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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2080**

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

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

1.1 A bill for an act
1.2 relating to human services; modifying persons ineligible for MFIP; modifying
1.3 MFIP sanctions; modifying the MFIP time limit; modifying the MFIP exit
1.4 level; amending Minnesota Statutes 2010, sections 256J.08, subdivisions 34b,
1.5 51b; 256J.24, subdivision 10; 256J.26, subdivision 1; 256J.32, subdivisions
1.6 4, 6; 256J.415; 256J.42, subdivisions 1, 4, 5, 6; 256J.425, subdivisions 1, 4,
1.7 4a, 5, 6; 256J.45, subdivision 2; 256J.46, subdivision 1; 256J.50, subdivisions
1.8 6, 10; 256J.575, subdivision 3; 256J.621; 256J.626, subdivision 2; 256J.751,
1.9 subdivision 1.

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

1.11 Section 1. Minnesota Statutes 2010, section 256J.08, subdivision 34b, is amended to
1.12 read:

1.13 Subd. 34b. **Family violence waiver.** "Family violence waiver" means a waiver of
1.14 the ~~60-month~~ 36-month time limit for victims of family violence who meet the criteria
1.15 in section 256J.545 and are complying with an employment plan in section 256J.521,
1.16 subdivision 3.

1.17 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
1.18 applicants who apply on or after that date.

1.19 Sec. 2. Minnesota Statutes 2010, section 256J.08, subdivision 51b, is amended to read:

1.20 Subd. 51b. **Learning disabled.** "Learning disabled," for purposes of an extension
1.21 to the ~~60-month~~ 36-month time limit under section 256J.425, subdivision 3, clause (3),
1.22 means the person has a disorder in one or more of the psychological processes involved in
1.23 perceiving, understanding, or using concepts through verbal language or nonverbal means.
1.24 Learning disabled does not include learning problems that are primarily the result of

2.1 visual, hearing, or motor disabilities; developmental disability; emotional disturbance; or
 2.2 due to environmental, cultural, or economic disadvantage.

2.3 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 2.4 applicants who apply on or after that date.

2.5 Sec. 3. Minnesota Statutes 2010, section 256J.24, subdivision 10, is amended to read:

2.6 Subd. 10. **MFIP exit level.** The commissioner shall adjust the MFIP earned
 2.7 income disregard to ensure that most participants do not lose eligibility for MFIP until
 2.8 their income reaches at least ~~15~~ 100 percent of the federal poverty guidelines at the
 2.9 time of the adjustment. The adjustment to the disregard shall be based on a household
 2.10 size of three, and the resulting earned income disregard percentage must be applied to all
 2.11 household sizes. The adjustment under this subdivision must be implemented whenever a
 2.12 Supplemental Nutrition Assistance Program adjustment is reflected in the food portion of
 2.13 the MFIP transitional standard as required under subdivision 5a.

2.14 Sec. 4. Minnesota Statutes 2010, section 256J.26, subdivision 1, is amended to read:

2.15 Subdivision 1. **Person convicted of drug offenses.** (a) ~~Applicants or participants~~
 2.16 An individual who have has been convicted of a drug offense committed ~~after July~~
 2.17 ~~1, 1997, may, if otherwise eligible, receive MFIP benefits subject to the following~~
 2.18 ~~conditions:~~ during the previous ten years from the date of application or recertification is
 2.19 disqualified from receiving MFIP.

