

A bill for an act

relating to human services; amending child care programs, program integrity, adult supports including general assistance medical care and group residential housing, and Minnesota family investment program; utilizing home visitors as MFIP employment and training service providers; amending Minnesota Statutes 2008, sections 119B.011, subdivision 3; 119B.08, subdivision 2; 119B.09, subdivision 1; 119B.12, subdivision 1; 119B.13, subdivision 6; 119B.15; 119B.231, subdivision 3; 145A.17, by adding a subdivision; 256.014, subdivision 1; 256.0471, subdivision 1, by adding a subdivision; 256D.01, subdivision 1b; 256D.44, subdivision 3; 256I.04, subdivisions 2a, 3; 256I.05, subdivision 1k; 256J.24, subdivision 5; 256J.425, subdivisions 2, 3; 256J.49, subdivisions 1, 4; 256J.521, subdivision 2; 256J.545; 256J.561, subdivision 2; 256J.575, subdivision 3; 256J.626, subdivision 7; 256J.95, subdivisions 11, 13.

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

ARTICLE 1

CHILD CARE

Section 1. Minnesota Statutes 2008, section 119B.011, subdivision 3, is amended to read:

Subd. 3. **Application.** "Application" means the submission to a county agency, by or on behalf of a family, of a completed, signed, and dated:

(1) child care assistance universal application form that indicates the family's desire to receive assistance; or

(2) child care addendum form in combination with a combined application form for MFIP, DWP, or food support.

Sec. 2. Minnesota Statutes 2008, section 119B.08, subdivision 2, is amended to read:

Subd. 2. ~~Quarterly~~ **Monthly payments.** ~~The commissioner may make payments to each county in quarterly installments. The commissioner may certify an advance up to 25 percent of the allocation. Subsequent~~ The commissioner shall make monthly payments shall be made on a reimbursement basis for reported expenditures and may be adjusted for anticipated spending patterns reported outside of the electronic system used to administer child care assistance. Payments may be withheld if ~~quarterly~~ monthly reports are incomplete or untimely.

Sec. 3. Minnesota Statutes 2008, 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 67 percent of the 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

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

Sec. 4. Minnesota Statutes 2008, section 119B.12, subdivision 1, is amended to read:

Subdivision 1. **Fee schedule.** ~~In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility an amount for federal and state income and Social Security taxes attributable to that income level according to federal and state standardized tax tables. The commissioner shall base the parent fee on the ability of the family to pay for child care. The fee schedule must be designed to use any available tax credits. All changes to parent fees must be implemented on the first Monday of the service period following the effective date of the change.~~

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

3.3	Income Range (as a percent of the state	Co-payment (as a percentage of adjusted
3.4	median income, except at the start of the	gross income)
3.5	first tier)	
3.6	0-74.99% of federal poverty guidelines	\$0/month
3.7	75.00-99.99% of federal poverty guidelines	\$5/month
3.8	100.00% of federal poverty	
3.9	guidelines-27.72%	2.61%
3.10	27.73-29.04%	2.61%
3.11	29.05-30.36%	2.61%
3.12	30.37-31.68%	2.61%
3.13	31.69-33.00%	2.91%
3.14	33.01-34.32%	2.91%
3.15	34.33-35.65%	2.91%
3.16	35.66-36.96%	2.91%
3.17	36.97-38.29%	3.21%
3.18	38.30-39.61%	3.21%
3.19	39.62-40.93%	3.21%
3.20	40.94-42.25%	3.84%
3.21	42.26-43.57%	3.84%
3.22	43.58-44.89%	4.46%
3.23	44.90-46.21%	4.76%
3.24	46.22-47.53%	5.05%
3.25	47.54-48.85%	5.65%
3.26	48.86-50.17%	5.95%
3.27	50.18-51.49%	6.24%
3.28	51.50-52.81%	6.84%
3.29	52.82-54.13%	7.58%
3.30	54.14-55.45%	8.33%
3.31	55.46-56.77%	9.20%
3.32	56.78-58.09%	10.07%
3.33	58.10-59.41%	10.94%
3.34	59.42-60.73%	11.55%
3.35	60.74-62.06%	12.16%
3.36	62.07-63.38%	12.77%
3.37	63.39-64.70%	13.38%
3.38	64.71-66.99%	14.00%
3.39	67.00%	ineligible

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

3.42 Sec. 5. Minnesota Statutes 2008, section 119B.13, subdivision 6, is amended to read:

Subd. 6. **Provider payments.** ~~(a) Counties or the state shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses.~~

~~(b) If payments for child care assistance are made to providers,~~ (a) The provider shall bill ~~the county~~ for services provided within ten days of the end of the service period. If bills are submitted within ten days of the end of the service period, ~~a county or the state shall issue payment to the provider of child care payments~~ under the child care fund shall be made within 30 days of receiving a bill from the provider. Counties or the state may establish policies that make payments on a more frequent basis.

