

A bill for an act

relating to human services; amending the MFIP work participation program; changing child care assistance provisions; changing the child care assistance sliding fee scale; establishing a child care advisory task force; requiring a mandated report; making technical changes; amending Minnesota Statutes 2006, sections 119B.011, subdivision 17; 119B.03, subdivisions 1, 6; 119B.09, subdivisions 1, 9; 119B.125, by adding a subdivision; 119B.21, subdivision 10; 256E.30, subdivision 1; 256E.35, subdivision 7; 256J.24, subdivision 5; 256J.425, subdivision 1; 256J.521, subdivision 4; 256J.54, subdivisions 2, 5; 256J.545; Minnesota Statutes 2007 Supplement, sections 119B.12; 119B.125, subdivision 2; 119B.13, subdivisions 1, 7; 119B.21, subdivision 5; 119B.231, subdivision 5; 245A.1435; 245C.08, subdivision 2; 256E.35, subdivision 2; 256J.20, subdivision 3; 256J.49, subdivision 13; 256J.626, subdivisions 3, 7; 256J.95, subdivision 3; repealing Minnesota Statutes 2006, section 256K.25.

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

ARTICLE 1

MFIP WORK PARTICIPATION

Section 1. Minnesota Statutes 2006, section 256J.425, subdivision 1, is amended to read:

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

(b) If one participant in a two-parent assistance unit is determined to be ineligible for a hardship extension, the county shall give the assistance unit the option of disqualifying

the ineligible participant from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit and the assistance unit's MFIP grant shall be calculated using the shared household standard under section 256J.08, subdivision 82a.

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

Sec. 2. Minnesota Statutes 2007 Supplement, section 256J.626, subdivision 3, is amended to read:

Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman, or a noncustodial parent of a minor child receiving assistance, with incomes below 200 percent of the federal poverty guideline for a family of the applicable size, are eligible for services funded under the consolidated fund. Counties and tribes must give priority to families currently receiving MFIP, the diversionary work program, or family stabilization services, and families at risk of receiving MFIP or diversionary work program. A county or tribe shall not impose a residency requirement on families, except for the residency requirement under section 256J.12.

Sec. 3. Minnesota Statutes 2007 Supplement, section 256J.626, subdivision 7, is amended to read:

Subd. 7. **Performance base funds.** (a) ~~Beginning~~ For calendar year ~~2008~~ 2009 and yearly thereafter, each county and tribe will be allocated 95 percent of their initial calendar year allocation. Counties and tribes will be allocated additional funds based on performance as follows:

(1) ~~for calendar year 2008 and yearly thereafter~~, a county or tribe that achieves a 50 percent ~~MFIP~~ TANF participation rate or a five percentage point improvement over the previous year's ~~MFIP~~ TANF participation rate under section 256J.751, subdivision 2, clause (7), as averaged across ~~the four quarterly measurements~~ 12 consecutive months for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(2) ~~for calendar years 2005 and thereafter, a county or tribe that performs above the top of its annualized range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (6), will receive an additional allocation equal to five percent of its initial allocation; and~~

~~(3) for calendar years 2005 and thereafter,~~ a county or tribe that performs within or above its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (6), will receive an additional allocation equal to 2.5 percent of its initial allocation; and

~~(4) for calendar years 2008 and thereafter,~~ (3) a county or tribe that does not achieve a 50 percent ~~MFHP~~ TANF participation rate or a five percentage point improvement over the previous year's ~~MFHP~~ TANF participation rate under section 256J.751, subdivision 2, clause (7), as averaged across ~~the four quarterly measurements~~ 12 consecutive months for the most recent year for which the measurements are available, will not receive an additional 2.5 percent of its initial allocation until after negotiating a multiyear improvement plan with the commissioner; or

~~(5) for calendar years 2008 and thereafter,~~ (4) a county or tribe that does not perform within or above its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (6), will not receive an additional allocation equal to 2.5 percent of its initial allocation until after negotiating a multiyear improvement plan with the commissioner.

(b) For calendar year 2009 and yearly thereafter, performance-based funds for a federally approved tribal TANF program in which the state and tribe have in place a contract under section 256.01, addressing consolidated funding, will be allocated as follows:

~~(1) for calendar year 2006 and yearly thereafter,~~ a tribe that achieves the participation rate approved in its federal TANF plan using the average of ~~four quarterly measurements~~ 12 consecutive months for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

~~(2) for calendar years 2006 and thereafter, a tribe that performs above the top of its annualized range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (6), will receive an additional allocation equal to five percent of its initial allocation; or~~

~~(3) for calendar years 2006 and thereafter,~~ a tribe that performs within or above its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (6), will receive an additional allocation equal to 2.5 percent of its initial allocation; or

~~(4) for calendar year 2008 and yearly thereafter,~~ (3) a tribe that does not achieve the participation rate approved in its federal TANF plan using the average of ~~four quarterly measurements~~ 12 consecutive months for the most recent year for which the measurements

are available, will not receive an additional allocation equal to 2.5 percent of its initial allocation until after negotiating a multiyear improvement plan with the commissioner; or ~~(5) for calendar year 2008 and yearly thereafter,~~ (4) a tribe that does not perform within or above its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (6), will not receive an additional allocation equal to 2.5 percent until after negotiating a multiyear improvement plan with the commissioner.

(c) Funds remaining unallocated after the performance-based allocations in paragraph (a) are available to the commissioner for innovation projects under subdivision 5.

(d) (1) If available funds are insufficient to meet county and tribal allocations under paragraph (a), the commissioner may make available for allocation funds that are unobligated and available from the innovation projects through the end of the current biennium.

(2) If after the application of clause (1) funds remain insufficient to meet county and tribal allocations under paragraph (a), the commissioner must proportionally reduce the allocation of each county and tribe with respect to their maximum allocation available under paragraph (a).

ARTICLE 2

CHILD CARE

Section 1. Minnesota Statutes 2006, section 119B.03, subdivision 6, is amended to read:

Subd. 6. **Allocation formula.** The basic sliding fee state and federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 8, with any remaining available funds allocated according to the following formula:

(a) One-fourth of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the most recent fiscal year completed at the time of the notice of allocation.

(b) Up to one-fourth of the funds shall be allocated based on in proportion to the number of families participating in the transition year child care program as reported during and averaged over the most recent quarter six months completed at the time of the notice of allocation. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).

(c) Up to one-fourth of the funds shall be allocated in proportion to the average of each county's most recently recent six months of reported first, second, and third priority

waiting list as defined in subdivision 2 and the reinstatement list of those families whose assistance was terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).

(d) Up to one-fourth of the funds ~~must~~ shall be allocated in proportion to the average of each county's most ~~recently~~ recent six months of reported waiting list as defined in subdivision 2 and the reinstatement list of those families whose assistance was terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).

(e) The amount necessary to serve all families in paragraphs (b), (c), and (d) shall be calculated based on the basic sliding fee average cost of care per family in the county with the highest cost in the most recently completed calendar year.

(f) Funds in excess of the amount necessary to serve all families in paragraphs (b), (c), and (d) shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the most recent fiscal year completed at the time of the notice of allocation.

Sec. 2. Minnesota Statutes 2006, section 119B.09, subdivision 9, is amended to read:

Subd. 9. **Licensed and legal nonlicensed family child care providers; assistance.** Licensed and legal nonlicensed family child care providers and their employees are not eligible to receive child care assistance subsidies under this chapter for their own children or children in their family during the hours they are providing child care or being paid to provide child care. Child care providers and their employees are eligible to receive child care assistance subsidies for their children when they are engaged in other activities that meet the requirements of this chapter and for which child care assistance can be paid. The hours for which the provider or their employee receives a child care subsidy for their own children must not overlap with the hours the provider provides child care services.