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

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

2.25 ~~(i) for failing a drug test the first time, the residual amount of the participant's grant~~
 2.26 ~~after making vendor payments for shelter and utility costs, if any, must be reduced by an~~
 2.27 ~~amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same~~
 2.28 ~~size. When a sanction under this subdivision is in effect, the job counselor must attempt~~
 2.29 ~~to meet with the person face-to-face. During the face-to-face meeting, the job counselor~~
 2.30 ~~must explain the consequences of a subsequent drug test failure and inform the participant~~
 2.31 ~~of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is~~
 2.32 ~~not possible, the county agency must send the participant a notice of adverse action as~~
 2.33 ~~provided in section 256J.31, subdivisions 4 and 5, and must include the information~~
 2.34 ~~required in the face-to-face meeting; or~~

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

3.13 ~~(3) A participant who fails a drug test the first time and is under a sanction due to~~
3.14 ~~other MFIP program requirements is considered to have more than one occurrence of~~
3.15 ~~noncompliance and is subject to the applicable level of sanction as specified under section~~
3.16 ~~256J.46, subdivision 1, paragraph (d).~~

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

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

3.32 ~~(2) for failing a drug test two times, the participant is permanently disqualified from~~
3.33 ~~receiving food stamps or food support. Before a disqualification under this provision is~~
3.34 ~~imposed, a job counselor must attempt to meet with the participant face-to-face. During~~
3.35 ~~the face-to-face meeting, the job counselor must identify other resources that may be~~
3.36 ~~available to the participant to meet the needs of the family and inform the participant of~~

4.1 ~~the right to appeal the disqualification under section 256J.40. If a face-to-face meeting~~
 4.2 ~~is not possible, a county agency must send the participant a notice of adverse action as~~
 4.3 ~~provided in section 256J.31, subdivisions 4 and 5, and must include the information~~
 4.4 ~~required in the face-to-face meeting.~~

4.5 (e)(b) For the purposes of this subdivision, "drug offense" means an offense that
 4.6 occurred after July 1, 1997, of sections 152.021 to 152.025, 152.0261, 152.0262, or
 4.7 152.096. Drug offense also means a conviction in another jurisdiction of the possession,
 4.8 use, or distribution of a controlled substance, or conspiracy to commit any of these
 4.9 offenses, if the offense occurred after July 1, 1997, and the conviction is a felony offense
 4.10 in that jurisdiction, or in the case of New Jersey, a high misdemeanor.

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

4.14 Sec. 5. Minnesota Statutes 2010, section 256J.32, subdivision 4, is amended to read:

4.15 Subd. 4. **Factors to be verified.** (a) The county agency shall verify the following
 4.16 at application:

- 4.17 (1) identity of adults;
- 4.18 (2) presence of the minor child in the home, if questionable;
- 4.19 (3) relationship of a minor child to caregivers in the assistance unit;
- 4.20 (4) age, if necessary to determine MFIP eligibility;
- 4.21 (5) immigration status;
- 4.22 (6) Social Security number according to the requirements of section 256J.30,
 4.23 subdivision 12;
- 4.24 (7) income;
- 4.25 (8) self-employment expenses used as a deduction;
- 4.26 (9) source and purpose of deposits and withdrawals from business accounts;
- 4.27 (10) spousal support and child support payments made to persons outside the
 4.28 household;
- 4.29 (11) real property;
- 4.30 (12) vehicles;
- 4.31 (13) checking and savings accounts;
- 4.32 (14) savings certificates, savings bonds, stocks, and individual retirement accounts;
- 4.33 (15) pregnancy, if related to eligibility;
- 4.34 (16) inconsistent information, if related to eligibility;
- 4.35 (17) burial accounts;

- 5.1 (18) school attendance, if related to eligibility;
- 5.2 (19) residence;
- 5.3 (20) criminal history by conducting a background study to determine if an applicant
- 5.4 was convicted of a drug or disqualifying offense under section 256J.26, during the
- 5.5 previous ten years from the date of application. Applicants must provide the county with
- 5.6 a set of classifiable fingerprints obtained from an authorized agency when the county
- 5.7 has reasonable cause to believe that an applicant has a criminal history in a jurisdiction
- 5.8 other than Minnesota;
- 5.9 ~~(20)~~ (21) a claim of family violence if used as a basis to qualify for the family
- 5.10 violence waiver;
- 5.11 ~~(21)~~ (22) disability if used as the basis for reducing the hourly participation
- 5.12 requirements under section 256J.55, subdivision 1, or the type of activity included in an
- 5.13 employment plan under section 256J.521, subdivision 2; and
- 5.14 ~~(22)~~ (23) information needed to establish an exception under section 256J.24,
- 5.15 subdivision 9.