~~(c) (b)~~ All bills must be submitted within 60 days of the last date of service on the bill. ~~A county may pay~~ A bill submitted more than 60 days after the last date of service must be paid if the county determines that the provider shows has shown good cause why the bill was not submitted within 60 days. Good cause must be defined in the county's child care fund plan under section 119B.08, subdivision 3, and the definition of good cause must include county error. ~~A county may not pay~~ Any bill submitted more than a year after the last date of service on the bill must not be paid.

~~(d) (c)~~ A county may stop payment issued to a provider or may refuse to pay a bill submitted by a provider if:

(1) the provider admits to intentionally giving the county materially false information on the provider's billing forms; or

(2) a county finds by a preponderance of the evidence that the provider intentionally gave the county materially false information on the provider's billing forms.

~~(e) (d)~~ A county's payment policies must be included in the county's child care plan under section 119B.08, subdivision 3. If payments are made by the state, in addition to being in compliance with this subdivision, the payments must be made in compliance with section 16A.124.

Sec. 6. Minnesota Statutes 2008, section 119B.15, is amended to read:

119B.15 ADMINISTRATIVE EXPENSES.

The commissioner shall use up to 1/21 of the state and federal funds available for the basic sliding fee program and 1/21 of the state and federal funds available for the MFIP child care program for payments to counties for administrative expenses. The commissioner shall make monthly payments to each county based on direct service expenditures. Payments may be withheld if monthly reports are incomplete or untimely.

Sec. 7. Minnesota Statutes 2008, section 119B.231, subdivision 3, is amended to read:

Subd. 3. **Family and child eligibility.** (a) A family eligible to choose an SRSA provider for their children shall:

(1) be eligible to receive child care assistance under any provision in chapter 119B except section 119B.035;

(2) be in an authorized activity for an average of at least 35 hours per week when initial eligibility is determined; and

(3) include a child who has not yet entered kindergarten.

(b) A family who is determined to be eligible to choose an SRSA provider remains eligible to be paid at a higher rate through the SRSA provider when the following conditions exist:

(1) the child attends child care with the SRSA provider a minimum of 25 hours per week, on average;

(2) the family has a child who has not yet entered kindergarten; and

(3) the family maintains eligibility under chapter 119B except section 119B.035.

(c) ~~For the 12 months~~ After initial eligibility has been determined, a decrease in the family's authorized activities to an average of less than 35 hours per week does not result in ineligibility for the SRSA rate.

(d) A family that moves between counties but continues to use the same SRSA provider shall continue to receive SRSA funding for the increased payments.

ARTICLE 2

PROGRAM INTEGRITY

Section 1. Minnesota Statutes 2008, section 256.014, subdivision 1, is amended to read:

Subdivision 1. **Establishment of systems.** (a) The commissioner of human services shall establish and enhance computer systems necessary for the efficient operation of the programs the commissioner supervises, including:

(1) management and administration of the food stamp, food support, and income maintenance programs, including the electronic distribution of benefits;

(2) management and administration of the child support enforcement program; and

(3) administration of medical assistance and general assistance medical care.

(b) The commissioner's development costs incurred by computer systems for statewide programs administered by that computer system and mandated by state or federal law must not be assessed against county agencies. The commissioner may charge a county for development and operating costs incurred by computer systems for functions requested by the county and not mandated by state or federal law for programs administered by the computer system incurring the cost.

6.1 (c) The commissioner shall distribute the nonfederal share of the costs of operating
6.2 and maintaining the systems to the commissioner and to the counties participating in the
6.3 system in a manner that reflects actual system usage, except that the nonfederal share of
6.4 the costs of the MAXIS computer system and child support enforcement systems for
6.5 statewide programs administered by those systems and mandated by state or federal law
6.6 shall be borne entirely by the commissioner. ~~Development costs must not be assessed~~
6.7 ~~against county agencies.~~

6.8 The commissioner may enter into contractual agreements with federally recognized
6.9 Indian tribes with a reservation in Minnesota to participate in state-operated computer
6.10 systems related to the management and administration of the food stamp, food support,
6.11 income maintenance, child support enforcement, and medical assistance and general
6.12 assistance medical care programs to the extent necessary for the tribe to operate a federally
6.13 approved family assistance program or any other program under the supervision of the
6.14 commissioner.

