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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2037

03/19/2015 Authored by Halverson

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

1.1 A bill for an act  
1.2 relating to human services; modifying requirements for child care assistance  
1.3 redeterminations of eligibility and recovery of overpayments; amending  
1.4 Minnesota Statutes 2014, sections 119B.025, subdivision 1, by adding a  
1.5 subdivision; 119B.09, subdivision 4; 119B.11, subdivision 2a.

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

1.7 Section 1. Minnesota Statutes 2014, section 119B.025, subdivision 1, is amended to  
1.8 read:

1.9 Subdivision 1. **Factors which must be verified.** (a) The county shall verify the  
1.10 following at all initial child care applications using the universal application:

- 1.11 (1) identity of adults;
- 1.12 (2) presence of the minor child in the home, if questionable;
- 1.13 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible  
1.14 relative caretaker, or the spouses of any of the foregoing;
- 1.15 (4) age;
- 1.16 (5) immigration status, if related to eligibility;
- 1.17 (6) Social Security number, if given;
- 1.18 (7) income;
- 1.19 (8) spousal support and child support payments made to persons outside the  
1.20 household;
- 1.21 (9) residence; and
- 1.22 (10) inconsistent information, if related to eligibility.

1.23 ~~(b) If a family did not use the universal application or child care addendum to apply~~  
1.24 ~~for child care assistance, the family must complete the universal application or child care~~  
1.25 ~~addendum at its next eligibility redetermination and the county must verify the factors~~

2.1 ~~listed in paragraph (a) as part of that redetermination. Once a family has completed a~~  
 2.2 ~~universal application or child care addendum, the county shall use the redetermination~~  
 2.3 ~~form described in paragraph (e) for that family's subsequent redeterminations. Eligibility~~  
 2.4 ~~must be redetermined at least every six months. A family is considered to have met the~~  
 2.5 ~~eligibility redetermination requirement if a complete redetermination form and all required~~  
 2.6 ~~verifications are received within 30 days after the date the form was due. Assistance shall~~  
 2.7 ~~be payable retroactively from the redetermination due date. For a family where at least~~  
 2.8 ~~one parent is under the age of 21, does not have a high school or general equivalency~~  
 2.9 ~~diploma, and is a student in a school district or another similar program that provides or~~  
 2.10 ~~arranges for child care, as well as parenting, social services, career and employment~~  
 2.11 ~~supports, and academic support to achieve high school graduation, the redetermination of~~  
 2.12 ~~eligibility shall be deferred beyond six months, but not to exceed 12 months, to the end of~~  
 2.13 ~~the student's school year. If a family reports a change in an eligibility factor before the~~  
 2.14 ~~family's next regularly scheduled redetermination, the county must recalculate eligibility~~  
 2.15 ~~without requiring verification of any eligibility factor that did not change.~~

2.16 (e) (b) The commissioner shall develop a redetermination form to redetermine  
 2.17 eligibility and a change report form to report changes that minimize paperwork for the  
 2.18 county and the participant.

2.19 Sec. 2. Minnesota Statutes 2014, section 119B.025, is amended by adding a subdivision  
 2.20 to read:

2.21 Subd. 3. Redeterminations. (a) If a family did not use the universal application  
 2.22 or child care addendum to apply for child care assistance, the family must complete the  
 2.23 universal application or child care addendum at its next eligibility redetermination, and  
 2.24 the county must verify the factors listed in subdivision 1, paragraph (a), as part of that  
 2.25 redetermination. Once a family has completed a universal application or child care  
 2.26 addendum, the county shall use the redetermination form described in subdivision 1,  
 2.27 paragraph (b), for that family's subsequent redeterminations.

2.28 (b) Eligibility must be redetermined at least every 12 months. A family is considered  
 2.29 to have met the eligibility redetermination requirement if a complete redetermination form  
 2.30 and all required verifications are received within 30 days after the date the form was due.  
 2.31 Assistance shall be payable retroactively from the redetermination due date.

2.32 (c) If a family reports a change in an eligibility factor before the family's next  
 2.33 regularly scheduled redetermination, the county must recalculate eligibility without  
 2.34 requiring verification of any eligibility factor that did not change. When there is a change  
 2.35 in an eligibility factor reported by the participant at application or at the most recent

3.1 redetermination of eligibility, the participant must report the new information to the  
 3.2 county within ten calendar days after the change occurs. This reporting requirement  
 3.3 applies to changes in income, residence, employment status, education or training status,  
 3.4 family status, or family size.

3.5 Sec. 3. Minnesota Statutes 2014, section 119B.09, subdivision 4, is amended to read:

3.6 Subd. 4. **Eligibility; annual income; calculation.** Annual income of the applicant  
 3.7 family is the current monthly income of the family multiplied by 12 or the income for  
 3.8 the 12-month period immediately preceding the date of application, or income calculated  
 3.9 by the method which provides the most accurate assessment of income available to the  
 3.10 family. Self-employment income must be calculated based on gross receipts less operating  
 3.11 expenses. Income must be recalculated when the family's income changes, but no less  
 3.12 often than every six 12 months. ~~For a family where at least one parent is under the age~~  
 3.13 ~~of 21, does not have a high school or general equivalency diploma, and is a student in~~  
 3.14 ~~a school district or another similar program that provides or arranges for child care,~~  
 3.15 ~~as well as parenting, social services, career and employment supports, and academic~~  
 3.16 ~~support to achieve high school graduation, income must be recalculated when the family's~~  
 3.17 ~~income changes, but otherwise shall be deferred beyond six months, but not to exceed 12~~  
 3.18 ~~months, to the end of the student's school year.~~ Income must be verified with documentary  
 3.19 evidence. If the applicant does not have sufficient evidence of income, verification must  
 3.20 be obtained from the source of the income.