5.16 (b) The applicant must pay for the background study required under paragraph

5.17 (a), clause (20); if the applicant is found to be eligible for MFIP, the applicant shall be

5.18 reimbursed for the cost of the background study at the time the first monthly grant is

5.19 awarded.

5.20 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP

5.21 applicants who apply on or after that date.

5.22 Sec. 6. Minnesota Statutes 2010, section 256J.32, subdivision 6, is amended to read:

5.23 Subd. 6. **Recertification.** (a) The county agency shall recertify eligibility in an

5.24 annual face-to-face interview with the participant and verify the following:

- 5.25 (1) presence of the minor child in the home, if questionable;
- 5.26 (2) income, unless excluded, including self-employment expenses used as a
- 5.27 deduction or deposits or withdrawals from business accounts;
- 5.28 (3) assets when the value is within \$200 of the asset limit;
- 5.29 (4) information to establish an exception under section 256J.24, subdivision 9, if
- 5.30 questionable;
- 5.31 (5) inconsistent information, if related to eligibility; ~~and~~
- 5.32 (6) whether a single caregiver household meets requirements in section 256J.575,
- 5.33 subdivision 3-; and
- 5.34 (7) criminal history by conducting a background study to determine if a recipient
- 5.35 was convicted of a drug or disqualifying offense under section 256J.26, during the

6.1 previous ten years from the date of recertification. Recipients must provide the county
 6.2 with a set of classifiable fingerprints obtained from an authorized agency when the county
 6.3 has reasonable cause to believe that a recipient has a criminal history in a jurisdiction
 6.4 other than Minnesota.

6.5 (b) The recipient must pay for the background study required under paragraph
 6.6 (a), clause (7); if the recipient continues to be eligible for MFIP, the recipient shall be
 6.7 reimbursed for the cost of the background study at the time the next monthly grant is
 6.8 awarded.

6.9 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all MFIP
 6.10 recertifications that occur on or after that date.

6.11 Sec. 7. Minnesota Statutes 2010, section 256J.415, is amended to read:

6.12 **256J.415 NOTICE OF 12 MONTHS OF TANF ASSISTANCE REMAINING.**

6.13 (a) The county agency shall mail a notice to each assistance unit when the assistance
 6.14 unit has 12 months of TANF assistance remaining and each month thereafter until the
 6.15 ~~60-month~~ 36-month limit has expired. The notice must be developed by the commissioner
 6.16 of human services and must contain information about the ~~60-month~~ 36-month limit, the
 6.17 number of months the participant has remaining, the hardship extension policy, and any
 6.18 other information that the commissioner deems pertinent to an assistance unit nearing the
 6.19 ~~60-month~~ 36-month limit.

6.20 (b) For applicants who have less than 12 months remaining in the ~~60-month~~
 6.21 36-month time limit because the unit previously received TANF assistance in Minnesota
 6.22 or another state, the county agency shall notify the applicant of the number of months of
 6.23 TANF remaining when the application is approved and begin the process required in
 6.24 paragraph (a).

6.25 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 6.26 applicants who apply on or after that date.