6.15 Sec. 2. Minnesota Statutes 2008, section 256.0471, subdivision 1, is amended to read:

6.16 Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted
6.17 under chapter 119B, the MFIP program formerly codified under sections 256.031 to
6.18 256.0361, and the AFDC program formerly codified under sections 256.72 to 256.871;
6.19 chapters 256B for state-funded medical assistance, 256D, 256I, 256J, ~~and~~ 256K, and 256L
6.20 for state-funded MinnesotaCare; and the food stamp or food support program, except
6.21 agency error claims, become a judgment by operation of law 90 days after the notice of
6.22 overpayment is personally served upon the recipient in a manner that is sufficient under
6.23 rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail, return
6.24 receipt requested. This judgment shall be entitled to full faith and credit in this and any
6.25 other state.

6.26 Sec. 3. Minnesota Statutes 2008, section 256.0471, is amended by adding a subdivision
6.27 to read:

6.28 Subd. 6a. **Administrative renewal of overpayment judgments.** Overpayment
6.29 judgments may be renewed by service of notice upon the debtor. Service must be by first
6.30 class mail at the last known address of the debtor, with service deemed complete upon
6.31 mailing in that manner designated, or in the manner provided for the service of civil
6.32 process. Upon filing of the notice and proof of service, the court administrator shall
6.33 administratively renew the judgment for the overpayment without any additional filing
6.34 fee in the same court file as the original overpayment judgment. The judgment must be

renewed in an amount equal to the unpaid principle plus the accrued unpaid interest.

Overpayment judgments may be renewed multiple times until satisfied.

ARTICLE 3

ADULT SUPPORTS

Section 1. Minnesota Statutes 2008, section 256D.01, subdivision 1b, is amended to read:

Subd. 1b. **Rules.** The commissioner shall adopt rules to set standards of assistance and methods of calculating payment to conform with subdivision 1a. ~~The minimum standards of assistance shall authorize the payment of rates negotiated by county agencies for recipients living in a room and board arrangement according to sections 256I.01 to 256I.06.~~ When a recipient is a resident of a ~~regional treatment center, or a residence with a negotiated rate,~~ licensed residential facility, except shelters for the homeless or shelters under section 611A.31, the recipient is not eligible for a full general assistance standard. The state standard of assistance for those recipients who have personal needs not otherwise provided for is the personal needs allowance authorized for medical assistance recipients under section 256B.35.

Sec. 2. Minnesota Statutes 2008, section 256D.44, subdivision 3, is amended to read:

Subd. 3. **Standard of assistance for basic needs.** Except as provided in subdivision 4, the monthly state standard of assistance for basic needs is as follows:

(a) If an applicant or recipient does not reside with another person or persons, the state standard of assistance is \$519.

(b) If an applicant married couple or recipient married couple who live together, does not reside with others, the state standard of assistance is \$778.

(c) If an applicant or recipient resides with another person or persons, the state standard of assistance is \$395.

(d) If an applicant married couple or recipient married couple who live together, resides with others, the state standard of assistance is \$519.

(e) Married couples, living together who do not reside with others and were receiving MSA prior to January 1, 1994, and whose eligibility has not been terminated a full calendar month, the state standard of assistance is \$793.

(f) Married couples living together who reside with others and were receiving MSA prior to January 1, 1994, and whose eligibility has not been terminated a full calendar month, the state standard of assistance is \$782.

(g) For an individual who (1) receives Social Security insurance under federal living arrangement D or (2) is a resident of a ~~nursing home, a regional treatment center or a group~~ licensed residential housing facility and has unmet personal needs, the state standard of assistance is the personal needs allowance for medical assistance recipients under section 256B.35.

Sec. 3. Minnesota Statutes 2008, section 256I.04, subdivision 2a, is amended to read:

Subd. 2a. **License required.** A county agency may not enter into an agreement with an establishment to provide group residential housing unless:

(1) the establishment is licensed by the Department of Health as a hotel and restaurant; a board and lodging establishment; a residential care home; a boarding care home before March 1, 1985; or a supervised living facility, and the service provider for residents of the facility is licensed under chapter 245A. However, an establishment licensed by the Department of Health to provide lodging need not also be licensed to provide board if meals are being supplied to residents under a contract with a food vendor who is licensed by the Department of Health;

(2) the residence is: (i) licensed by the commissioner of human services under Minnesota Rules, parts 9555.5050 to 9555.6265; or, (ii) certified by a county human services agency prior to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265; or (iii) a residence licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120, with a variance under section 245A.04, subdivision 9;

(3) the establishment is registered under chapter 144D and provides three meals a day, or is an establishment voluntarily registered under section 144D.025 as a supportive housing establishment; or

(4) an establishment voluntarily registered under section 144D.025, other than a supportive housing establishment under clause (3), is not eligible to provide group residential housing.

The requirements under clauses (1), ~~(2), (3), and~~ to (4) do not apply to establishments exempt from state licensure because they are located on Indian reservations and subject to tribal health and safety requirements.