Sec. 3. Minnesota Statutes 2007 Supplement, section 119B.231, subdivision 5, is amended to read:

Subd. 5. **Relationship to current law.** (a) The following provisions in chapter 119B must be waived or modified for families receiving services under this section.

(b) Notwithstanding section 119B.13, subdivisions 1 and 1a, maximum weekly rates under this section are 125 percent of the existing maximum weekly rate for like-care. Providers eligible for a differential rate under section 119B.13, subdivision 3a, remain

eligible for the differential above the rate identified in this section. Only care for children who have not yet entered kindergarten may be paid at the maximum rate under this section. The provider's charge for service provided through an SRSA may not exceed the rate that the provider charges a private-pay family for like-care arrangements.

(c) A family or child care provider may not be assessed an overpayment for care provided through an SRSA unless:

(1) there was an error in the amount of care authorized for the family; or

(2) the family or provider did not timely report a change as required under the law.

(d) Care provided through an SRSA is authorized on a weekly basis.

(e) Funds appropriated under this section to serve families eligible under section 119B.03 are not allocated through the basic sliding fee formula under section 119B.03. Funds appropriated under this section are used to offset increased costs when payments are made under SRSA's.

(f) Notwithstanding section 119B.09, subdivision 6, the maximum amount of child care assistance that may be authorized for a child receiving care through an SRSA in a two-week period is 160 hours per child.

(g) Effective upon date of enactment, absent day payment limits under section 119B.13, subdivision 7, do not apply to children for care paid through SRSA's provided the family remains eligible under subdivision 3.

Sec. 4. Minnesota Statutes 2007 Supplement, section 245A.1435, is amended to read:

**245A.1435 REDUCTION OF RISK OF SUDDEN INFANT DEATH
SYNDROME IN LICENSED PROGRAMS.**

When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the parent provides the license holder ~~has~~ with documentation from the infant's ~~parent~~ doctor directing an alternative sleeping position for the infant, and must place the infant in a crib with a firm mattress. The license holder must not place pillows, quilts, comforters, sheepskin, pillow-like stuffed toys, or other soft products in the crib with the infant. Licensed child care providers must meet the crib requirements under section 245A.146.

Sec. 5. CHILD CARE ADVISORY TASK FORCE.

Subdivision 1. **Establishment.** The commissioner of human services shall establish a Child Care Advisory Task Force of stakeholders to review and make recommendations to the legislature to remove barriers facing families applying for and receiving child care assistance under Minnesota Statutes, chapter 119B.

Subd. 2. **Membership.** The commissioner of human services shall appoint Child Care Advisory Task Force members. The Child Care Advisory Task Force shall include, but is not limited to, representatives from:

(1) the Department of Human Services;

(2) counties and nonprofit organizations administering the child care assistance programs;

(3) a parent receiving child care assistance;

(4) the child care advocacy community; and

(5) the antipoverty advocacy community.

Subd. 3. **Duties.** The Child Care Advisory Task Force shall review child care assistance laws, rules, and policies and make recommendations to remove barriers facing families applying for child care assistance or completing reauthorization for child care assistance to the legislative committees with jurisdiction over the child care assistance programs under Minnesota Statutes, chapter 119B. Barriers to review include, but are not limited to:

(1) length of application forms;

(2) consistency of application and reauthorization forms statewide;

(3) documentation requirements, including frequency of producing documentation;

(4) barriers facing parents with limited English; and

(5) length of reauthorization periods.

Subd. 4. **Report.** By January 15, 2010, the Department of Human Services shall report to the legislative committees with jurisdiction over the child care assistance programs with the Child Care Advisory Task Force recommendations to remove the barriers facing families in applying for and receiving child care assistance.

Subd. 5. **Task force expenses.** Notwithstanding Minnesota Statutes, section 15.059, task force members must not be paid a per diem or reimbursed for any expenses associated with their membership on the task force.

Subd. 6. **Expiration.** The Child Care Advisory Task Force expires June 30, 2010.

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

ARTICLE 3

CHILD CARE TECHNICAL

Section 1. Minnesota Statutes 2006, section 119B.011, subdivision 17, is amended to read:

Subd. 17. **MFIP.** "MFIP" means the Minnesota family investment program, the state's TANF program under Public Law 104-193, Title I, and includes the MFIP program under chapter 256J, ~~the work first program under chapter 256K,~~ and tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2.

Sec. 2. Minnesota Statutes 2006, section 119B.03, subdivision 1, is amended to read:

Subdivision 1. ~~**Allocation period; Notice of allocation.** When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of their child care fund plans required under section 119B.08, subdivision 3, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan.~~
By October 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Sec. 3. Minnesota Statutes 2006, section 119B.09, subdivision 1, is amended to read:

Subdivision 1. **General eligibility requirements for all applicants for child care assistance.** (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) have household income less than or equal to ~~250~~ 67 percent of the ~~federal poverty guidelines~~ state median income, adjusted for family size, and meet the requirements of section 119B.05; receive MFIP assistance; and are participating in employment and training services under chapter 256J ~~or 256K~~; or

(2) have household income less than or equal to ~~175~~ 47 percent of the ~~federal poverty guidelines~~ state median income, adjusted for family size, at program entry and less than ~~250~~ 67 percent of the ~~federal poverty guidelines~~ state median income, adjusted for family size, at program exit.

(b) Child care services must be made available as in-kind services.

(c) All applicants for child care assistance and families currently receiving child care assistance must be assisted and required to cooperate in establishment of paternity and enforcement of child support obligations for all children in the family as a condition of program eligibility. For purposes of this section, a family is considered to meet the requirement for cooperation when the family complies with the requirements of section 256.741.

9.1 Sec. 4. Minnesota Statutes 2007 Supplement, section 119B.12, is amended to read:

9.2 **119B.12 SLIDING FEE SCALE.**

9.3 Subdivision 1. **Fee schedule.** In setting the sliding fee schedule, the commissioner
 9.4 shall exclude from the amount of income used to determine eligibility an amount for
 9.5 federal and state income and Social Security taxes attributable to that income level
 9.6 according to federal and state standardized tax tables. The commissioner shall base the
 9.7 parent fee on the ability of the family to pay for child care. The fee schedule must be
 9.8 designed to use any available tax credits.

