

of the advisory council required by that section to be acupuncture practitioners, who are appointed to the initial advisory committee, need not be licensed under Minnesota Statutes, section 147B.02, but must satisfy the qualifications for licensure provided in section 147B.02, subdivision 7, and must have been engaged in acupuncture practice a minimum of three years.

(b) Two members of the initial advisory committee appointed must have an initial term of one year, two members an initial term of two years, and three members an initial term of three years.

Sec. 11. **APPROPRIATION.**

\$10,000 in fiscal year 1996 and \$10,000 in fiscal year 1997 are appropriated from the state government special revenue fund to the state board of medical practice to license acupuncture practitioners under this act.

Sec. 12. **EFFECTIVE DATE.**

This act is effective July 1, 1995.

Presented to the governor May 15, 1995

Signed by the governor May 17, 1995, 2:00 p.m.

CHAPTER 178—H.F.No. 5

An act relating to health and human services; authorizing welfare reform; childhood immunization; social services programs; recovery of funds; requesting federal waivers for programs; employment, education, and training programs; allocation and use of funds; coverage of health services; child support; data collection and disclosure; tax credits; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.01, by adding subdivisions; 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3a, 4a, 5, 10, 10a, 14, 16, and by adding a subdivision; 256.81; 256.979, subdivisions 1a, 2, and by adding a subdivision; 256.74, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256B.0625, subdivision 13; 256D.01, subdivision 1a; 256D.03, subdivision 4; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; and 256D.09, subdivision 2a, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113.

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

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ARTICLE 1

WELFARE REFORM TASK FORCE

Section 1. LEGISLATIVE TASK FORCE TO GUIDE WELFARE REFORM.

Subdivision 1. MEMBERSHIP. The speaker of the house and the senate majority leader shall appoint at least five members from each body to constitute a legislative task force to guide welfare reform. At least two of the members appointed from each body shall be from the minority party. The task force shall be jointly chaired by a member of the senate and a member of the house of representatives. Members shall be appointed before June 1, 1995, and shall convene as soon as possible during the 1995 interim at the call of the chairs.

Subd. 2. DUTIES. Members shall examine options for welfare reform in the program of Aid to Families with Dependent Children, with a view to designing an integrated, comprehensive statewide program for presentation to the legislature during the 1996 session. Members shall design a program which encourages family self-sufficiency and promotes work and which is coordinated and integrated with the Minnesota STRIDE program, the MFIP program, the targeted jobs program developed under section 268.905, and any changes enacted by the Congress during the 1995 session. Members shall also review the temporary county assistance program authorized by Minnesota Statutes, section 256D.23, and make recommendations on that program to the 1996 legislature.

The departments of human services and economic security shall assist the task force by providing information as requested. The task force shall seek input from a wide variety of groups, including state agencies, the governor's office, county agencies, advocacy groups including representatives of non-English-speaking constituencies, welfare recipients, and local and national experts. The task force shall be assisted as necessary by legislative staff.

Subd. 3. REPORT. The task force shall present a report containing its recommendations on the temporary county assistance program and its proposal for comprehensive welfare reform, with draft legislation, to the legislature by February 1, 1996. The report shall specify federal waivers needed and set timelines for implementation.

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ARTICLE 2

WELFARE REFORM

Section 1. Minnesota Statutes 1994, section 256.01, is amended by adding a subdivision to read:

Subd. 4a. TECHNICAL ASSISTANCE FOR IMMUNIZATION REMINDERS. The state agency shall provide appropriate technical assistance to county agencies to develop methods to have county financial workers remind and encourage recipients of aid to families with dependent children, the Minnesota family investment plan, medical assistance, family general assistance, or food stamps whose assistance unit includes at least one child under the age of five to have each young child immunized against childhood diseases. The state agency must examine the feasibility of utilizing the capacity of a statewide computer system to assist county agency financial workers in performing this function at appropriate intervals.

Sec. 2. Minnesota Statutes 1994, section 256.01, is amended by adding a subdivision to read:

Subd. 13. PILOT PROJECT; PROTOCOLS FOR PERSONS LACKING PROFICIENCY IN ENGLISH. The commissioner of human services shall establish pilot projects in Hennepin and Ramsey counties to provide language assistance to clients applying for or receiving aid through the county social service agency. The projects shall be designed to provide translation, in the five foreign languages that are most common to applicants and recipients in the pilot counties, to individuals lacking proficiency in English, who are applying for or receiving assistance under any program supervised by the commissioner of human services. As part of the project, the commissioner shall ensure that the Combined Application Form (CAF) is available in these five languages. The projects shall also provide language assistance to individuals applying for or receiving aid under programs which the department of human services operates jointly with other executive branch agencies, including all work and training programs operated under chapters 256 and 256D. The purpose of the pilot projects is to ensure that information regarding a program is presented in translation to applicants for and recipients of assistance who lack proficiency in English. In preparing the protocols to be used in the pilot programs, the commissioner shall seek input from the following groups: advocacy organizations that represent non-English speaking clients, county social service agencies, legal advocacy groups, employment and training providers, and other affected groups. The commissioner shall develop the protocols by October 1, 1995, and shall implement them as soon as feasible in the pilot counties. The commissioner shall report to the legislature by February 1, 1996, on the protocols developed, on the status of their implementation in the pilot counties, and shall include recommendations for statewide implementation.