Sec. 4. Minnesota Statutes 2008, section 256I.04, subdivision 3, is amended to read:

Subd. 3. **Moratorium on the development of group residential housing beds.** (a) County agencies shall not enter into agreements for new group residential housing beds with total rates in excess of the MSA equivalent rate except:

9.1 (1) for group residential housing establishments licensed under Minnesota Rules,
9.2 parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction
9.3 targets for persons with developmental disabilities at regional treatment centers;

9.4 (2) to ensure compliance with the federal Omnibus Budget Reconciliation Act
9.5 alternative disposition plan requirements for inappropriately placed persons with
9.6 developmental disabilities or mental illness;

9.7 (3) up to 80 beds in a single, specialized facility located in Hennepin County that will
9.8 provide housing for chronic inebriates who are repetitive users of detoxification centers
9.9 and are refused placement in emergency shelters because of their state of intoxication,
9.10 and planning for the specialized facility must have been initiated before July 1, 1991,
9.11 in anticipation of receiving a grant from the Housing Finance Agency under section
9.12 462A.05, subdivision 20a, paragraph (b);

9.13 (4) notwithstanding the provisions of subdivision 2a, for up to 190 supportive
9.14 housing units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a
9.15 mental illness, a history of substance abuse, or human immunodeficiency virus or acquired
9.16 immunodeficiency syndrome. For purposes of this section, "homeless adult" means a
9.17 person who is living on the street or in a shelter or discharged from a regional treatment
9.18 center, community hospital, or residential treatment program and has no appropriate
9.19 housing available and lacks the resources and support necessary to access appropriate
9.20 housing. At least 70 percent of the supportive housing units must serve homeless adults
9.21 with mental illness, substance abuse problems, or human immunodeficiency virus or
9.22 acquired immunodeficiency syndrome who are about to be or, within the previous six
9.23 months, has been discharged from a regional treatment center, or a state-contracted
9.24 psychiatric bed in a community hospital, or a residential mental health or chemical
9.25 dependency treatment program. If a person meets the requirements of subdivision 1,
9.26 paragraph (a), and receives a federal or state housing subsidy, the group residential housing
9.27 rate for that person is limited to the supplementary rate under section 256I.05, subdivision
9.28 1a, and is determined by subtracting the amount of the person's countable income that
9.29 exceeds the MSA equivalent rate from the group residential housing supplementary rate.
9.30 A resident in a demonstration project site who no longer participates in the demonstration
9.31 program shall retain eligibility for a group residential housing payment in an amount
9.32 determined under section 256I.06, subdivision 8, using the MSA equivalent rate. Service
9.33 funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching
9.34 funds are available and the services can be provided through a managed care entity. If
9.35 federal matching funds are not available, then service funding will continue under section
9.36 256I.05, subdivision 1a;

(5) for group residential housing beds in settings meeting the requirements of subdivision 2a, clauses (1) and (3), which are used exclusively for recipients receiving home and community-based waiver services under sections 256B.0915, 256B.092, subdivision 5, 256B.093, and 256B.49, and who resided in a nursing facility for the six months immediately prior to the month of entry into the group residential housing setting. The group residential housing rate for these beds must be set so that the monthly group residential housing payment for an individual occupying the bed when combined with the nonfederal share of services delivered under the waiver for that person does not exceed the nonfederal share of the monthly medical assistance payment made for the person to the nursing facility in which the person resided prior to entry into the group residential housing establishment. The rate may not exceed the MSA equivalent rate plus \$426.37 for any case;

(6) for an additional two beds, resulting in a total of 32 beds, for a facility located in Hennepin County providing services for recovering and chemically dependent men that has had a group residential housing contract with the county and has been licensed as a board and lodge facility with special services since 1980;

(7) for a group residential housing provider located in ~~Stearns County~~ the city of St. Cloud, or a county contiguous to the city of St. Cloud, that operates a 40-bed facility, that received financing through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves chemically dependent clientele, providing 24-hour-a-day supervision;

(8) for a new 65-bed facility in Crow Wing County that will serve chemically dependent persons, operated by a group residential housing provider that currently operates a 304-bed facility in Minneapolis, and a 44-bed facility in Duluth;

(9) for a group residential housing provider that operates two ten-bed facilities, one located in Hennepin County and one located in Ramsey County, that provide community support and 24-hour-a-day supervision to serve the mental health needs of individuals who have chronically lived unsheltered; and

(10) for a group residential facility in Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility and that until August 1, 2007, operated as a licensed chemical dependency treatment program.

