

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 4330

(SENATE AUTHORS: HOFFMAN and Newton)

DATE
03/28/2022

D-PG
5656

OFFICIAL STATUS
Introduction and first reading
Referred to Human Services Reform Finance and Policy

1.1 A bill for an act
1.2 relating to human services; modifying income reporting requirements for the
1.3 Minnesota family investment program; amending Minnesota Statutes 2020, sections
1.4 256D.0516, subdivision 2; 256J.08, subdivision 61; 256J.21, subdivision 4; 256J.33,
1.5 subdivision 2; 256J.34, subdivision 1; 256J.37, subdivision 3; Minnesota Statutes
1.6 2021 Supplement, sections 256J.21, subdivision 3; 256J.33, subdivisions 1, 4;
1.7 repealing Minnesota Statutes 2020, sections 256J.30, subdivision 7; 256J.33,
1.8 subdivision 3; 256J.34, subdivisions 2, 3, 4; Minnesota Statutes 2021 Supplement,
1.9 section 256J.30, subdivision 8.

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

1.11 Section 1. Minnesota Statutes 2020, section 256D.0516, subdivision 2, is amended to
1.12 read:

1.13 Subd. 2. **SNAP reporting requirements.** The commissioner of human services shall
1.14 implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as
1.15 amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP
1.16 benefit recipient households required to report periodically shall not be required to report
1.17 more often than one time every six months. ~~This provision shall not apply to households~~
1.18 ~~receiving food benefits under the Minnesota family investment program waiver.~~

1.19 Sec. 2. Minnesota Statutes 2020, section 256J.08, subdivision 61, is amended to read:

1.20 Subd. 61. **Monthly Ongoing income test.** "Monthly Ongoing income test" means the
1.21 test used to determine ongoing eligibility and the assistance payment amount according to
1.22 section 256J.21.

2.1 Sec. 3. Minnesota Statutes 2021 Supplement, section 256J.21, subdivision 3, is amended
2.2 to read:

2.3 Subd. 3. **Initial income test.** The agency shall determine initial eligibility by considering
2.4 all earned and unearned income as defined in section 256P.06. To be eligible for MFIP, the
2.5 assistance unit's countable income minus the earned income disregards in paragraph (a) and
2.6 section 256P.03 must be below the family wage level according to section 256J.24,
2.7 subdivision 7, for that size assistance unit.

2.8 (a) The initial eligibility determination must disregard the following items:

2.9 (1) the earned income disregard as determined in section 256P.03;

2.10 (2) dependent care costs must be deducted from gross earned income for the actual
2.11 amount paid for dependent care up to a maximum of \$200 per month for each child less
2.12 than two years of age, and \$175 per month for each child two years of age and older;

2.13 (3) all payments made according to a court order for spousal support or the support of
2.14 children not living in the assistance unit's household shall be disregarded from the income
2.15 of the person with the legal obligation to pay support; and

2.16 (4) an allocation for the unmet need of an ineligible spouse or an ineligible child under
2.17 the age of 21 for whom the caregiver is financially responsible and who lives with the
2.18 caregiver according to section 256J.36.

2.19 (b) After initial eligibility is established, the assistance payment calculation is based on
2.20 prospective budgeting and the monthly ongoing income test.

2.21 Sec. 4. Minnesota Statutes 2020, section 256J.21, subdivision 4, is amended to read:

2.22 Subd. 4. **Monthly Ongoing income test and determination of assistance payment.** The
2.23 county agency shall determine ongoing eligibility and the assistance payment amount
2.24 according to prospective budgeting and the monthly ongoing income test. To be eligible
2.25 for MFIP, the result of the computations in paragraphs (a) to (e) applied to prospective
2.26 budgeting must be at least \$1.

2.27 (a) Apply an income disregard as defined in section 256P.03, to gross earnings and
2.28 subtract this amount from the family wage level. If the difference is equal to or greater than
2.29 the MFIP transitional standard, the assistance payment is equal to the MFIP transitional
2.30 standard. If the difference is less than the MFIP transitional standard, the assistance payment
2.31 is equal to the difference. The earned income disregard in this paragraph must be deducted
2.32 every month there is earned income.

