstrates compliance for up to one month. No assistance shall be
14.36 paid during this period.

15.1 (g) An assistance unit whose case has been closed for noncompliance, that reappplies
15.2 under paragraph (f), is subject to sanction under paragraph (c), clause (2), for a first
15.3 occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result
15.4 in case closure under paragraph (d).

15.5 Sec. 18. Minnesota Statutes 2010, section 256J.50, subdivision 6, is amended to read:

15.6 Subd. 6. **Explanatory materials required.** The county must:

15.7 (1) explain to applicants and recipients and provide explanatory materials regarding
15.8 the relationship between the ~~60-month~~ time limit under section 256J.42, subdivision 1, on
15.9 assistance funded with TANF dollars and the receipt of various benefits, including cash
15.10 assistance, food stamps or food support, medical assistance, and child care assistance; and

15.11 (2) provide assistance to applicants and recipients to enable them to minimize the
15.12 use of their ~~60~~ allowable months of TANF-funded assistance.

15.13 **EFFECTIVE DATE.** This section is effective July 1, 2012.

15.14 Sec. 19. Minnesota Statutes 2010, section 256J.50, subdivision 10, is amended to read:

15.15 Subd. 10. **Required notification to victims of family violence.** (a) County
15.16 agencies and their contractors must provide universal notification to all applicants and
15.17 recipients of MFIP that:

15.18 (1) referrals to counseling and supportive services are available for victims of family
15.19 violence;

15.20 (2) nonpermanent resident battered individuals married to United States citizens or
15.21 permanent residents may be eligible to petition for permanent residency under the federal
15.22 Violence Against Women Act, and that referrals to appropriate legal services are available;

15.23 (3) victims of family violence are exempt from the ~~60-month~~ limit under section
15.24 256J.42, subdivision 1, on assistance if they are complying with an employment plan
15.25 under section 256J.521, subdivision 3; and

15.26 (4) victims of family violence may choose to have regular work requirements waived
15.27 while the individual is complying with an employment plan under section 256J.521,
15.28 subdivision 3.

15.29 (b) If an employment plan under section 256J.521, subdivision 3, is denied, the
15.30 county or a job counselor must provide reasons why the plan is not approved and document
15.31 how the denial of the plan does not interfere with the safety of the participant or children.

15.32 Notification must be in writing and orally at the time of application and
15.33 recertification, when the individual is referred to the title IV-D child support agency, and
15.34 at the beginning of any job training or work placement assistance program.

16.1 **EFFECTIVE DATE.** This section is effective July 1, 2012.

16.2 Sec. 20. Minnesota Statutes 2010, section 256J.575, subdivision 3, is amended to read:

16.3 Subd. 3. **Eligibility.** (a) The following MFIP participants are eligible for the
16.4 services under this section:

16.5 (1) a participant who meets the requirements for or has been granted a hardship
16.6 extension under section 256J.425, subdivision 2 or 3, except that it is not necessary for the
16.7 participant to have reached or be approaching ~~60 months of eligibility~~ the time limit under
16.8 section 256J.42, subdivision 1, for this section to apply;

16.9 (2) a participant who is applying for Supplemental Security Income or Social
16.10 Security disability insurance;

16.11 (3) a participant who is a noncitizen who has been in the United States for 12 or
16.12 fewer months; and

16.13 (4) a participant who is age 60 or older.

16.14 (b) Families must meet all other eligibility requirements for MFIP established in
16.15 this chapter. Families are eligible for financial assistance to the same extent as if they
16.16 were participating in MFIP.

16.17 (c) A participant under paragraph (a), clause (3), must be provided with English as a
16.18 second language opportunities and skills training for up to 12 months. After 12 months,
16.19 the case manager and participant must determine whether the participant should continue
16.20 with English as a second language classes or skills training, or both, and continue to
16.21 receive family stabilization services.

16.22 (d) If a county agency or employment services provider has information that an
16.23 MFIP participant may meet the eligibility criteria set forth in this subdivision, the county
16.24 agency or employment services provider must assist the participant in obtaining the
16.25 documentation necessary to determine eligibility.

16.26 **EFFECTIVE DATE.** This section is effective July 1, 2012.

16.27 Sec. 21. Minnesota Statutes 2010, section 256J.621, is amended to read:

16.28 **256J.621 WORK PARTICIPATION CASH BENEFITS.**

16.29 (a) Effective October 1, 2009, upon exiting the diversionary work program (DWP)
16.30 or upon terminating the Minnesota family investment program with earnings, a participant
16.31 who is employed may be eligible for work participation cash benefits of \$25 per month
16.32 to assist in meeting the family's basic needs as the participant continues to move toward
16.33 self-sufficiency.

17.1 (b) To be eligible for work participation cash benefits, the participant shall not
 17.2 receive MFIP or diversionary work program assistance during the month and the
 17.3 participant or participants must meet the following work requirements:

17.4 (1) if the participant is a single caregiver and has a child under six years of age, the
 17.5 participant must be employed at least 87 hours per month;

17.6 (2) if the participant is a single caregiver and does not have a child under six years of
 17.7 age, the participant must be employed at least 130 hours per month; or

17.8 (3) if the household is a two-parent family, at least one of the parents must be
 17.9 employed an average of at least 130 hours per month.