(b) A county agency may enter into a group residential housing agreement for beds with rates in excess of the MSA equivalent rate in addition to those currently covered under a group residential housing agreement if the additional beds are only a replacement of beds with rates in excess of the MSA equivalent rate which have been made available due to closure of a setting, a change of licensure or certification which removes the beds

from group residential housing payment, or as a result of the downsizing of a group residential housing setting. The transfer of available beds from one county to another can only occur by the agreement of both counties.

Sec. 5. Minnesota Statutes 2008, section 256I.05, subdivision 1k, is amended to read:

Subd. 1k. **Supplementary rate for certain facilities; Stearns, Sherburne, or Benton County.** Notwithstanding the provisions of this section, beginning July 1, ~~2007~~ 2009, a county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, including any legislatively authorized inflationary adjustments, for a group residential housing provider located in Stearns, Sherburne, or Benton County that operates a 40-bed facility, that received financing through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves chemically dependent clientele, providing 24-hour-a-day supervision.

ARTICLE 4
MFIP

Section 1. Minnesota Statutes 2008, section 145A.17, is amended by adding a subdivision to read:

Subd. 4a. **Home visitors as MFIP employment and training service providers.** The county social service agency and the local public health department may mutually agree to utilize home visitors under this section as MFIP employment and training service providers under section 256J.49, subdivision 4, for MFIP participants who are: (1) ill or incapacitated under section 256J.425, subdivision 2; or (2) minor caregivers under section 256J.54. The county social service agency and the local public health department may also mutually agree to utilize home visitors to provide outreach to MFIP families who are being sanctioned or who have been terminated from MFIP due to the 60-month time limit.

Sec. 2. Minnesota Statutes 2008, 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, 2007~~ April 1, 2009.

Number of Eligible People	Transitional Standard	Cash Portion	Food Portion
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12.1	1	\$391 <u>\$428:</u>	\$250	\$141 <u>\$178</u>
12.2	2	\$698 <u>\$764:</u>	\$437	\$261 <u>\$327</u>
12.3	3	\$910 <u>\$1,005:</u>	\$532	\$378 <u>\$473</u>
12.4	4	\$1,091 <u>\$1,217:</u>	\$621	\$470 <u>\$596</u>
12.5	5	\$1,245 <u>\$1,393:</u>	\$697	\$548 <u>\$696</u>
12.6	6	\$1,425 <u>\$1,602:</u>	\$773	\$652 <u>\$829</u>
12.7	7	\$1,553 <u>\$1,748:</u>	\$850	\$703 <u>\$898</u>
12.8	8	\$1,713 <u>\$1,934:</u>	\$916	\$797 <u>\$1,018</u>
12.9	9	\$1,871 <u>\$2,119:</u>	\$980	\$891 <u>\$1,139</u>
12.10	10	\$2,024 <u>\$2,298:</u>	\$1,035	\$989 <u>\$1,263</u>
12.11	over 10	add \$151 <u>\$178:</u>	\$53	\$98 <u>\$125</u>
12.12	per additional member.			

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

12.16 **EFFECTIVE DATE.** This section is effective retroactively from April 1, 2009.

12.17 Sec. 3. Minnesota Statutes 2008, section 256J.425, subdivision 2, is amended to read:

12.18 Subd. 2. **Ill or incapacitated.** (a) An assistance unit subject to the time limit in
12.19 section 256J.42, subdivision 1, is eligible to receive months of assistance under a hardship
12.20 extension if the participant who reached the time limit belongs to any of the following
12.21 groups:

12.22 (1) participants who are suffering from an illness, injury, or incapacity which
12.23 has been certified by a qualified professional when the illness, injury, or incapacity is
12.24 expected to continue for more than 30 days and ~~prevents the person from obtaining or~~
12.25 ~~retaining employment~~ severely limits the person's ability to obtain or maintain suitable
12.26 employment. These participants must follow the treatment recommendations of the
12.27 qualified professional certifying the illness, injury, or incapacity;

12.28 (2) participants whose presence in the home is required as a caregiver because of
12.29 the illness, injury, or incapacity of another member in the assistance unit, a relative in the
12.30 household, or a foster child in the household when the illness or incapacity and the need
12.31 for a person to provide assistance in the home has been certified by a qualified professional
12.32 and is expected to continue for more than 30 days; or

12.33 (3) caregivers with a child or an adult in the household who meets the disability or
12.34 medical criteria for home care services under section 256B.0651, subdivision 1, paragraph
12.35 (c), or a home and community-based waiver services program under chapter 256B, or
12.36 meets the criteria for severe emotional disturbance under section 245.4871, subdivision

6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c). Caregivers in this category are presumed to be prevented from obtaining or retaining employment.

(b) An assistance unit receiving assistance under a hardship extension under this subdivision may continue to receive assistance as long as the participant meets the criteria in paragraph (a), clause (1), (2), or (3).