6.27 Sec. 8. Minnesota Statutes 2010, section 256J.42, subdivision 1, is amended to read:

6.28 Subdivision 1. **Time limit.** (a) Except as otherwise provided for in this section,
 6.29 an assistance unit in which any adult caregiver has received ~~60~~ 36 months of cash
 6.30 assistance funded in whole or in part by the TANF block grant in this or any other state
 6.31 or United States territory, or from a tribal TANF program, MFIP, the AFDC program
 6.32 formerly codified in sections 256.72 to 256.87, or the family general assistance program
 6.33 formerly codified in sections 256D.01 to 256D.23, funded in whole or in part by state

7.1 appropriations, is ineligible to receive MFIP. Any cash assistance funded with TANF
 7.2 dollars in this or any other state or United States territory, or from a tribal TANF program,
 7.3 or MFIP assistance funded in whole or in part by state appropriations, that was received by
 7.4 the unit on or after the date TANF was implemented, including any assistance received in
 7.5 states or United States territories of prior residence, counts toward the ~~60-month~~ 36-month
 7.6 limitation. Months during which any cash assistance is received by an assistance unit with
 7.7 a mandatory member who is disqualified for wrongfully obtaining public assistance under
 7.8 section 256.98, subdivision 8, counts toward the time limit for the disqualified member.
 7.9 The ~~60-month~~ 36-month limit applies to a minor caregiver except under subdivision 5.
 7.10 The ~~60-month~~ 36-month time period does not need to be consecutive months for this
 7.11 provision to apply.

7.12 (b) The months before July 1998 in which individuals received assistance as part of
 7.13 the field trials as an MFIP, MFIP-R, or MFIP or MFIP-R comparison group family are not
 7.14 included in the ~~60-month~~ 36-month time limit.

7.15 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 7.16 applicants who apply on or after that date.

7.17 Sec. 9. Minnesota Statutes 2010, section 256J.42, subdivision 4, is amended to read:

7.18 Subd. 4. **Victims of family violence.** Any cash assistance received by an assistance
 7.19 unit in a month when a caregiver complied with a safety plan, an alternative employment
 7.20 plan, or an employment plan under section 256J.521, subdivision 3, does not count toward
 7.21 the ~~60-month~~ 36-month limitation on assistance.

7.22 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 7.23 applicants who apply on or after that date.

7.24 Sec. 10. Minnesota Statutes 2010, section 256J.42, subdivision 5, is amended to read:

7.25 Subd. 5. **Exemption for certain families.** (a) Any cash assistance received by an
 7.26 assistance unit does not count toward the ~~60-month~~ 36-month limit on assistance during a
 7.27 month in which the caregiver is age 60 or older.

7.28 (b) From July 1, 1997, until the date MFIP is operative in the caregiver's county of
 7.29 financial responsibility, any cash assistance received by a caregiver who is complying
 7.30 with Minnesota Statutes 1996, section 256.73, subdivision 5a, and Minnesota Statutes
 7.31 1998, section 256.736, if applicable, does not count toward the ~~60-month~~ 36-month limit
 7.32 on assistance. Thereafter, any cash assistance received by a minor caregiver who is

8.1 complying with the requirements of sections 256J.14 and 256J.54, if applicable, does not
8.2 count ~~towards~~ toward the ~~60-month~~ 36-month limit on assistance.

8.3 (c) Any diversionary assistance or emergency assistance received prior to July 1,
8.4 2003, does not count toward the ~~60-month~~ 36-month limit.

8.5 (d) Any cash assistance received by an 18- or 19-year-old caregiver who is
8.6 complying with an employment plan that includes an education option under section
8.7 256J.54 does not count toward the ~~60-month~~ 36-month limit.

8.8 (e) Payments provided to meet short-term emergency needs under section 256J.626
8.9 and diversionary work program benefits provided under section 256J.95 do not count
8.10 toward the ~~60-month~~ 36-month time limit.

8.11 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
8.12 applicants who apply on or after that date.

8.13 Sec. 11. Minnesota Statutes 2010, section 256J.42, subdivision 6, is amended to read:

8.14 Subd. 6. **Case review.** (a) Within 180 days, but not less than 60 days, before the
8.15 end of the participant's ~~60th~~ 36th month on assistance, the county agency or job counselor
8.16 must review the participant's case to determine if the employment plan is still appropriate
8.17 and attempt to meet with the participant face-to-face.

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

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

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

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

8.25 (4) inform the participant of the right to appeal the case closure under section
8.26 256J.40.