9.9 PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted
 9.10 in subdivision 2:

9.11	Income Range (as a percent of the federal	
9.12	poverty guidelines state median income,	Co-payment (as a percentage of adjusted
9.13	<u>except at the start of the first tier)</u>	gross income)
9.14	<u>0-74.99% of federal poverty guidelines</u>	\$0/month
9.15	<u>75.00-99.99% of federal poverty guidelines</u>	\$5/month
9.16	100.00-104.99% <u>100.00% of federal</u>	
9.17	<u>poverty guidelines-27.72%</u>	2.61%
9.18	105.00-109.99% <u>27.73-29.04%</u>	2.61%
9.19	110.00-114.99% <u>29.05-30.36%</u>	2.61%
9.20	115.00-119.99% <u>30.37-31.68%</u>	2.61%
9.21	120.00-124.99% <u>31.69-33.00%</u>	2.91%
9.22	125.00-129.99% <u>33.01-34.32%</u>	2.91%
9.23	130.00-134.99% <u>34.33-35.65%</u>	2.91%
9.24	135.00-139.99% <u>35.66-36.96%</u>	2.91%
9.25	140.00-144.99% <u>36.97-38.29%</u>	3.21%
9.26	145.00-149.99% <u>38.30-39.61%</u>	3.21%
9.27	150.00-154.99% <u>39.62-40.93%</u>	3.21%
9.28	155.00-159.99% <u>40.94-42.25%</u>	3.84%
9.29	160.00-164.99% <u>42.26-43.57%</u>	3.84%
9.30	165.00-169.99% <u>43.58-44.89%</u>	4.46%
9.31	170.00-174.99% <u>44.90-46.21%</u>	4.76%
9.32	175.00-179.99% <u>46.22-47.53%</u>	5.05%
9.33	180.00-184.99% <u>47.54-48.85%</u>	5.65%
9.34	185.00-189.99% <u>48.86-50.17%</u>	5.95%
9.35	190.00-194.99% <u>50.18-51.49%</u>	6.24%
9.36	195.00-199.99% <u>51.50-52.81%</u>	6.84%
9.37	200.00-204.99% <u>52.82-54.13%</u>	7.58%
9.38	205.00-209.99% <u>54.14-55.45%</u>	8.33%
9.39	210.00-214.99% <u>55.46-56.77%</u>	9.20%
9.40	215.00-219.99% <u>56.78-58.09%</u>	10.07%
9.41	220.00-224.99% <u>58.10-59.41%</u>	10.94%
9.42	225.00-229.99% <u>59.42-60.73%</u>	11.55%

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10.1	230.00-234.99% <u>60.74-62.06%</u>	12.16%
10.2	235.00-239.99% <u>62.07-63.38%</u>	12.77%
10.3	240.00-244.99% <u>63.39-64.70%</u>	13.38%
10.4	245.00-249.99% <u>64.71-66.99%</u>	14.00%
10.5	250% <u>67.00%</u>	ineligible

10.6 A family's monthly co-payment fee is the fixed percentage established for the
10.7 income range multiplied by the highest possible income within that income range.

10.8 Subd. 2. **Parent fee.** A family must be assessed a parent fee for each service period.
10.9 A family's parent fee must be a fixed percentage of its annual gross income. Parent fees
10.10 must apply to families eligible for child care assistance under sections 119B.03 and
10.11 119B.05. Income must be as defined in section 119B.011, subdivision 15. The fixed
10.12 percent is based on the relationship of the family's annual gross income to 100 percent
10.13 of the annual ~~federal poverty guidelines~~ state median income. Parent fees must begin
10.14 at 75 percent of the poverty level. The minimum parent fees for families between 75
10.15 percent and 100 percent of poverty level must be \$5 per month. Parent fees must provide
10.16 for graduated movement to full payment. Payment of part or all of a family's parent
10.17 fee directly to the family's child care provider on behalf of the family by a source other
10.18 than the family shall not affect the family's eligibility for child care assistance, and the
10.19 amount paid shall be excluded from the family's income. Child care providers who accept
10.20 third-party payments must maintain family specific documentation of payment source,
10.21 amount, and time period covered by the payment.

10.22 **EFFECTIVE DATE.** This section is effective July 1, 2008.

10.23 Sec. 5. Minnesota Statutes 2006, section 119B.125, is amended by adding a subdivision
10.24 to read:

10.25 Subd. 1a. **Background study required.** This subdivision only applies to legal,
10.26 nonlicensed family child care providers. Prior to authorization, and as part of each
10.27 reauthorization required in subdivision 1, the county shall perform a background study on
10.28 every member of the provider's household who is age 13 and older. The background study
10.29 shall be conducted according to the procedures under subdivision 2.

10.30 Sec. 6. Minnesota Statutes 2007 Supplement, section 119B.125, subdivision 2, is
10.31 amended to read:

10.32 Subd. 2. **Persons who cannot be authorized.** (a) ~~A person who~~ When any
10.33 member of the legal, nonlicensed family child care provider's household meets any of the
10.34 conditions under paragraphs (b) to (n), the provider must not be authorized as a legal

nonlicensed family child care provider. To determine whether any of the listed conditions exist, the county must request information about the provider and other household members for whom a background study is required under subdivision 1a from the Bureau of Criminal Apprehension, the juvenile courts, and social service agencies. When one of the listed entities does not maintain information on a statewide basis, the county must contact the entity in the county where the provider resides and any other county in which the provider or any household member previously resided in the past year. For purposes of this subdivision, a finding that a delinquency petition is proven in juvenile court must be considered a conviction in state district court. If a county has determined that a provider is able to be authorized in that county, and a family in another county later selects that provider, the provider is able to be authorized in the second county without undergoing a new background investigation unless one of the following conditions exists:

- (1) two years have passed since the first authorization;
- (2) another person age 13 or older has joined the provider's household since the last authorization;
- (3) a current household member has turned 13 since the last authorization; or
- (4) there is reason to believe that a household member has a factor that prevents authorization.

(b) The person has been convicted of one of the following offenses or has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of one of the following offenses: sections 609.185 to 609.195, murder in the first, second, or third degree; 609.2661 to 609.2663, murder of an unborn child in the first, second, or third degree; 609.322, solicitation, inducement, promotion of prostitution, or receiving profit from prostitution; 609.342 to 609.345, criminal sexual conduct in the first, second, third, or fourth degree; 609.352, solicitation of children to engage in sexual conduct; 609.365, incest; 609.377, felony malicious punishment of a child; 617.246, use of minors in sexual performance; 617.247, possession of pictorial representation of a minor; 609.2242 to 609.2243, felony domestic assault; a felony offense of spousal abuse; a felony offense of child abuse or neglect; a felony offense of a crime against children; or an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes; or an offense in any other state or country where the elements are substantially similar to any of the offenses listed in this paragraph.

(c) Less than 15 years have passed since the discharge of the sentence imposed for the offense and the person has received a felony conviction for one of the following offenses, or the person has admitted to committing or a preponderance of the evidence indicates that the person has committed an act that meets the definition of a felony

12.1 conviction for one of the following offenses: sections 609.20 to 609.205, manslaughter in
12.2 the first or second degree; 609.21, criminal vehicular homicide; 609.215, aiding suicide
12.3 or aiding attempted suicide; 609.221 to 609.2231, assault in the first, second, third, or
12.4 fourth degree; 609.224, repeat offenses of fifth degree assault; 609.228, great bodily
12.5 harm caused by distribution of drugs; 609.2325, criminal abuse of a vulnerable adult;
12.6 609.2335, financial exploitation of a vulnerable adult; 609.235, use of drugs to injure or
12.7 facilitate a crime; 609.24, simple robbery; 617.241, repeat offenses of obscene materials
12.8 and performances; 609.245, aggravated robbery; 609.25, kidnapping; 609.255, false
12.9 imprisonment; 609.2664 to 609.2665, manslaughter of an unborn child in the first or
12.10 second degree; 609.267 to 609.2672, assault of an unborn child in the first, second, or third
12.11 degree; 609.268, injury or death of an unborn child in the commission of a crime; 609.27,
12.12 coercion; 609.275, attempt to coerce; 609.324, subdivision 1, other prohibited acts, minor
12.13 engaged in prostitution; 609.3451, repeat offenses of criminal sexual conduct in the fifth
12.14 degree; 609.378, neglect or endangerment of a child; 609.52, theft; 609.521, possession of
12.15 shoplifting gear; 609.561 to 609.563, arson in the first, second, or third degree; 609.582,
12.16 burglary in the first, second, third, or fourth degree; 609.625, aggravated forgery; 609.63,
12.17 forgery; 609.631, check forgery, offering a forged check; 609.635, obtaining signature
12.18 by false pretenses; 609.66, dangerous weapon; 609.665, setting a spring gun; 609.67,
12.19 unlawfully owning, possessing, or operating a machine gun; 609.687, adulteration; 609.71,
12.20 riot; 609.713, terrorist threats; 609.749, harassment, stalking; 260C.301, termination of
12.21 parental rights; 152.021 to 152.022 and 152.0262, controlled substance crime in the first
12.22 or second degree; 152.023, subdivision 1, clause (3) or (4), or 152.023, subdivision 2,
12.23 clause (4), controlled substance crime in third degree; 152.024, subdivision 1, clause
12.24 (2), (3), or (4), controlled substance crime in fourth degree; 617.23, repeat offenses of
12.25 indecent exposure; an attempt or conspiracy to commit any of these offenses as defined in
12.26 Minnesota Statutes; or an offense in any other state or country where the elements are
12.27 substantially similar to any of the offenses listed in this paragraph.