3.1 (b) All payments made according to a court order for spousal support or the support of
3.2 children not living in the assistance unit's household must be disregarded from the income
3.3 of the person with the legal obligation to pay support.

3.4 (c) An allocation for the unmet need of an ineligible spouse or an ineligible child under
3.5 the age of 21 for whom the caregiver is financially responsible and who lives with the
3.6 caregiver must be made according to section 256J.36.

3.7 (d) Subtract unearned income dollar for dollar from the MFIP transitional standard to
3.8 determine the assistance payment amount.

3.9 (e) When income is both earned and unearned, the amount of the assistance payment
3.10 must be determined by first treating gross earned income as specified in paragraph (a). After
3.11 determining the amount of the assistance payment under paragraph (a), unearned income
3.12 must be subtracted from that amount dollar for dollar to determine the assistance payment
3.13 amount.

3.14 ~~(f) When the monthly income is greater than the MFIP transitional standard after~~
3.15 ~~deductions and the income will only exceed the standard for one month, the county agency~~
3.16 ~~must suspend the assistance payment for the payment month.~~

3.17 Sec. 5. Minnesota Statutes 2021 Supplement, section 256J.33, subdivision 1, is amended
3.18 to read:

3.19 Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP
3.20 eligibility prospectively for a payment month based on ~~retrospectively~~ assessing income
3.21 and the county agency's best estimate of the circumstances that will exist in the payment
3.22 month.

3.23 ~~(b) Except as described in section 256J.34, subdivision 1, when prospective eligibility~~
3.24 ~~exists,~~ A county agency must calculate the amount of the assistance payment using
3.25 ~~retrospective~~ prospective budgeting. To determine MFIP eligibility and the assistance
3.26 payment amount, a county agency must apply countable income, described in sections
3.27 256P.06 and 256J.37, subdivisions 3 to 10, received by members of an assistance unit or
3.28 by other persons whose income is counted for the assistance unit, described under sections
3.29 256J.37, subdivisions 1 to 2, and 256P.06, subdivision 1.

3.30 (c) This income must be applied to the MFIP standard of need or family wage level
3.31 subject to this section and sections 256J.34 to 256J.36. Countable income as described in
3.32 section 256P.06, subdivision 3, ~~received in a calendar month~~ must be applied to the needs
3.33 of an assistance unit.

4.1 Sec. 6. Minnesota Statutes 2020, section 256J.33, subdivision 2, is amended to read:

4.2 Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility
4.3 requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15
4.4 and 256P.02, will be met prospectively for the payment month. ~~Except for the provisions~~
4.5 ~~in section 256J.34, subdivision 1, the~~ The income test will must be applied ~~retrospectively~~
4.6 prospectively.

4.7 Sec. 7. Minnesota Statutes 2021 Supplement, section 256J.33, subdivision 4, is amended
4.8 to read:

4.9 Subd. 4. **Monthly Ongoing income test.** A county agency must apply the ~~monthly~~
4.10 ongoing income test ~~retrospectively~~ prospectively for ~~each month of~~ MFIP eligibility. An
4.11 assistance unit is not eligible when the countable income equals or exceeds the MFIP standard
4.12 of need or the family wage level for the assistance unit. The income applied against the
4.13 ~~monthly ongoing~~ ongoing income test must include:

4.14 (1) gross earned income from employment as described in chapter 256P, prior to
4.15 mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after
4.16 the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;

4.17 (2) gross earned income from self-employment less deductions for self-employment
4.18 expenses in section 256J.37, subdivision 5, but prior to any reductions for personal or
4.19 business state and federal income taxes, personal FICA, personal health and life insurance,
4.20 and after the disregards in section 256J.21, subdivision 4, and the allocations in section
4.21 256J.36;

4.22 (3) unearned income as described in section 256P.06, subdivision 3, after deductions
4.23 for allowable expenses in section 256J.37, subdivision 9, and allocations in section 256J.36;

4.24 (4) gross earned income from employment as determined under clause (1) which is
4.25 received by a member of an assistance unit who is a minor child or minor caregiver and
4.26 less than a half-time student;

4.27 (5) child support received by an assistance unit, excluded under section 256P.06,
4.28 subdivision 3, clause (2), item (xvi);

4.29 (6) spousal support received by an assistance unit;

4.30 (7) the income of a parent when that parent is not included in the assistance unit;

4.31 (8) the income of an eligible relative and spouse who seek to be included in the assistance
4.32 unit; and

5.1 (9) the unearned income of a minor child included in the assistance unit.