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

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

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

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

9.1 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
9.2 applicants who apply on or after that date.

9.3 Sec. 12. Minnesota Statutes 2010, section 256J.425, subdivision 1, is amended to read:

9.4 Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant
9.5 in an assistance unit subject to the time limit under section 256J.42, subdivision 1, must be
9.6 in compliance in the participant's ~~60th~~ 36th counted month. For purposes of determining
9.7 eligibility for a hardship extension, a participant is in compliance in any month that the
9.8 participant has not been sanctioned. In order to maintain eligibility for any of the hardship
9.9 extension categories a participant shall develop and comply with either an employment
9.10 plan or a family stabilization services plan, whichever is appropriate.

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

9.16 (c) Prior to denying an extension, the county must review the sanction status and
9.17 determine whether the sanction is appropriate or if good cause exists under section
9.18 256J.57. If the sanction was inappropriately applied or the participant is granted a good
9.19 cause exception before the end of month ~~60~~ 36, the participant shall be considered for
9.20 an extension.

9.21 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
9.22 applicants who apply on or after that date.

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

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

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

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

9.33 (3) an assistance unit in which a participant is participating in employment for fewer
9.34 hours than those specified in clause (1), and the participant submits verification from a

10.1 qualified professional, in a form acceptable to the commissioner, stating that the number
10.2 of hours the participant may work is limited due to illness or disability, as long as the
10.3 participant is participating in employment for at least the number of hours specified by the
10.4 qualified professional. The participant must be following the treatment recommendations
10.5 of the qualified professional providing the verification. The commissioner shall develop a
10.6 form to be completed and signed by the qualified professional, documenting the diagnosis
10.7 and any additional information necessary to document the functional limitations of the
10.8 participant that limit work hours. If the participant is part of a two-parent assistance unit,
10.9 the other parent must be treated as a one-parent assistance unit for purposes of meeting the
10.10 work requirements under this subdivision.

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

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

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

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

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

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

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

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

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

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

10.25 (e) To be eligible for a hardship extension for employed participants under this
10.26 subdivision, a participant must be in compliance for at least ten out of the 12 months
10.27 the participant received MFIP immediately preceding the participant's ~~61st~~ 37th month
10.28 on assistance. If ten or fewer months of eligibility for TANF assistance remain at the
10.29 time the participant from another state applies for assistance, the participant must be in
10.30 compliance every month.

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

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

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

11.11 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 11.12 applicants who apply on or after that date.

11.13 Sec. 14. Minnesota Statutes 2010, section 256J.425, subdivision 4a, is amended to read:

11.14 Subd. 4a. **Hardship extension pending documentation.** If the documentation
 11.15 needed to determine if a participant is eligible for a hardship extension under subdivision 2
 11.16 or 3 is not available by the ~~60th~~ 36th month, the county agency may extend the participant
 11.17 pending receipt of the documentation if the county believes the participant is likely to
 11.18 qualify for a hardship extension and the participant is cooperating with efforts to obtain
 11.19 the documentation. If the participant is found to be not eligible for an extension, the
 11.20 participant may be responsible for an overpayment.

11.21 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 11.22 applicants who apply on or after that date.

11.23 Sec. 15. Minnesota Statutes 2010, section 256J.425, subdivision 5, is amended to read:

11.24 Subd. 5. **Accrual of certain exempt months.** (a) Participants who are not eligible
 11.25 for assistance under a hardship extension under this section shall be eligible for a hardship
 11.26 extension for a period of time equal to the number of months that were counted toward the
 11.27 ~~60-month~~ 36-month time limit while the participant was a caregiver with a child or an
 11.28 adult in the household who meets the disability or medical criteria for home care services
 11.29 under section 256B.0651, subdivision 1, paragraph (c), or a home and community-based
 11.30 waiver services program under chapter 256B, or meets the criteria for severe emotional
 11.31 disturbance under section 245.4871, subdivision 6, or for serious and persistent mental
 11.32 illness under section 245.462, subdivision 20, paragraph (c), and who was subject to the
 11.33 requirements in section 256J.561, subdivision 2.