12.28 (d) Less than ten years have passed since the discharge of the sentence imposed for
12.29 the offense and the person has received a gross misdemeanor conviction for one of the
12.30 following offenses or the person has admitted to committing or a preponderance of the
12.31 evidence indicates that the person has committed an act that meets the definition of a gross
12.32 misdemeanor conviction for one of the following offenses: sections 609.224, fifth degree
12.33 assault; 609.2242 to 609.2243, domestic assault; 518B.01, subdivision 14, violation of
12.34 an order for protection; 609.3451, fifth degree criminal sexual conduct; 609.746, repeat
12.35 offenses of interference with privacy; 617.23, repeat offenses of indecent exposure;
12.36 617.241, obscene materials and performances; 617.243, indecent literature, distribution;

13.1 617.293, disseminating or displaying harmful material to minors; 609.71, riot; 609.66,
13.2 dangerous weapons; 609.749, harassment, stalking; 609.224, subdivision 2, paragraph
13.3 (c), fifth degree assault against a vulnerable adult by a caregiver; 609.23, mistreatment
13.4 of persons confined; 609.231, mistreatment of residents or patients; 609.2325, criminal
13.5 abuse of a vulnerable adult; 609.2335, financial exploitation of a vulnerable adult;
13.6 609.233, criminal neglect of a vulnerable adult; 609.234, failure to report maltreatment of
13.7 a vulnerable adult; 609.72, subdivision 3, disorderly conduct against a vulnerable adult;
13.8 609.265, abduction; 609.378, neglect or endangerment of a child; 609.377, malicious
13.9 punishment of a child; 609.324, subdivision 1a, other prohibited acts, minor engaged
13.10 in prostitution; 609.33, disorderly house; 609.52, theft; 609.582, burglary in the first,
13.11 second, third, or fourth degree; 609.631, check forgery, offering a forged check; 609.275,
13.12 attempt to coerce; an attempt or conspiracy to commit any of these offenses as defined in
13.13 Minnesota Statutes; or an offense in any other state or country where the elements are
13.14 substantially similar to any of the offenses listed in this paragraph.

13.15 (e) Less than seven years have passed since the discharge of the sentence imposed
13.16 for the offense and the person has received a misdemeanor conviction for one of the
13.17 following offenses or the person has admitted to committing or a preponderance of
13.18 the evidence indicates that the person has committed an act that meets the definition
13.19 of a misdemeanor conviction for one of the following offenses: sections 609.224, fifth
13.20 degree assault; 609.2242, domestic assault; 518B.01, violation of an order for protection;
13.21 609.3232, violation of an order for protection; 609.746, interference with privacy; 609.79,
13.22 obscene or harassing telephone calls; 609.795, letter, telegram, or package opening,
13.23 harassment; 617.23, indecent exposure; 609.2672, assault of an unborn child, third degree;
13.24 617.293, dissemination and display of harmful materials to minors; 609.66, dangerous
13.25 weapons; 609.665, spring guns; an attempt or conspiracy to commit any of these offenses
13.26 as defined in Minnesota Statutes; or an offense in any other state or country where the
13.27 elements are substantially similar to any of the offenses listed in this paragraph.

13.28 (f) The person has been identified by the child protection agency in the county where
13.29 the provider resides or a county where the provider has resided or by the statewide child
13.30 protection database as a person found by a preponderance of evidence under section
13.31 626.556 to be responsible for physical or sexual abuse of a child within the last seven years.

13.32 (g) The person has been identified by the adult protection agency in the county
13.33 where the provider resides or a county where the provider has resided or by the statewide
13.34 adult protection database as the person responsible for abuse or neglect of a vulnerable
13.35 adult within the last seven years.

14.1 (h) The person has refused to give written consent for disclosure of criminal history
14.2 records.

14.3 (i) The person has been denied a family child care license or has received a fine or a
14.4 sanction as a licensed child care provider that has not been reversed on appeal.

14.5 (j) The person has a family child care licensing disqualification that has not been
14.6 set aside.

14.7 (k) The person has admitted or a county has found that there is a preponderance of
14.8 evidence that fraudulent information was given to the county for child care assistance
14.9 application purposes or was used in submitting child care assistance bills for payment.

14.10 (l) The person has been convicted of the crime of theft by wrongfully obtaining
14.11 public assistance or has been found guilty of wrongfully obtaining public assistance by a
14.12 federal court, state court, or an administrative hearing determination or waiver, through a
14.13 disqualification consent agreement, as part of an approved diversion plan under section
14.14 401.065, or a court-ordered stay with probationary or other conditions.

14.15 (m) The person has a household member age 13 or older who has access to children
14.16 during the hours that care is provided and who meets one of the conditions listed in
14.17 paragraphs (b) to (l).

14.18 (n) The person has a household member ages ten to 12 who has access to children
14.19 during the hours that care is provided; information or circumstances exist which provide
14.20 the county with articulable suspicion that further pertinent information may exist showing
14.21 the household member meets one of the conditions listed in paragraphs (b) to (l); and the
14.22 household member actually meets one of the conditions listed in paragraphs (b) to (l).

14.23 Sec. 7. Minnesota Statutes 2007 Supplement, section 119B.13, subdivision 1, is
14.24 amended to read:

14.25 Subdivision 1. **Subsidy restrictions.** (a) Beginning July 1, 2006, the maximum rate
14.26 paid for child care assistance in any county or multicounty region under the child care
14.27 fund shall be the rate for like-care arrangements in the county effective January 1, 2006,
14.28 increased by six percent.

14.29 (b) Rate changes shall be implemented for services provided in September 2006
14.30 unless a participant eligibility redetermination or a new provider agreement is completed
14.31 between July 1, 2006, and August 31, 2006.

14.32 As necessary, appropriate notice of adverse action must be made according to
14.33 Minnesota Rules, part 3400.0185, subparts 3 and 4.

14.34 New cases approved on or after July 1, 2006, shall have the maximum rates under
14.35 paragraph (a), implemented immediately.

(c) Every year, the commissioner shall survey rates charged by child care providers in Minnesota to determine the 75th percentile for like-care arrangements in counties. When the commissioner determines that, using the commissioner's established protocol, the number of providers responding to the survey is too small to determine the 75th percentile rate for like-care arrangements in a county or multicounty region, the commissioner may establish the 75th percentile maximum rate based on like-care arrangements in a county, region, or category that the commissioner deems to be similar.