3.21 Sec. 4. Minnesota Statutes 2014, section 119B.11, subdivision 2a, is amended to read:

3.22 Subd. 2a. **Recovery of overpayments.** (a) An amount of child care assistance  
 3.23 paid to a recipient or provider in excess of the payment due is recoverable by the county  
 3.24 agency under paragraphs (b) and (c), even when the overpayment was caused by ~~agency~~  
 3.25 ~~error or~~ circumstances outside the responsibility and control of the family or provider.  
 3.26 Notwithstanding any provision to the contrary in this subdivision, an overpayment must  
 3.27 be recovered, regardless of amount or time period, if the overpayment was caused by  
 3.28 wrongfully obtaining assistance under section 256.98 or benefits paid while an action is  
 3.29 pending appeal under section 119B.16, to the extent the commissioner finds on appeal that  
 3.30 the appellant was not eligible for the amount of child care assistance paid.

3.31 (b) An overpayment must be recouped or recovered from the family if the  
 3.32 overpayment benefited the family by causing the family to pay less for child care expenses  
 3.33 than the family otherwise would have been required to pay under child care assistance

4.1 program requirements. Family overpayments must be established and recovered in  
4.2 accordance with clauses (1) to (5).

4.3 (1) If the overpayment is estimated to be less than \$500, the overpayment must not be  
4.4 established or collected. Any portion of the overpayment that occurred more than one year  
4.5 prior to the date of the overpayment determination must not be established or collected.

4.6 (2) If the family remains eligible for child care assistance and an overpayment is  
4.7 established, the overpayment must be recovered through recoupment as identified in  
4.8 Minnesota Rules, part 3400.0187, except that the overpayments must be calculated and  
4.9 collected on a service period basis. If the family no longer remains eligible for child  
4.10 care assistance, the county may choose to initiate efforts to recover overpayments from  
4.11 the family for overpayment less than \$50.

4.12 (3) If the family is no longer eligible for child care assistance and an overpayment  
4.13 is greater than or equal to \$50 established, the county shall seek voluntary repayment of  
4.14 the overpayment from the family.

4.15 (4) If the county is unable to recoup the overpayment through voluntary repayment,  
4.16 the county shall initiate civil court proceedings to recover the overpayment unless the  
4.17 county's costs to recover the overpayment will exceed the amount of the overpayment.

4.18 (5) A family with an outstanding debt under this subdivision is not eligible for  
4.19 child care assistance until:

4.20 ~~(1)~~ (i) the debt is paid in full; or

4.21 ~~(2)~~ (ii) satisfactory arrangements are made with the county to retire the debt  
4.22 consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and  
4.23 the family is in compliance with the arrangements.

4.24 (c) The county must recover an overpayment from a provider if the overpayment did  
4.25 not benefit the family by causing it to receive more child care assistance or to pay less  
4.26 for child care expenses than the family otherwise would have been eligible to receive  
4.27 or required to pay under child care assistance program requirements, and benefited the  
4.28 provider by causing the provider to receive more child care assistance than otherwise  
4.29 would have been paid on the family's behalf under child care assistance program  
4.30 requirements. If the provider continues to care for children receiving child care assistance,  
4.31 the overpayment must be recovered through reductions in child care assistance payments  
4.32 for services as described in an agreement with the county. The provider may not charge  
4.33 families using that provider more to cover the cost of recouping the overpayment. If the  
4.34 provider no longer cares for children receiving child care assistance, the county may  
4.35 choose to initiate efforts to recover overpayments of less than \$50 from the provider. If the  
4.36 overpayment is greater than or equal to \$50, the county shall seek voluntary repayment of

5.1 the overpayment from the provider. If the county is unable to recoup the overpayment  
5.2 through voluntary repayment, the county shall initiate civil court proceedings to recover  
5.3 the overpayment unless the county's costs to recover the overpayment will exceed the  
5.4 amount of the overpayment. A provider with an outstanding debt under this subdivision is  
5.5 not eligible to care for children receiving child care assistance until:

5.6 (1) the debt is paid in full; or

5.7 (2) satisfactory arrangements are made with the county to retire the debt consistent  
5.8 with the requirements of this chapter and Minnesota Rules, chapter 3400, and the provider  
5.9 is in compliance with the arrangements.

5.10 (d) When both the family and the provider acted together to intentionally cause the  
5.11 overpayment, both the family and the provider are jointly liable for the overpayment  
5.12 regardless of who benefited from the overpayment. The county must recover the  
5.13 overpayment as provided in paragraphs (b) and (c). When the family or the provider is in  
5.14 compliance with a repayment agreement, the party in compliance is eligible to receive  
5.15 child care assistance or to care for children receiving child care assistance despite the  
5.16 other party's noncompliance with repayment arrangements.

5.17 (e) An overpayment caused by agency error must not be established or collected.  
5.18 An overpayment caused by more than one reason must not be established or collected  
5.19 if any portion of the overpayment is due to agency error. This paragraph does not  
5.20 apply if the overpayment was caused in part by wrongfully obtaining assistance under  
5.21 section 256.98 or benefits paid pending appeal under section 119B.16, to the extent that  
5.22 the commissioner finds on appeal that the appellant was not eligible for the amount of  
5.23 child care assistance paid.