17.10 Whenever a participant exits the diversionary work program or is terminated from
 17.11 MFIP and meets the other criteria in this section, work participation cash benefits are
 17.12 available for up to 24 consecutive months.

17.13 (c) Expenditures on the program are maintenance of effort state funds under
 17.14 a separate state program for participants under paragraph (b), clauses (1) and (2).
 17.15 Expenditures for participants under paragraph (b), clause (3), are nonmaintenance of
 17.16 effort funds. Months in which a participant receives work participation cash benefits
 17.17 under this section do not count toward the participant's MFIP ~~60-month~~ time limit under
 17.18 section 256J.42, subdivision 1.

17.19 **EFFECTIVE DATE.** This section is effective July 1, 2012.

17.20 Sec. 22. Minnesota Statutes 2010, section 256J.626, subdivision 2, is amended to read:

17.21 Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures
 17.22 under the consolidated fund to benefits and services allowed under title IV-A of the federal
 17.23 Social Security Act. Allowable expenditures under the consolidated fund may include, but
 17.24 are not limited to:

17.25 (1) short-term, nonrecurring shelter and utility needs that are excluded from the
 17.26 definition of assistance under Code of Federal Regulations, title 45, section 260.31, for
 17.27 families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a.
 17.28 Payments under this subdivision are not considered TANF cash assistance and are not
 17.29 counted ~~towards~~ toward the ~~60-month~~ time limit under section 256J.42, subdivision 1;

17.30 (2) transportation needed to obtain or retain employment or to participate in other
 17.31 approved work activities or activities under a family stabilization plan;

17.32 (3) direct and administrative costs of staff to deliver employment services for
 17.33 MFIP, the diversionary work program, or family stabilization services; to administer
 17.34 financial assistance; and to provide specialized services intended to assist hard-to-employ
 17.35 participants to transition to work or transition from family stabilization services to MFIP;

18.1 (4) costs of education and training including functional work literacy and English as
18.2 a second language;

18.3 (5) cost of work supports including tools, clothing, boots, telephone service, and
18.4 other work-related expenses;

18.5 (6) county administrative expenses as defined in Code of Federal Regulations, title
18.6 45, section 260(b);

18.7 (7) services to parenting and pregnant teens;

18.8 (8) supported work;

18.9 (9) wage subsidies;

18.10 (10) child care needed for MFIP, the diversionary work program, or family
18.11 stabilization services participants to participate in social services;

18.12 (11) child care to ensure that families leaving MFIP or diversionary work program
18.13 will continue to receive child care assistance from the time the family no longer qualifies
18.14 for transition year child care until an opening occurs under the basic sliding fee child
18.15 care program;

18.16 (12) services to help noncustodial parents who live in Minnesota and have minor
18.17 children receiving MFIP or DWP assistance, but do not live in the same household as the
18.18 child, obtain or retain employment; and

18.19 (13) services to help families participating in family stabilization services achieve
18.20 the greatest possible degree of self-sufficiency.

18.21 (b) Administrative costs that are not matched with county funds as provided in
18.22 subdivision 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation
18.23 under this section. The commissioner shall define administrative costs for purposes of
18.24 this subdivision.

18.25 (c) The commissioner may waive the cap on administrative costs for a county or tribe
18.26 that elects to provide an approved supported employment, unpaid work, or community
18.27 work experience program for a major segment of the county's or tribe's MFIP population.
18.28 The county or tribe must apply for the waiver on forms provided by the commissioner. In
18.29 no case shall total administrative costs exceed the TANF limits.

18.30 **EFFECTIVE DATE.** This section is effective July 1, 2012.

18.31 Sec. 23. Minnesota Statutes 2010, section 256J.751, subdivision 1, is amended to read:

18.32 Subdivision 1. **Monthly county caseload report.** The commissioner shall report
18.33 monthly to each county the following caseload information:

18.34 (1) total number of cases receiving MFIP, and subtotals of cases with one eligible
18.35 parent, two eligible parents, and an eligible caregiver who is not a parent;

- 19.1 (2) total number of child only assistance cases;
- 19.2 (3) total number of eligible adults and children receiving an MFIP grant, and
19.3 subtotals for cases with one eligible parent, two eligible parents, an eligible caregiver
19.4 who is not a parent, and child only cases;
- 19.5 (4) number of cases with an exemption from the ~~60-month~~ time limit under section
19.6 256J.42, subdivision 1, based on a family violence waiver;
- 19.7 (5) number of MFIP cases with work hours, and subtotals for cases with one eligible
19.8 parent, two eligible parents, and an eligible caregiver who is not a parent;
- 19.9 (6) number of employed MFIP cases, and subtotals for cases with one eligible
19.10 parent, two eligible parents, and an eligible caregiver who is not a parent;
- 19.11 (7) average monthly gross earnings, and averages for subgroups of cases with one
19.12 eligible parent, two eligible parents, and an eligible caregiver who is not a parent;
- 19.13 (8) number of employed cases receiving only the food portion of assistance;
- 19.14 (9) number of parents or caregivers exempt from work activity requirements, with
19.15 subtotals for each exemption type; and
- 19.16 (10) number of cases with a sanction, with subtotals by level of sanction for cases
19.17 with one eligible parent, two eligible parents, and an eligible caregiver who is not a parent.

19.18 **EFFECTIVE DATE.** This section is effective July 1, 2012.