(d) A rate which includes a special needs rate paid under subdivision 3 or under a school readiness service agreement paid under section 119B.231, may be in excess of the maximum rate allowed under this subdivision.

(e) The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and disability care.

(f) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

(g) All maximum provider rates changes shall be implemented on the Monday following the effective date of the maximum provider rate.

Sec. 8. Minnesota Statutes 2007 Supplement, section 119B.13, subdivision 7, is amended to read:

Subd. 7. **Absent days.** (a) Child care providers may not be reimbursed for more than 25 full-day absent days per child, excluding holidays, in a fiscal year, or for more than ten consecutive full-day absent days, unless the child has a documented medical condition that causes more frequent absences. Absences due to a documented medical condition of a parent or sibling who lives in the same residence as the child receiving child care assistance do not count against the 25-day absent day limit in a fiscal year. Documentation of medical conditions must be on the forms and submitted according to the timelines established by the commissioner. A public health nurse or school nurse may verify the illness in lieu of a medical practitioner. If a provider sends a child home early due to a medical reason, including, but not limited to, fever or contagious illness, the child care center director or lead teacher may verify the illness in lieu of a medical practitioner. If a child attends for part of the time authorized to be in care in a day, but is absent for part of the time authorized to be in care in that same day, the absent time will be reimbursed but the time will not count toward the ten consecutive or 25 cumulative absent

day limits. Children in families where at least one parent is under the age of 21, does not have a high school or general equivalency diploma, and is a student in a school district or another similar program that provides or arranges for child care, as well as parenting, social services, career and employment supports, and academic support to achieve high school graduation, may be exempt from the absent day limits upon request of the program and approval of the county. If a child attends part of an authorized day, payment to the provider must be for the full amount of care authorized for that day. Child care providers may only be reimbursed for absent days if the provider has a written policy for child absences and charges all other families in care for similar absences.

(b) Child care providers must be reimbursed for up to ten federal or state holidays or designated holidays per year when the provider charges all families for these days and the holiday or designated holiday falls on a day when the child is authorized to be in attendance. Parents may substitute other cultural or religious holidays for the ten recognized state and federal holidays. Holidays do not count toward the ten consecutive or 25 cumulative absent day limits.

(c) A family or child care provider may not be assessed an overpayment for an absent day payment unless (1) there was an error in the amount of care authorized for the family, (2) all of the allowed full-day absent payments for the child have been paid, or (3) the family or provider did not timely report a change as required under law.

(d) The provider and family must receive notification of the number of absent days used upon initial provider authorization for a family and when the family has used 15 cumulative absent days. Upon statewide implementation of the Minnesota Electronic Child Care System, the provider and family shall receive notification of the number of absent days used upon initial provider authorization for a family and ongoing notification of the number of absent days used as of the date of the notification.

(e) A county may pay for more absent days than the statewide absent day policy established under this subdivision if current market practice in the county justifies payment for those additional days. County policies for payment of absent days in excess of the statewide absent day policy and justification for these county policies must be included in the county's child care fund plan under section 119B.08, subdivision 3.

Sec. 9. Minnesota Statutes 2007 Supplement, section 119B.21, subdivision 5, is amended to read:

Subd. 5. Child care services grants. (a) A child care resource and referral program designated under section 119B.19, subdivision 1a, may award child care services grants for:

17.1 (1) creating new licensed child care facilities and expanding existing facilities,
17.2 including, but not limited to, supplies, equipment, facility renovation, and remodeling;

17.3 (2) improving licensed child care facility programs;

17.4 (3) staff training and development services including, but not limited to, in-service
17.5 training, curriculum development, accreditation, certification, consulting, resource
17.6 centers, program and resource materials, supporting effective teacher-child interactions,
17.7 child-focused teaching, and content-driven classroom instruction;

17.8 (4) interim financing;

17.9 (5) capacity building through the purchase of appropriate technology to create,
17.10 enhance, and maintain business management systems;

17.11 (6) emergency assistance for child care programs;

17.12 (7) new programs or projects for the creation, expansion, or improvement of
17.13 programs that serve ethnic immigrant and refugee communities; and

17.14 (8) targeted recruitment initiatives to expand and build the capacity of the child
17.15 care system and to improve the quality of care provided by legal nonlicensed child care
17.16 providers.

17.17 (b) A child care resource and referral program designated under section 119B.19,
17.18 subdivision 1a, may award child care services grants to:

17.19 (1) licensed providers;

17.20 (2) providers in the process of being licensed;

17.21 (3) corporations or public agencies that develop or provide child care services;

17.22 (4) school-age care programs;

17.23 (5) legal nonlicensed or family, friend, and neighbor care providers; or

17.24 ~~(5)~~ (6) any combination of clauses (1) to ~~(4)~~ (5).

17.25 ~~Unlicensed providers are only eligible for grants under paragraph (a), clause (7).~~

17.26 (c) A recipient of a child care services grant for facility improvements, interim
17.27 financing, or staff training and development must provide a 25 percent local match.

17.28 Sec. 10. Minnesota Statutes 2006, section 119B.21, subdivision 10, is amended to read:

17.29 Subd. 10. **Family child care technical assistance grants.** (a) A child care resource
17.30 and referral organization designated under section 119B.19, subdivision 1a, may award
17.31 technical assistance grants of up to \$1,000. These grants may be used for:

17.32 (1) facility improvements, including, but not limited to, improvements to meet
17.33 licensing requirements;

17.34 (2) improvements to expand a child care facility or program;

17.35 (3) toys and equipment;

18.1 (4) technology and software to create, enhance, and maintain business management
18.2 systems;

18.3 (5) start-up costs;

18.4 (6) staff training and development; and

18.5 (7) other uses approved by the commissioner.

18.6 (b) A child care resource and referral program may award family child care technical
18.7 assistance grants to:

18.8 (1) licensed family child care providers; ~~or~~

18.9 (2) child care providers in the process of becoming licensed; or

18.10 (3) legal nonlicensed or family, friend, and neighbor care providers.

18.11 (c) A local match is not required for a family child care technical assistance grant.

18.12 Sec. 11. Minnesota Statutes 2006, section 256E.30, subdivision 1, is amended to read:

18.13 Subdivision 1. **Authorization.** The commissioner of ~~education~~ human services may
18.14 provide financial assistance for community action agencies, Indian reservations, and
18.15 migrant and seasonal farmworker organizations to carry out community action programs
18.16 as described in section 256E.32 in accordance with the Omnibus Reconciliation Act of
18.17 1981, Public Law 97-35, as amended in 1984, Public Law 98-558, state law, and federal
18.18 law and regulation.

18.19 Sec. 12. Minnesota Statutes 2006, section 256E.35, subdivision 7, is amended to read:

18.20 Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary
18.21 organization participating in a family assets for independence initiative must report
18.22 quarterly to the commissioner of human services ~~and to the commissioner of education~~
18.23 identifying the participants with accounts, the number of accounts, the amount of savings
18.24 and matches for each participant's account, the uses of the account, and the number of
18.25 businesses, homes, and educational services paid for with money from the account, as
18.26 well as other information that may be required for the commissioner to administer the
18.27 program and meet federal TANF reporting requirements.

18.28 Sec. 13. **REVISOR'S INSTRUCTION.**

18.29 (a) The revisor of statutes shall renumber Minnesota Statutes, section 119A.45,
18.30 as Minnesota Statutes, section 256E.37.