12.1 (b) A participant who received MFIP assistance that counted toward the ~~60-month~~
 12.2 36-month time limit while the participant met the state time limit exemption criteria under
 12.3 section 256J.42, subdivision 4 or 5, is eligible for assistance under a hardship extension
 12.4 for a period of time equal to the number of months that were counted toward the ~~60-month~~
 12.5 36-month time limit while the participant met the state time limit exemption criteria
 12.6 under section 256J.42, subdivision 4 or 5.

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

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

12.15 (e) While receiving extended MFIP assistance under this subdivision, a participant is
 12.16 subject to the MFIP policies that apply to participants during the first ~~60~~ 36 months of
 12.17 MFIP, unless the participant is a member of a two-parent family in which one parent
 12.18 is extended under subdivision 3 or 4. For two-parent families in which one parent is
 12.19 extended under subdivision 3 or 4, the sanction provisions in subdivision 6 shall apply.

12.20 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 12.21 applicants who apply on or after that date.

12.22 Sec. 16. Minnesota Statutes 2010, section 256J.425, subdivision 6, is amended to read:

12.23 Subd. 6. **Sanctions for extended cases.** (a) If one or both participants in an
 12.24 assistance unit receiving assistance under subdivision 3 or 4 are not in compliance with
 12.25 the employment and training service requirements in sections 256J.521 to 256J.57,
 12.26 the sanctions under this subdivision apply. For a first occurrence of noncompliance,
 12.27 an assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph
 12.28 (c), clause (1). For a second or third occurrence of noncompliance, the assistance unit
 12.29 must be sanctioned under section 256J.46, subdivision 1, paragraph (c), clause (2). For a
 12.30 fourth occurrence of noncompliance, the assistance unit is disqualified from MFIP. If a
 12.31 participant is determined to be out of compliance, the participant may claim a good cause
 12.32 exception under section 256J.57.

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

13.1 (c) When a parent in an extended two-parent assistance unit who has not used ~~60~~
 13.2 36 months of assistance is out of compliance with the employment and training service
 13.3 requirements in sections 256J.521 to 256J.57, sanctions must be applied as specified in
 13.4 clauses (1) and (2).

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

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

13.9 (d) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent
 13.10 who has not reached the ~~60-month~~ 36-month time limit is out of compliance with the
 13.11 employment and training services requirements in sections 256J.521 to 256J.57 when the
 13.12 case is extended, the sanction in the ~~61st~~ 37th month is considered the first sanction for the
 13.13 purposes of applying the sanctions in this subdivision, except that the sanction amount
 13.14 shall be 30 percent.

13.15 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 13.16 applicants who apply on or after that date.

13.17 Sec. 17. Minnesota Statutes 2010, section 256J.45, subdivision 2, is amended to read:

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

13.20 (1) the necessity to obtain immediate employment;

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

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

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

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

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

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

14.1 (8) the caregiver's eligibility for transition year child care assistance under section
14.2 119B.05;

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

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

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

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

14.11 (13) information about the ~~60-month~~ 36-month time limit exemptions under the
14.12 family violence waiver and referral information about shelters and programs for victims
14.13 of family violence.

14.14 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
14.15 applicants who apply on or after that date.

14.16 Sec. 18. Minnesota Statutes 2010, section 256J.46, subdivision 1, is amended to read:

14.17 Subdivision 1. **Participants not complying with program requirements.** (a)
14.18 A participant who fails without good cause under section 256J.57 to comply with the
14.19 requirements of this chapter, and who is not subject to a sanction under subdivision 2,
14.20 shall be subject to a sanction as provided in this subdivision. Prior to the imposition of
14.21 a sanction, a county agency shall provide a notice of intent to sanction under section
14.22 256J.57, subdivision 2, and, when applicable, a notice of adverse action as provided
14.23 in section 256J.31.