5.2 Sec. 8. Minnesota Statutes 2020, section 256J.34, subdivision 1, is amended to read:

5.3 Subdivision 1. **Prospective budgeting.** A county agency must use prospective budgeting
5.4 to calculate the assistance payment amount ~~for the first two months~~ for an applicant who
5.5 ~~has not received assistance in this state for at least one payment month preceding the first~~
5.6 ~~month of payment under a current application. Notwithstanding subdivision 3, paragraph~~
5.7 ~~(a), clause (2), a county agency must use prospective budgeting for the first two months for~~
5.8 ~~a person who applies to be added to an assistance unit. Prospective budgeting is not subject~~
5.9 ~~to overpayments or underpayments unless fraud is determined under section 256.98.~~

5.10 (a) The county agency must apply the income received or anticipated in the first month
5.11 of MFIP eligibility against the need of the first month. The county agency must apply the
5.12 income received or anticipated in the second month against the need of the second month.

5.13 (b) When the assistance payment for any part of the first two months is based on
5.14 anticipated income, the county agency must base the initial assistance payment amount on
5.15 the information available at the time the initial assistance payment is made.

5.16 (c) The county agency must determine the assistance payment amount for the first two
5.17 months of MFIP eligibility by budgeting both recurring and nonrecurring income for those
5.18 two months.

5.19 Sec. 9. Minnesota Statutes 2020, section 256J.37, subdivision 3, is amended to read:

5.20 Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency
5.21 must include gross earned income less any disregards in the initial and monthly ongoing
5.22 income test. Gross earned income received by persons employed on a contractual basis must
5.23 be prorated over the period covered by the contract even when payments are received over
5.24 a lesser period of time.

5.25 Sec. 10. **REPEALER.**

5.26 (a) Minnesota Statutes 2020, sections 256J.30, subdivision 7; 256J.33, subdivision 3;
5.27 and 256J.34, subdivisions 2, 3, and 4, are repealed.

5.28 (b) Minnesota Statutes 2021 Supplement, section 256J.30, subdivision 8, is repealed.

256J.30 APPLICANT AND PARTICIPANT REQUIREMENTS AND RESPONSIBILITIES.

Subd. 7. **Due date of MFIP household report form.** An MFIP household report form must be received by the county agency by the eighth calendar day of the month following the reporting period covered by the form. When the eighth calendar day of the month falls on a weekend or holiday, the MFIP household report form must be received by the county agency the first working day that follows the eighth calendar day.

Subd. 8. **Late MFIP household report forms.** (a) Paragraphs (b) to (e) apply to the reporting requirements in subdivision 7.

(b) When the county agency receives an incomplete MFIP household report form, the county agency must immediately contact the caregiver by phone or in writing to acquire the necessary information to complete the form.

(c) The automated eligibility system must send a notice of proposed termination of assistance to the assistance unit if a complete MFIP household report form is not received by a county agency. The automated notice must be mailed to the caregiver by approximately the 16th of the month. When a caregiver submits an incomplete form on or after the date a notice of proposed termination has been sent, the termination is valid unless the caregiver submits a complete form before the end of the month.

(d) An assistance unit required to submit an MFIP household report form is considered to have continued its application for assistance if a complete MFIP household report form is received within a calendar month after the month in which the form was due and assistance shall be paid for the period beginning with the first day of that calendar month.