18.31 (b) The revisor of statutes shall make such cross-reference changes as are necessary
18.32 from the renumbering in this section wherever the reference appears in statute.

ARTICLE 4

MFIP TECHNICAL CHANGES

Section 1. Minnesota Statutes 2007 Supplement, section 256J.20, subdivision 3, is amended to read:

Subd. 3. **Other property limitations.** To be eligible for MFIP, the equity value of all nonexcluded real and personal property of the assistance unit must not exceed \$2,000 for applicants and \$5,000 for ongoing participants. The value of assets in clauses (1) to (19) must be excluded when determining the equity value of real and personal property:

(1) a licensed vehicle up to a loan value of less than or equal to \$15,000. If the assistance unit owns more than one licensed vehicle, the county agency shall determine the loan value of all additional vehicles and exclude the combined loan value of less than or equal to \$7,500. The county agency shall apply any excess loan value as if it were equity value to the asset limit described in this section, excluding: (i) the value of one vehicle per physically disabled person when the vehicle is needed to transport the disabled unit member; this exclusion does not apply to mentally disabled people; (ii) the value of special equipment for a disabled member of the assistance unit; and (iii) any vehicle used for long-distance travel, other than daily commuting, for the employment of a unit member.

To establish the loan value of vehicles, a county agency must use the N.A.D.A. Official Used Car Guide, Midwest Edition, for newer model cars. When a vehicle is not listed in the guidebook, or when the applicant or participant disputes the loan value listed in the guidebook as unreasonable given the condition of the particular vehicle, the county agency may require the applicant or participant document the loan value by securing a written statement from a motor vehicle dealer licensed under section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The county agency shall reimburse the applicant or participant for the cost of a written statement that documents a lower loan value;

(2) the value of life insurance policies for members of the assistance unit;

(3) one burial plot per member of an assistance unit;

(4) the value of personal property needed to produce earned income, including tools, implements, farm animals, inventory, business loans, business checking and savings accounts used at least annually and used exclusively for the operation of a self-employment business, and any motor vehicles if at least 50 percent of the vehicle's use is to produce income and if the vehicles are essential for the self-employment business;

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20.1 (5) the value of personal property not otherwise specified which is commonly
20.2 used by household members in day-to-day living such as clothing, necessary household
20.3 furniture, equipment, and other basic maintenance items essential for daily living;

20.4 (6) the value of real and personal property owned by a recipient of Supplemental
20.5 Security Income or Minnesota supplemental aid;

20.6 (7) the value of corrective payments, but only for the month in which the payment
20.7 is received and for the following month;

20.8 (8) a mobile home or other vehicle used by an applicant or participant as the
20.9 applicant's or participant's home;

20.10 (9) money in a separate escrow account that is needed to pay real estate taxes or
20.11 insurance and that is used for this purpose;

20.12 (10) money held in escrow to cover employee FICA, employee tax withholding,
20.13 sales tax withholding, employee worker compensation, business insurance, property rental,
20.14 property taxes, and other costs that are paid at least annually, but less often than monthly;

20.15 (11) monthly assistance payments for the current month's or short-term emergency
20.16 needs under section 256J.626, subdivision 2;

20.17 (12) the value of school loans, grants, or scholarships for the period they are
20.18 intended to cover;

20.19 (13) payments listed in section 256J.21, subdivision 2, clause (9), which are held
20.20 in escrow for a period not to exceed three months to replace or repair personal or real
20.21 property;

20.22 (14) income received in a budget month through the end of the payment month;

20.23 (15) savings from earned income of a minor child or a minor parent that are set aside
20.24 in a separate account designated specifically for future education or employment costs;

20.25 (16) the federal earned income credit, Minnesota working family credit, state and
20.26 federal income tax refunds, state homeowners and renters credits under chapter 290A,
20.27 property tax rebates and other federal or state tax rebates in the month received and the
20.28 following month;

20.29 (17) payments excluded under federal law as long as those payments are held in a
20.30 separate account from any nonexcluded funds;

20.31 (18) the assets of children ineligible to receive MFIP benefits because foster care or
20.32 adoption assistance payments are made on their behalf; and

20.33 (19) the assets of persons whose income is excluded under section 256J.21,
20.34 subdivision 2, clause (43).

20.35 Sec. 2. Minnesota Statutes 2006, section 256J.24, subdivision 5, is amended to read:

Subd. 5. **MFIP transitional standard.** The MFIP transitional standard is based on the number of persons in the assistance unit eligible for both food and cash assistance unless the restrictions in subdivision 6 on the birth of a child apply. The following table represents the transitional standards effective October 1, ~~2004~~ 2007.

Number of Eligible People	Transitional Standard	Cash Portion	Food Portion
1	\$379 <u>\$391</u> :	\$250	\$129 <u>\$141</u>
2	\$675 <u>\$698</u> :	\$437	\$238 <u>\$261</u>
3	\$876 <u>\$910</u> :	\$532	\$344 <u>\$378</u>
4	\$1,036 <u>\$1,091</u> :	\$621	\$415 <u>\$470</u>
5	\$1,180 <u>\$1,245</u> :	\$697	\$483 <u>\$548</u>
6	\$1,350 <u>\$1,425</u> :	\$773	\$577 <u>\$652</u>
7	\$1,472 <u>\$1,553</u> :	\$850	\$622 <u>\$703</u>
8	\$1,623 <u>\$1,713</u> :	\$916	\$707 <u>\$797</u>
9	\$1,772 <u>\$1,871</u> :	\$980	\$792 <u>\$891</u>
10	\$1,915 <u>\$2,024</u> :	\$1,035	\$880 <u>\$989</u>
over 10	add \$142 <u>\$151</u> :	\$53	\$89 <u>\$98</u>

per additional member.

The commissioner shall annually publish in the State Register the transitional standard for an assistance unit sizes 1 to 10 including a breakdown of the cash and food portions.

Sec. 3. Minnesota Statutes 2007 Supplement, section 256J.49, subdivision 13, is amended to read:

Subd. 13. **Work activity.** "Work activity" means any activity in a participant's approved employment plan that leads to employment. For purposes of the MFIP program, this includes activities that meet the definition of work activity under the participation requirements of TANF. Work activity includes:

(1) unsubsidized employment, including work study and paid apprenticeships or internships;

(2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69, on-the-job training as specified in section 256J.66, ~~the self-employment investment demonstration program (SEID) as specified in section 256J.65~~, paid work experience, and supported work when a wage subsidy is provided;

(3) unpaid work experience, including community service, volunteer work, the community work experience program as specified in section 256J.67, unpaid apprenticeships or internships, and supported work when a wage subsidy is not provided. Unpaid work experience is only an option if the participant has been unable to obtain or

22.1 maintain paid employment in the competitive labor market, and no paid work experience
22.2 programs are available to the participant. Unless a participant consents to participating
22.3 in unpaid work experience, the participant's employment plan may only include unpaid
22.4 work experience if including the unpaid work experience in the plan will meet the
22.5 following criteria:

22.6 (i) the unpaid work experience will provide the participant specific skills or
22.7 experience that cannot be obtained through other work activity options where the
22.8 participant resides or is willing to reside; and

22.9 (ii) the skills or experience gained through the unpaid work experience will result
22.10 in higher wages for the participant than the participant could earn without the unpaid
22.11 work experience;

22.12 (4) job search including job readiness assistance, job clubs, job placement,
22.13 job-related counseling, and job retention services;

22.14 (5) job readiness education, including English as a second language (ESL) or
22.15 functional work literacy classes as limited by the provisions of section 256J.531,
22.16 subdivision 2, general educational development (GED) course work, high school
22.17 completion, and adult basic education as limited by the provisions of section 256J.531,
22.18 subdivision 1;

22.19 (6) job skills training directly related to employment, including education and
22.20 training that can reasonably be expected to lead to employment, as limited by the
22.21 provisions of section 256J.53;

22.22 (7) providing child care services to a participant who is working in a community
22.23 service program;

22.24 (8) activities included in the employment plan that is developed under section
22.25 256J.521, subdivision 3; and

22.26 (9) preemployment activities including chemical and mental health assessments,
22.27 treatment, and services; learning disabilities services; child protective services; family
22.28 stabilization services; or other programs designed to enhance employability.