14.24 (b) A sanction under this subdivision becomes effective the month following the
14.25 month in which a required notice is given. A sanction must not be imposed when a
14.26 participant comes into compliance with the requirements for orientation under section
14.27 256J.45 prior to the effective date of the sanction. A sanction must not be imposed
14.28 when a participant comes into compliance with the requirements for employment and
14.29 training services under sections 256J.515 to 256J.57 ten days prior to the effective date
14.30 of the sanction. For purposes of this subdivision, each month that a participant fails to
14.31 comply with a requirement of this chapter shall be considered a separate occurrence of
14.32 noncompliance. If both participants in a two-parent assistance unit are out of compliance
14.33 at the same time, it is considered one occurrence of noncompliance.

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

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

15.6 (2) For a second, ~~third, fourth, fifth, or sixth~~ occurrence of noncompliance by a
15.7 participant in an assistance unit, the assistance unit's shelter costs shall be vendor paid
15.8 up to the amount of the cash portion of the MFIP grant for which the assistance unit is
15.9 eligible. At county option, the assistance unit's utilities may also be vendor paid up to
15.10 the amount of the cash portion of the MFIP grant remaining after vendor payment of the
15.11 assistance unit's shelter costs. The residual amount of the grant after vendor payment, if
15.12 any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an
15.13 assistance unit of the same size before the residual grant is paid to the assistance unit. The
15.14 reduction in the grant amount must be in effect for a minimum of one month and shall be
15.15 removed in the month following the month that the participant in a one-parent assistance
15.16 unit returns to compliance. In a two-parent assistance unit, the grant reduction must
15.17 be in effect for a minimum of one month and shall be removed in the month following
15.18 the month both participants return to compliance. The vendor payment of shelter costs
15.19 and, if applicable, utilities shall be removed six months after the month in which the
15.20 participant or participants return to compliance. If an assistance unit is sanctioned under
15.21 this clause, the participant's case file must be reviewed to determine if the employment
15.22 plan is still appropriate.

15.23 (d) For a ~~seventh~~ third occurrence of noncompliance by a participant in an assistance
15.24 unit, or when the participants in a two-parent assistance unit have a total of ~~seven~~ three
15.25 occurrences of noncompliance, the county agency shall close the MFIP assistance unit's
15.26 financial assistance case, both the cash and food portions, and redetermine the family's
15.27 continued eligibility for food support payments. The MFIP case must remain closed for a
15.28 minimum of one full month. Before the case is closed, the county agency must review
15.29 the participant's case to determine if the employment plan is still appropriate and attempt
15.30 to meet with the participant face-to-face. The participant may bring an advocate to the
15.31 face-to-face meeting. If a face-to-face meeting is not conducted, the county agency must
15.32 send the participant a written notice that includes the information required under clause (1).

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

15.34 (i) determine whether the continued noncompliance can be explained and mitigated
15.35 by providing a needed preemployment activity, as defined in section 256J.49, subdivision
15.36 13, clause (9);

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

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

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

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

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

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

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

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

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

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

16.28 (g) An assistance unit whose case has been closed for noncompliance, that reapplies
 16.29 under paragraph (f), is subject to sanction under paragraph (c), clause (2), for a first
 16.30 occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result
 16.31 in case closure under paragraph (d).

16.32 Sec. 19. Minnesota Statutes 2010, section 256J.50, subdivision 6, is amended to read:

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

16.34 (1) explain to applicants and recipients and provide explanatory materials regarding
 16.35 the relationship between the ~~60-month~~ 36-month time limit on assistance funded with

17.1 TANF dollars and the receipt of various benefits, including cash assistance, food stamps or
 17.2 food support, medical assistance, and child care assistance; and

17.3 (2) provide assistance to applicants and recipients to enable them to minimize the
 17.4 use of their ~~60~~ 36 allowable months of TANF-funded assistance.