Sec. 4. Minnesota Statutes 2008, section 256J.425, subdivision 3, is amended to read:

Subd. 3. **Hard-to-employ participants.** (a) An assistance unit subject to the time limit in section 256J.42, subdivision 1, is eligible to receive months of assistance under a hardship extension if the participant who reached the time limit belongs to any of the following groups:

(1) a person who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as developmentally disabled or mentally ill, and ~~that condition prevents the person from obtaining or retaining unsubsidized employment~~ the condition severely limits the person's ability to obtain or maintain suitable employment;

(2) a person who:

(i) has been assessed by a vocational specialist or the county agency to be unemployable for purposes of this subdivision; or

(ii) has an IQ below 80 who has been assessed by a vocational specialist or a county agency to be employable, but ~~not at a level that makes the participant eligible for an extension under subdivision 4~~ the condition severely limits the person's ability to obtain or maintain suitable employment. The determination of IQ level must be made by a qualified professional. In the case of a non-English-speaking person: (A) the determination must be made by a qualified professional with experience conducting culturally appropriate assessments, whenever possible; (B) the county may accept reports that identify an IQ range as opposed to a specific score; (C) these reports must include a statement of confidence in the results;

(3) a person who is determined by a qualified professional to be learning disabled, and the ~~disability condition~~ disability condition severely limits the person's ability to obtain, ~~perform,~~ or maintain suitable employment. For purposes of the initial approval of a learning disability extension, the determination must have been made or confirmed within the previous 12 months. In the case of a non-English-speaking person: (i) the determination must be made by a qualified professional with experience conducting culturally appropriate assessments, whenever possible; and (ii) these reports must include a statement of confidence in the results. If a rehabilitation plan for a participant extended as learning disabled is developed

or approved by the county agency, the plan must be incorporated into the employment plan. However, a rehabilitation plan does not replace the requirement to develop and comply with an employment plan under section 256J.521; or

(4) a person who has been granted a family violence waiver, and who is complying with an employment plan under section 256J.521, subdivision 3.

(b) For purposes of this section, "severely limits the person's ability to obtain or maintain suitable employment" means that a qualified professional has determined that the person's condition prevents the person from working 20 or more hours per week.

Sec. 5. Minnesota Statutes 2008, section 256J.49, subdivision 1, is amended to read:

Subdivision 1. **Scope.** The terms used in sections ~~256J.50~~ 256J.425 to 256J.72 have the meanings given them in this section.

Sec. 6. Minnesota Statutes 2008, section 256J.49, subdivision 4, is amended to read:

Subd. 4. **Employment and training service provider.** "Employment and training service provider" means:

(1) a public, private, or nonprofit agency with which a county has contracted to provide employment and training services and which is included in the county's service agreement submitted under section 256J.626, subdivision 4; ~~or~~

(2) a county agency, if the county has opted to provide employment and training services and the county has indicated that fact in the service agreement submitted under section 256J.626, subdivision 4; or

(3) a home visitor under section 145A.17, subdivision 4a, for minor caregivers or participants who are ill or incapacitated.

Notwithstanding section 116L.871, an employment and training services provider meeting this definition may deliver employment and training services under this chapter.

Sec. 7. Minnesota Statutes 2008, section 256J.521, subdivision 2, is amended to read:

Subd. 2. **Employment plan; contents.** (a) Based on the assessment under subdivision 1, the job counselor and the participant must develop an employment plan that includes participation in activities and hours that meet the requirements of section 256J.55, subdivision 1. The purpose of the employment plan is to identify for each participant the most direct path to unsubsidized employment and any subsequent steps that support long-term economic stability. The employment plan should be developed using the highest level of activity appropriate for the participant. Activities must be chosen from clauses (1) to (6), which are listed in order of preference. Notwithstanding this order of

preference for activities, priority must be given for activities related to a family violence waiver when developing the employment plan. The employment plan must also list the specific steps the participant will take to obtain employment, including steps necessary for the participant to progress from one level of activity to another, and a timetable for completion of each step. Levels of activity include:

(1) unsubsidized employment;

(2) job search;

(3) subsidized employment or unpaid work experience;

(4) unsubsidized employment and job readiness education or job skills training;

(5) unsubsidized employment or unpaid work experience and activities related to a family violence waiver or preemployment needs; and

(6) activities related to a family violence waiver or preemployment needs.