Sec. 3. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

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Subd. 3b. ELIGIBILITY NOT BARRED BY WORKING OVER 99 HOURS; PAST EMPLOYMENT HISTORY; 30-DAY WAITING PERIOD. An individual receiving assistance may work over 99 hours per month and remain eligible for assistance, provided all other requirements of the aid to families with dependent children-unemployed parent program are met. The applicant is not required to demonstrate past employment history or 30 days of prior unemployment to be eligible for AFDC-unemployed parent. This subdivision is effective upon federal approval and implementation of the waiver under section 46, subdivision 4.

Sec. 4. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 5a. PARENTING OR PREGNANT MINORS; RESTRICTION ON ASSISTANCE WITH FEDERAL EXCEPTIONS. (a) The definitions in this paragraph only apply to this subdivision.

(1) "Minor parent" means an individual who:

(i) is under the age of 18;

(ii) has never been married or otherwise legally emancipated; and

(iii) is either the natural parent of a dependent child living in the same household or eligible for assistance paid to a pregnant woman under subdivision 5.

(2) "Household of a parent, legal guardian, or other adult relative" means the place of residence of:

(i) a natural or adoptive parent;

(ii) a legal guardian pursuant to appointment or acceptance under section 260.242, 525.615, or 525.6165, and related laws; or

(iii) another individual who is age 18 or over and related to the minor parent as specified in Code of Federal Regulations, title 45, section 233.90(c)(1)(v), provided that the residence is maintained as a home for the minor parent and child under Code of Federal Regulations, title 45, section 233.90(c)(1)(v)(B).

(3) "Adult-supervised supportive living arrangement" means a private family setting which assumes responsibility for the care and control of the minor parent and dependent child, or other living arrangement, not including a public institution, licensed by the commissioner of human services which ensures that the minor parent receives adult supervision and supportive services, such as counseling, guidance, independent living skills training, or supervision.

(b) A minor parent and the dependent child who is in the care of the minor parent must reside in the household of a parent, legal guardian, or other adult relative, or in an adult-supervised supportive living arrangement in order to receive AFDC unless:

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(1) the minor parent has no living parent or legal guardian whose whereabouts is known;

(2) no living parent or legal guardian of the minor parent allows the minor parent to live in the parent's or legal guardian's home;

(3) the minor parent lived apart from the minor parent's own parent or legal guardian for a period of at least one year before either the birth of the dependent child or the minor parent's application for AFDC;

(4) the physical or emotional health or safety of the minor parent or dependent child would be jeopardized if the minor parent and the dependent child resided in the same residence with the minor parent's parent or legal guardian;

(5) the minor parent and dependent child have, on the effective date of this section, been living independently as part of an approved social services plan for less than one year; or

(6) an adult supervised supportive living arrangement is not available for the minor parent and the dependent child in the county in which the minor currently resides. If an adult supervised supportive living arrangement becomes available within the county, the minor parent and child must reside in that arrangement.

(c) Minor applicants must be informed orally and in writing about the eligibility requirements and their rights and obligations under the AFDC program. The county must advise the minor of the possible exemptions and specifically ask whether one or more of these exemptions is applicable. If the minor alleges one or more of these exemptions, then the county must assist the minor in obtaining the necessary verifications to determine whether or not these exemptions apply.

(d) If the county worker has reason to suspect that the physical or emotional health or safety of the minor parent or dependent child would be jeopardized if they resided with the minor parent's parent or legal guardian, then the county worker must make a referral to child protective services to determine if paragraph (b), clause (4), applies. A new determination by the county worker is not necessary if one has been made within the last six months, unless there has been a significant change in circumstances which justifies a new referral and determination.

(e) If a minor parent is not living with a parent or legal guardian due to paragraph (b), clause (1), (2), or (4), the minor parent must reside, when possible, in a living arrangement that meets the standards of paragraph (a), clause (3).

(f) When a minor parent and his or her dependent child live with the minor parent's parent, legal guardian, or other adult relative, or in an adult supervised supportive living arrangement, AFDC must be paid, when possible, in the form of a protective payment on behalf of the minor parent and dependent child in accordance with Code of Federal Regulations, title 45, section 234.60.