22.29 Sec. 4. Minnesota Statutes 2006, section 256J.521, subdivision 4, is amended to read:

22.30 Subd. 4. **Self-employment.** (a) Self-employment activities may be included in an
22.31 employment plan contingent on the development of a business plan which establishes a
22.32 timetable and earning goals that will result in the participant exiting MFIP assistance.
22.33 Business plans must be developed with assistance from an individual or organization with
22.34 expertise in small business as approved by the job counselor.

23.1 (b) Participants with an approved plan that includes self-employment must meet
23.2 the participation requirements in section 256J.55, subdivision 1. Only hours where
23.3 the participant earns at least minimum wage shall be counted toward the requirement.
23.4 Additional activities and hours necessary to meet the participation requirements in section
23.5 256J.55, subdivision 1, must be included in the employment plan.

23.6 (c) Employment plans which include self-employment activities must be reviewed
23.7 every three months. Participants who fail, without good cause, to make satisfactory
23.8 progress as established in the business plan must revise the employment plan to replace
23.9 the self-employment with other approved work activities.

23.10 ~~(d) The requirements of this subdivision may be waived for participants who are~~
23.11 ~~enrolled in the self-employment investment demonstration program (SEID) under section~~
23.12 ~~256J.65, and who make satisfactory progress as determined by the job counselor and~~
23.13 ~~the SEID provider.~~

23.14 Sec. 5. Minnesota Statutes 2006, section 256J.54, subdivision 2, is amended to read:

23.15 Subd. 2. **Responsibility for assessment and employment plan.** For caregivers
23.16 who are under age 18 without a high school diploma or its equivalent, the assessment
23.17 under subdivision 1 and the employment plan under subdivision 3 must be completed
23.18 by the social services agency under section 257.33. For caregivers who are age 18 or
23.19 19 without a high school diploma or its equivalent who choose to have an employment
23.20 plan with an education option under subdivision 3, the assessment under subdivision 1
23.21 and the employment plan under subdivision 3 must be completed by the job counselor
23.22 or, at county option, by the social services agency under section 257.33. Upon reaching
23.23 age 18 or 19 a caregiver who received social services under section 257.33 and is without
23.24 a high school diploma or its equivalent has the option to choose whether to continue
23.25 receiving services under the caregiver's plan from the social services agency or to utilize
23.26 an MFIP employment and training service provider. The social services agency or the job
23.27 counselor shall consult with ~~representatives of educational agencies that are required to~~
23.28 ~~assist in developing educational plans under section 124D.331~~ the participant's school in
23.29 developing the educational plan.

23.30 Sec. 6. Minnesota Statutes 2006, section 256J.54, subdivision 5, is amended to read:

23.31 Subd. 5. **School attendance required.** (a) ~~Notwithstanding the provisions of~~
23.32 ~~section 256J.56,~~ Minor parents, or 18- or 19-year-old parents without a high school
23.33 diploma or its equivalent who chooses an employment plan with an education option
23.34 must attend school unless:

24.1 (1) transportation services needed to enable the caregiver to attend school are not
24.2 available;

24.3 (2) appropriate child care services needed to enable the caregiver to attend school
24.4 are not available;

24.5 (3) the caregiver is ill or incapacitated seriously enough to prevent attendance at
24.6 school; or

24.7 (4) the caregiver is needed in the home because of the illness or incapacity of
24.8 another member of the household. This includes a caregiver of a child who is younger
24.9 than six weeks of age.

24.10 (b) The caregiver must be enrolled in a secondary school and meeting the school's
24.11 attendance requirements. The county, social service agency, or job counselor must verify
24.12 at least once per quarter that the caregiver is meeting the school's attendance requirements.
24.13 An enrolled caregiver is considered to be meeting the attendance requirements when the
24.14 school is not in regular session, including during holiday and summer breaks.

24.15 Sec. 7. Minnesota Statutes 2006, section 256J.545, is amended to read:

24.16 **256J.545 FAMILY VIOLENCE WAIVER CRITERIA.**

24.17 (a) In order to qualify for a family violence waiver, an individual must provide
24.18 documentation of past or current family violence which may prevent the individual
24.19 from participating in certain employment activities. ~~A claim of family violence must~~
24.20 ~~be documented by the applicant or participant providing a sworn statement which is~~
24.21 ~~supported by collateral documentation.~~

24.22 (b) ~~Collateral documentation may consist of~~ The following items may be considered
24.23 acceptable documentation or verification of family violence:

24.24 (1) police, government agency, or court records;

24.25 (2) a statement from a battered women's shelter staff with knowledge of the
24.26 circumstances or credible evidence that supports the sworn statement;

24.27 (3) a statement from a sexual assault or domestic violence advocate with knowledge
24.28 of the circumstances or credible evidence that supports the sworn statement; or

24.29 (4) a statement from professionals from whom the applicant or recipient has sought
24.30 assistance for the abuse; ~~or~~

24.31 ~~(5) a sworn statement from any other individual with knowledge of circumstances or~~
24.32 ~~credible evidence that supports the sworn statement.~~

24.33 (c) A claim of family violence may also be documented by a sworn statement from
24.34 the applicant or participant and a sworn statement from any other person with knowledge
24.35 of the circumstances or credible evidence that supports the client's statement.

25.1 Sec. 8. Minnesota Statutes 2007 Supplement, section 256J.95, subdivision 3, is
25.2 amended to read:

25.3 Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories
25.4 of family units listed below, all family units who apply for cash benefits and who
25.5 meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must
25.6 participate in the diversionary work program. Family units that are not eligible for the
25.7 diversionary work program include:

25.8 (1) child only cases;

25.9 (2) a single-parent family unit that includes a child under 12 weeks of age. A parent
25.10 is eligible for this exception once in a parent's lifetime and is not eligible if the parent
25.11 has already used the previously allowed child under age one exemption from MFIP
25.12 employment services;

25.13 (3) a minor parent without a high school diploma or its equivalent;

25.14 (4) an 18- or 19-year-old caregiver without a high school diploma or its equivalent
25.15 who chooses to have an employment plan with an education option;

25.16 (5) a caregiver age 60 or over;

25.17 (6) family units with a caregiver who received DWP benefits in the 12 months prior
25.18 to the month the family applied for DWP, except as provided in paragraph (c);

25.19 (7) family units with a caregiver who received MFIP within the 12 months prior to
25.20 the month the family unit applied for DWP;

25.21 (8) a family unit with a caregiver who received 60 or more months of TANF
25.22 assistance;

25.23 (9) a family unit with a caregiver who is disqualified from DWP or MFIP due to
25.24 fraud; and

25.25 (10) refugees and asylees as defined in Code of Federal Regulations, title 45, ~~chapter~~
25.26 ~~IV part 400, subpart d~~, section ~~444.43~~ 400.43, who arrived in the United States in the 12
25.27 months prior to the date of application for family cash assistance.