(b) Participants who are determined to possess sufficient skills such that the participant is likely to succeed in obtaining unsubsidized employment must job search at least 30 hours per week for up to six weeks and accept any offer of suitable employment. The remaining hours necessary to meet the requirements of section 256J.55, subdivision 1, may be met through participation in other work activities under section 256J.49, subdivision 13. The participant's employment plan must specify, at a minimum: (1) whether the job search is supervised or unsupervised; (2) support services that will be provided; and (3) how frequently the participant must report to the job counselor. Participants who are unable to find suitable employment after six weeks must meet with the job counselor to determine whether other activities in paragraph (a) should be incorporated into the employment plan. Job search activities which are continued after six weeks must be structured and supervised.

~~(c) Beginning July 1, 2004, activities and hourly requirements in the employment plan may be adjusted as necessary to accommodate the personal and family circumstances of participants identified under section 256J.561, subdivision 2, paragraph (d). Participants who no longer meet the provisions of section 256J.561, subdivision 2, paragraph (d), must meet with the job counselor within ten days of the determination to revise the employment plan.~~

~~(d)~~ (c) Participants who are determined to have barriers to obtaining or retaining employment that will not be overcome during six weeks of job search under paragraph (b) must work with the job counselor to develop an employment plan that addresses those barriers by incorporating appropriate activities from paragraph (a), clauses (1) to (6). The employment plan must include enough hours to meet the participation requirements

in section 256J.55, subdivision 1, unless a compelling reason to require fewer hours is noted in the participant's file.

~~(e)~~ (d) The job counselor and the participant must sign the employment plan to indicate agreement on the contents.

~~(f)~~ (e) Except as provided under paragraph ~~(g)~~ (f), failure to develop or comply with activities in the plan, or voluntarily quitting suitable employment without good cause, will result in the imposition of a sanction under section 256J.46.

~~(g)~~ (f) When a participant fails to meet the agreed upon hours of participation in paid employment because the participant is not eligible for holiday pay and the participant's place of employment is closed for a holiday, the job counselor shall not impose a sanction or increase the hours of participation in any other activity, including paid employment, to offset the hours that were missed due to the holiday.

~~(h)~~ (g) Employment plans must be reviewed at least every three months to determine whether activities and hourly requirements should be revised. The job counselor is encouraged to allow participants who are participating in at least 20 hours of work activities to also participate in education and training activities in order to meet the federal hourly participation rates.

Sec. 8. Minnesota Statutes 2008, section 256J.545, is amended to read:

256J.545 FAMILY VIOLENCE WAIVER CRITERIA.

(a) In order to qualify for a family violence waiver, an individual must provide documentation of past or current family violence which may prevent the individual from participating in certain employment activities.

(b) The following items may be considered acceptable documentation or verification of family violence:

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

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

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

(4) a statement from professionals from whom the applicant or recipient has sought assistance for the abuse.

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

Sec. 9. Minnesota Statutes 2008, section 256J.561, subdivision 2, is amended to read:

Subd. 2. **Participation requirements.** (a) All MFIP caregivers, except caregivers who meet the criteria in subdivision 3, must ~~participate in employment services~~ develop an individualized employment plan that identifies the activities the participant is required to participate in and the required hours of participation. ~~Except as specified in paragraphs (b) to (d), the employment plan must meet the requirements of section 256J.521, subdivision 2, contain allowable work activities, as defined in section 256J.49, subdivision 13, and, include at a minimum, the number of participation hours required under section 256J.55, subdivision 1.~~

~~(b) Minor caregivers and caregivers who are less than age 20 who have not completed high school or obtained a GED are required to comply with section 256J.54.~~

~~(c) A participant who has a family violence waiver shall develop and comply with an employment plan under section 256J.521, subdivision 3.~~

~~(d) As specified in section 256J.521, subdivision 2, paragraph (c), a participant who meets any one of the following criteria may work with the job counselor to develop an employment plan that contains less than the number of participation hours under section 256J.55, subdivision 1. Employment plans for participants covered under this paragraph must be tailored to recognize the special circumstances of caregivers and families including limitations due to illness or disability and caregiving needs:~~

~~(1) a participant who is age 60 or older;~~

~~(2) a participant who has been diagnosed by a qualified professional as suffering from an illness or incapacity that is expected to last for 30 days or more, including a pregnant participant who is determined to be unable to obtain or retain employment due to the pregnancy; or~~

~~(3) a participant who is determined by a qualified professional as being needed in the home to care for an ill or incapacitated family member, including caregivers with a child or an adult in the household who meets the disability or medical criteria for home care services under section 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services program under chapter 256B, or meets the criteria for severe emotional disturbance under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c).~~

~~(e) For participants covered under paragraphs (c) and (d), the county shall review the participant's employment services status every three months to determine whether conditions have changed. When it is determined that the participant's status is no longer covered under paragraph (c) or (d), the county shall notify the participant that a new or~~

~~revised employment plan is needed. The participant and job counselor shall meet within ten days of the determination to revise the employment plan.~~

(b) Participants who meet the eligibility requirements in section 256J.575, subdivision 3, must develop a family stabilization services plan that meets the requirements in section 256J.575, subdivision 5.