(e) A county agency must allow good cause exemptions from the reporting requirements under subdivision 5 when any of the following factors cause a caregiver to fail to provide the county agency with a completed MFIP household report form before the end of the month in which the form is due:

- (1) an employer delays completion of employment verification;
- (2) a county agency does not help a caregiver complete the MFIP household report form when the caregiver asks for help;
- (3) a caregiver does not receive an MFIP household report form due to mistake on the part of the department or the county agency or due to a reported change in address;
- (4) a caregiver is ill, or physically or mentally incapacitated; or
- (5) some other circumstance occurs that a caregiver could not avoid with reasonable care which prevents the caregiver from providing a completed MFIP household report form before the end of the month in which the form is due.

256J.33 PROSPECTIVE AND RETROSPECTIVE MFIP ELIGIBILITY.

Subd. 3. **Retrospective eligibility.** After the first two months of MFIP eligibility, a county agency must continue to determine whether an assistance unit is prospectively eligible for the payment month by looking at all factors other than income and then determine whether the assistance unit is retrospectively income eligible by applying the monthly income test to the income from the budget month. When the monthly income test is not satisfied, the assistance payment must be suspended when ineligibility exists for one month or ended when ineligibility exists for more than one month.

256J.34 CALCULATING ASSISTANCE PAYMENTS.

Subd. 2. **Retrospective budgeting.** The county agency must use retrospective budgeting to calculate the monthly assistance payment amount after the payment for the first two months has been made under subdivision 1.

Subd. 3. **Additional uses of retrospective budgeting.** Notwithstanding subdivision 1, the county agency must use retrospective budgeting to calculate the monthly assistance payment amount for the first two months under paragraphs (a) and (b).

(a) The county agency must use retrospective budgeting to determine the amount of the assistance payment in the first two months of MFIP eligibility:

APPENDIX
Repealed Minnesota Statutes: 22-06890

(1) when an assistance unit applies for assistance for the same month for which assistance has been interrupted, the interruption in eligibility is less than one payment month, the assistance payment for the preceding month was issued in this state, and the assistance payment for the immediately preceding month was determined retrospectively; or

(2) when a person applies in order to be added to an assistance unit, that assistance unit has received assistance in this state for at least the two preceding months, and that person has been living with and has been financially responsible for one or more members of that assistance unit for at least the two preceding months.

(b) Except as provided in clauses (1) to (4), the county agency must use retrospective budgeting and apply income received in the budget month by an assistance unit and by a financially responsible household member who is not included in the assistance unit against the MFIP standard of need or family wage level to determine the assistance payment to be issued for the payment month.

(1) When a source of income ends prior to the third payment month, that income is not considered in calculating the assistance payment for that month. When a source of income ends prior to the fourth payment month, that income is not considered when determining the assistance payment for that month.

(2) When a member of an assistance unit or a financially responsible household member leaves the household of the assistance unit, the income of that departed household member is not budgeted retrospectively for any full payment month in which that household member does not live with that household and is not included in the assistance unit.

(3) When an individual is removed from an assistance unit because the individual is no longer a minor child, the income of that individual is not budgeted retrospectively for payment months in which that individual is not a member of the assistance unit, except that income of an ineligible child in the household must continue to be budgeted retrospectively against the child's needs when the parent or parents of that child request allocation of their income against any unmet needs of that ineligible child.

(4) When a person ceases to have financial responsibility for one or more members of an assistance unit, the income of that person is not budgeted retrospectively for the payment months which follow the month in which financial responsibility ends.

Subd. 4. Significant change in gross income. The county agency must recalculate the assistance payment when an assistance unit experiences a significant change, as defined in section 256J.08, resulting in a reduction in the gross income received in the payment month from the gross income received in the budget month. The county agency must issue a supplemental assistance payment based on the county agency's best estimate of the assistance unit's income and circumstances for the payment month. Supplemental assistance payments that result from significant changes are limited to two in a 12-month period regardless of the reason for the change. Notwithstanding any other statute or rule of law, supplementary assistance payments shall not be made when the significant change in income is the result of receipt of a lump sum, receipt of an extra paycheck, business fluctuation in self-employment income, or an assistance unit member's participation in a strike or other labor action.