17.5 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 17.6 applicants who apply on or after that date.

17.7 Sec. 20. Minnesota Statutes 2010, section 256J.50, subdivision 10, is amended to read:

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

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

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

17.16 (3) victims of family violence are exempt from the ~~60-month~~ 36-month limit on
 17.17 assistance if they are complying with an employment plan under section 256J.521,
 17.18 subdivision 3; and

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

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

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

17.28 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 17.29 applicants who apply on or after that date.

17.30 Sec. 21. Minnesota Statutes 2010, section 256J.575, subdivision 3, is amended to read:

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

18.1 (1) a participant who meets the requirements for or has been granted a hardship
18.2 extension under section 256J.425, subdivision 2 or 3, except that it is not necessary for
18.3 the participant to have reached or be approaching ~~60~~ 36 months of eligibility for this
18.4 section to apply;

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

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

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

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

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

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

18.22 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
18.23 applicants who apply on or after that date.

18.24 Sec. 22. Minnesota Statutes 2010, section 256J.621, is amended to read:

18.25 **256J.621 WORK PARTICIPATION CASH BENEFITS.**

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

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

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

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

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

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

19.10 (c) Expenditures on the program are maintenance of effort state funds under
 19.11 a separate state program for participants under paragraph (b), clauses (1) and (2).
 19.12 Expenditures for participants under paragraph (b), clause (3), are nonmaintenance of effort
 19.13 funds. Months in which a participant receives work participation cash benefits under this
 19.14 section do not count toward the participant's MFIP ~~60-month~~ 36-month time limit.

19.15 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 19.16 applicants who apply on or after that date.

19.17 Sec. 23. Minnesota Statutes 2010, section 256J.626, subdivision 2, is amended to read:

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

19.22 (1) short-term, nonrecurring shelter and utility needs that are excluded from the
 19.23 definition of assistance under Code of Federal Regulations, title 45, section 260.31, for
 19.24 families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a.
 19.25 Payments under this subdivision are not considered TANF cash assistance and are not
 19.26 counted ~~towards~~ toward the ~~60-month~~ 36-month time limit;

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

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

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

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

20.3 (6) county administrative expenses as defined in Code of Federal Regulations, title
 20.4 45, section 260(b);

20.5 (7) services to parenting and pregnant teens;

20.6 (8) supported work;

20.7 (9) wage subsidies;

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

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

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

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

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

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

20.28 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
 20.29 applicants who apply on or after that date.

20.30 Sec. 24. Minnesota Statutes 2010, section 256J.751, subdivision 1, is amended to read:

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

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

20.35 (2) total number of child only assistance cases;

21.1 (3) total number of eligible adults and children receiving an MFIP grant, and
21.2 subtotals for cases with one eligible parent, two eligible parents, an eligible caregiver
21.3 who is not a parent, and child only cases;

21.4 (4) number of cases with an exemption from the ~~60-month~~ 36-month time limit
21.5 based on a family violence waiver;

21.6 (5) number of MFIP cases with work hours, and subtotals for cases with one eligible
21.7 parent, two eligible parents, and an eligible caregiver who is not a parent;

21.8 (6) number of employed MFIP cases, and subtotals for cases with one eligible
21.9 parent, two eligible parents, and an eligible caregiver who is not a parent;

21.10 (7) average monthly gross earnings, and averages for subgroups of cases with one
21.11 eligible parent, two eligible parents, and an eligible caregiver who is not a parent;

21.12 (8) number of employed cases receiving only the food portion of assistance;

21.13 (9) number of parents or caregivers exempt from work activity requirements, with
21.14 subtotals for each exemption type; and

21.15 (10) number of cases with a sanction, with subtotals by level of sanction for cases
21.16 with one eligible parent, two eligible parents, and an eligible caregiver who is not a parent.

21.17 **EFFECTIVE DATE.** This section is effective July 1, 2012, for all new MFIP
21.18 applicants who apply on or after that date.