(c) Minor caregivers and caregivers who are less than age 20 who have not completed high school or obtained a GED must develop an education plan that meets the requirements in section 256J.54.

(d) Participants with a family violence waiver must develop an employment plan that meets the requirements in section 256J.521, which cover the provisions in section 256J.575, subdivision 5.

(e) All other participants must develop an employment plan that meets the requirements of section 256J.521, subdivision 2, and contains allowable work activities, as defined in section 256J.49, subdivision 13. The employment plan must include, at a minimum, the number of participation hours required under section 256J.55, subdivision 1.

Sec. 10. Minnesota Statutes 2008, section 256J.575, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) The following MFIP or diversionary work program (DWP) participants are eligible for the services under this section:

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

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

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

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

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

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

Sec. 11. Minnesota Statutes 2008, section 256J.626, subdivision 7, is amended to read:

Subd. 7. **Performance base funds.** (a) For the purpose of this section, the following terms have the meanings given.

(1) "Caseload Reduction Credit" (CRC) means the measure of how much Minnesota TANF and separate state program caseload has fallen relative to federal fiscal year 2005 based on caseload data from October 1 to September 30.

(2) "TANF participation rate target" means a 50 percent participation rate reduced by the CRC for the previous year.

(b) For calendar year ~~2009~~ 2010 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) a county or tribe that achieves ~~a 50 percent~~ the TANF participation rate target or a five percentage point improvement over the previous year's TANF participation rate under section 256J.751, subdivision 2, clause (7), as averaged across 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) 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

(3) a county or tribe that does not achieve ~~a 50 percent~~ the TANF participation rate target or a five percentage point improvement over the previous year's TANF participation rate under section 256J.751, subdivision 2, clause (7), as averaged across 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

(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)~~ (c) 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) a tribe that achieves the participation rate approved in its federal TANF plan using the average of 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) 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

(3) a tribe that does not achieve the participation rate approved in its federal TANF plan using the average of 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

(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)~~ (d) Funds remaining unallocated after the performance-based allocations in paragraph ~~(a)~~ (b) 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)~~ (b), 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)~~ (b), the commissioner must proportionally reduce the allocation of each county and tribe with respect to their maximum allocation available under paragraph ~~(a)~~ (b).

Sec. 12. Minnesota Statutes 2008, section 256J.95, subdivision 11, is amended to read:

Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers who meet the criteria in paragraph (d), are required to participate in DWP employment services. Except as specified in paragraphs (b) and (c), employment plans under DWP must, at a minimum, meet the requirements in section 256J.55, subdivision 1.

(b) A caregiver who is a member of a two-parent family that is required to participate in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed

to develop an employment plan under section 256J.521, subdivision 2, paragraph ~~(e)~~ (a), that may contain alternate activities and reduced hours.

(c) A participant who is a victim of family violence shall be allowed to develop an employment plan under section 256J.521, subdivision 3. A claim of family violence must be documented by the applicant or participant by providing a sworn statement which is supported by collateral documentation in section 256J.545, paragraph (b).

(d) One parent in a two-parent family unit that has a natural born child under 12 weeks of age is not required to have an employment plan until the child reaches 12 weeks of age unless the family unit has already used the exclusion under section 256J.561, subdivision 3, or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5).

(e) The provision in paragraph (d) ends the first full month after the child reaches 12 weeks of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent household, only one parent shall be allowed to use this category.

(f) The participant and job counselor must meet within ten working days after the child reaches 12 weeks of age to revise the participant's employment plan. The employment plan for a family unit that has a child under 12 weeks of age that has already used the exclusion in section 256J.561 or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5), must be tailored to recognize the caregiving needs of the parent.

Sec. 13. Minnesota Statutes 2008, section 256J.95, subdivision 13, is amended to read:

Subd. 13. **Immediate referral to employment services.** Within one working day of determination that the applicant is eligible for the diversionary work program, but before benefits are issued to or on behalf of the family unit, the county shall refer all caregivers to employment services. The referral to the DWP employment services must be in writing and must contain the following information:

(1) notification that, as part of the application process, applicants are required to develop an employment plan or the DWP application will be denied;

(2) the employment services provider name and phone number;

~~(3) the date, time, and location of the scheduled employment services interview;~~

~~(4)~~ (3) the immediate availability of supportive services, including, but not limited to, child care, transportation, and other work-related aid; and

~~(5)~~ (4) the rights, responsibilities, and obligations of participants in the program, including, but not limited to, the grounds for good cause, the consequences of refusing or failing to participate fully with program requirements, and the appeal process.

APPENDIX
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