

SENATE  
STATE OF MINNESOTA  
EIGHTY-NINTH SESSION

S.F. No. 137

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DATE	D-PG	OFFICIAL STATUS
01/15/2015	74	Introduction and first reading Referred to Health, Human Services and Housing
02/19/2015	321	Comm report: To pass and re-referred to Finance See SF1458, Art. 1, Sec. 13-14

A bill for an act  
relating to human services; modifying the family assets for independence  
program; appropriating money; amending Minnesota Statutes 2014, section  
256E.35, subdivision 2, by adding a subdivision.  
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2014, section 256E.35, subdivision 2, is amended to read:

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

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

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

(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the extent section 2302 is in effect on August 1, 2008.

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

~~(e)~~ (d) "Fiduciary organization" means:

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

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

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

(e) "Financial coach" means a person who:

(1) has completed an intensive financial literacy training workshop that includes curriculum on budgeting to increase savings, debt reduction and asset building, building a good credit rating, and consumer protection;

(2) participates in ongoing statewide family assets for independence in Minnesota (FAIM) network training meetings under FAIM program supervision; and

(3) provides financial coaching to program participants under subdivision 4a.

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

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

~~(e)~~ (h) "Permissible use" means:

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

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

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

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

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

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

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

~~(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the extent section 2302 is in effect on August 1, 2008.~~

3.1 Sec. 2. Minnesota Statutes 2014, section 256E.35, is amended by adding a subdivision  
3.2 to read:

3.3 Subd. 4a. **Financial coaching.** A financial coach shall provide the following  
3.4 to program participants:

3.5 (1) financial education relating to budgeting, debt reduction, asset-specific training,  
3.6 and financial stability activities;

3.7 (2) asset-specific training related to buying a home, acquiring postsecondary  
3.8 education, or starting or expanding a small business; and

3.9 (3) financial stability education and training to improve and sustain financial security.

3.10 Sec. 3. **APPROPRIATION.**

3.11 \$250,000 in fiscal year 2016 and \$250,000 in fiscal year 2017 are appropriated from  
3.12 the general fund to the commissioner of human services for purposes of funding financial  
3.13 coaching under Minnesota Statutes, section 256E.35, subdivision 4a.