25.28 (b) A two-parent family must participate in DWP unless both caregivers meet the
25.29 criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit
25.30 includes a parent who meets the criteria in paragraph (a), clause (6), (7), (8), ~~or (9)~~, or (10).

25.31 (c) Once DWP eligibility is determined, the four months run consecutively. If a
25.32 participant leaves the program for any reason and reapplies during the four-month period,
25.33 the county must redetermine eligibility for DWP.

ARTICLE 5

MISCELLANEOUS TECHNICAL

Section 1. Minnesota Statutes 2007 Supplement, section 245C.08, subdivision 2, is amended to read:

Subd. 2. **Background studies conducted by a county agency.** (a) For a background study conducted by a county agency for adult foster care, family adult day services, and family child care services, the commissioner shall review:

(1) information from the county agency's record of substantiated maltreatment of adults and the maltreatment of minors;

(2) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, clauses (2), (5), and (6); and

(3) information from the Bureau of Criminal Apprehension.

(b) If the individual has resided in the county for less than five years, the study shall include the records specified under paragraph (a) for the previous county or counties of residence for the past five years.

(c) Notwithstanding expungement by a court, the county agency may consider information obtained under paragraph (a), ~~clauses~~ clause (3) ~~and (4)~~, unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

Sec. 2. Minnesota Statutes 2007 Supplement, section 256E.35, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

(c) "Fiduciary organization" means:

(1) a community action agency that has obtained recognition under section 256E.31;

(2) a federal community development credit union serving the seven-county metropolitan area; or

(3) a women-oriented economic development agency serving the seven-county metropolitan area.

(d) "Financial institution" means a bank, bank and trust, savings bank, savings association, or credit union, the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(e) "Permissible use" means:

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(1) postsecondary educational expenses at an ~~accredited public postsecondary~~ eligible educational institution as defined in paragraph (g), including books, supplies, and equipment required for courses of instruction;

(2) acquisition costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs;

(3) business capitalization expenses for expenditures on capital, plant, equipment, working capital, and inventory expenses of a legitimate business pursuant to a business plan approved by the fiduciary organization; and

(4) acquisition costs of a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase price applicable to the residence determined according to section 143(e)(2) and (3) of the Internal Revenue Code of 1986.

(f) "Household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(g) "Eligible educational institution" means the following:

(1) an institution of higher education described in section 101 or 102 of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the extent section 2302 is in effect on the effective date of this section.

Sec. 3. REPEALER.

Minnesota Statutes 2006, section 256K.25, is repealed.

APPENDIX
Article locations in H3376-2

ARTICLE 1	MFIP WORK PARTICIPATION	Page.Ln 1.16
ARTICLE 2	CHILD CARE	Page.Ln 4.19
ARTICLE 3	CHILD CARE TECHNICAL	Page.Ln 7.30
ARTICLE 4	MFIP TECHNICAL CHANGES	Page.Ln 19.1
ARTICLE 5	MISCELLANEOUS TECHNICAL	Page.Ln 26.1

256K.25 SUPPORTIVE HOUSING AND MANAGED CARE PILOT PROJECT.

Subdivision 1. **Establishment and purpose.** (a) The commissioner shall establish a supportive housing and managed care pilot project to determine whether the integrated delivery of employment services, supportive services, housing, and health care into a single, flexible program will:

(1) reduce public expenditures on homeless families with minor children, homeless noncustodial parents, and other homeless individuals;

(2) increase the employment rates of these persons; and

(3) provide a new alternative to providing services to this hard-to-serve population.

(b) The commissioner shall create a program for counties for the purpose of providing integrated intensive and individualized case management services, employment services, health care services, rent subsidies or other short- or medium-term housing assistance, and other supportive services to eligible families and individuals. Minimum project and application requirements shall be developed by the commissioner in cooperation with counties and their nonprofit partners with the goal to provide the maximum flexibility in program design.

(c) Services available under this project must be coordinated with available health care services for an eligible project participant.

Subd. 2. **Definition.** For purposes of this section, "homeless" means having no appropriate housing available and lacking the resources necessary to access permanent housing, as determined by the county requesting funding under subdivision 3, and:

(1) living, or being at imminent risk of living, on the street or in a shelter; or

(2) having been evicted from a dwelling or discharged from a regional treatment center, state-operated community-based program, community hospital, or residential treatment program.

Subd. 3. **County eligibility.** (a) A county may request funding under this pilot project if the county:

(1) agrees to develop, in cooperation with nonprofit partners, a supportive housing and managed care pilot project that integrates the delivery of employment services, supportive services, housing and health care for eligible families and individuals, or agrees to contract with an existing integrated program;

(2) for eligible participants who are also MFIP recipients, agrees to develop, in cooperation with nonprofit partners, procedures to ensure that the services provided under the pilot project are closely coordinated with the services provided under MFIP;

(3) develops a method for evaluating the quality of the integrated services provided and the amount of any resulting cost savings to the county and state; and

(4) addresses in the pilot design the prevalence in the homeless population served those individuals with mental illness, a history of substance abuse, or HIV.

(b) Preference may be given to counties that cooperate with other counties participating in the pilot project for purposes of evaluation and counties that provide additional funding.

Subd. 4. **Participant eligibility.** (a) In order to meet initial eligibility criteria for the pilot project, the county must determine that a participant is homeless or is at risk of homelessness and is a family that meets the criteria in paragraph (b) or is an individual who meets the criteria in paragraph (c).

(b) An eligible family must include a minor child or a pregnant woman, and:

(1) be receiving or be eligible for MFIP assistance under chapter 256J; or

(2) include an adult caregiver who is employed or is receiving employment and training services, and have household income below the MFIP exit level in section 256J.24, subdivision 10.

(c) An eligible individual must:

(1) meet the eligibility requirements of the group residential housing program under section 256I.04, subdivision 1; or

(2) be a noncustodial parent who is employed or is receiving employment and training services, and have household income below the MFIP exit level in section 256J.24, subdivision 10.

(d) Counties participating in the pilot project may develop and initiate disenrollment criteria, subject to approval by the commissioner of human services.

Subd. 5. **Funding.** A county may request funding from the commissioner for a specified number of project participants. The commissioner shall review the request for compliance with subdivisions 1 to 4 and may approve or disapprove the request. If other funds are available, the commissioner may allocate funding for project participants who meet the eligibility requirements of subdivision 4, paragraph (c). The commissioner may also redirect funds to the pilot project.

Subd. 6. **Report.** Participating counties and the commissioner shall collaborate to prepare and issue an annual report, beginning December 1, 2001, to the chairs of the appropriate

APPENDIX

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legislative committees on the pilot project's use of public resources, including other funds leveraged for this initiative and an assessment of the feasibility of financing the pilot through other health and human services programs, the employment and housing status of the families and individuals served in the project, and the cost-effectiveness of the project. The annual report must also evaluate the pilot project with respect to the following project goals: that participants will lead more productive, healthier, more stable and better quality lives; that the teams created under the project to deliver services for each project participant will be accountable for ensuring that services are more appropriate, cost-effective and well-coordinated; and that the systemwide costs of serving this population, and the inappropriate use of emergency, crisis-oriented or institutional services, will be materially reduced. The commissioner shall provide data that may be needed to evaluate the project to participating counties that request the data.

Subd. 7. **Sunset.** The pilot project under this section sunsets on June 30, 2007.