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Sec. 5. Minnesota Statutes 1994, section 256.73, subdivision 8, is amended to read:

Subd. 8. **RECOVERY OF OVERPAYMENTS.** (a) Except as provided in subdivision 8a, if an amount of aid to families with dependent children assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member for one or more monthly assistance payments until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. If the overpayment is due solely to having wrongfully obtained assistance, whether based on a court order, the finding of an administrative fraud disqualification hearing or a waiver of such a hearing, or a confession of judgment containing an admission of an intentional program violation, the amount of this reduction shall be ten percent. In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the above aid reductions, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance in accordance with standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.

Sec. 6. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 8a. START WORK OFFSET. An overpayment resulting from earned income received in the first month of employment is not recoverable by the county agency provided the aid to families with dependent children assistance unit has not voluntarily quit employment, without good cause under section 268.09, subdivision 1, paragraph (a), in the past two years. A "start work offset" for purposes of this subdivision is the amount of the overpayment the assistance unit would otherwise be required to repay to the county under subdivision 8. This subdivision is effective upon federal approval and implementation of the waiver under section 46, subdivision 3.

Sec. 7. [256.7341] **TEMPORARY PUBLIC SERVICE OR COMMUNITY SERVICE JOBS.**

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A participant, except an obligor participating in an approved community investment program under section 518.551, may not work in a temporary public service or community service job for a public employer for more than 67 working days or 536 hours in a calendar year, whichever is greater, as part of a work program established under this chapter except by written agreement of the exclusive representative of affected employees of the public employer. Upon the written request of the exclusive bargaining representative, a county or public service employer shall make available to the affected exclusive bargaining representative a report of hours worked by participants in temporary public service or community service jobs.

Sec. 8. Minnesota Statutes 1994, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. **PARTICIPATION.** (a) Except as provided under paragraphs (b) and (c), participation in employment and training services under this section is limited to the following recipients:

(1) caretakers who are required to participate in a job search under subdivision 14;

(2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;

(3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;

(4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;

(5) custodial parents under the age of 24 who: (i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or (ii) have had little or no work experience in the preceding year;

(6) recipients who have received AFDC for 36 or more months out of the last 60 months;

(7) recipients who are participants in the self-employment investment demonstration project under section 268.95; and

(8) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient either to meet federal performance targets or to fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate family ser-

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vices committee, the house health and human services committee, the family services division of the senate family services and health care committees, and the human services division of the house health and human services committee, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under this section:

(1) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(2) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of money appropriated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraph (a) or (b) to participate. Money must be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Caretakers must be selected on a first-come, first-served basis from a waiting list of caretakers who volunteer to participate. The commissioner may, on a quarterly basis, reallocate unused allocations to county agencies that have sufficient volunteers. If funding under this paragraph is discontinued in future fiscal years, caretakers who began participating under this paragraph must be deemed eligible under paragraph (a), clause (3).

(d) Participants who are eligible and enroll in the STRIDE program under one of the categories of this subdivision are required to cooperate with the assessment and employability plan development, and to meet the terms of their employability plan. Failure to comply, without good cause, shall result in the imposition of sanctions as specified in subdivision 4, clause (6).

Sec. 9. Minnesota Statutes 1994, section 256.736, subdivision 4a, is amended to read:

Subd. 4a. **NOTICE, CONCILIATION, AND RIGHT OF APPEAL.** If the employment and training service provider determines that the caretaker has failed or refused, without good cause, to cooperate or accept employment, the employment and training service provider shall issue to the caretaker a written notice of its determination of noncooperation or refusal to accept employment. The notice must include a detailed explanation of the reason for the determination and must specify the consequences for failure or refusal to cooperate or accept employment, the actions which the employment and training service provider believes are necessary for the caretaker to comply with the employment and training program, and the right to request, within ten days of receipt of the date the notice was mailed or hand delivered, a conciliation conference. The

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employment and training service provider or the county agency must conduct a conciliation conference within five days of a timely request. If the dispute between the employment and training service provider and the caretaker is not resolved in the conciliation conference or a request for a conciliation conference is not made within the required time, ~~then~~ the employment and training service provider shall notify the county board of a caretaker's failure without good cause to cooperate or accept employment. Unless the county agency has evidence to the contrary, the county agency shall implement the sanction provisions of subdivision 4. Any determination, action, or inaction on the part of the county board relating to a caretaker's participation under section 256.736 is subject to the notice and hearing procedures in section 256.045, and Code of Federal Regulations, title 45, section 205.10.

Sec. 10. Minnesota Statutes 1994, section 256.736, subdivision 5, is amended to read:

Subd. 5. **EXTENSION OF EMPLOYMENT AND TRAINING OPPORTUNITIES.** The commissioner of human services shall cooperate with the commissioner of economic security and the commissioner of trade and economic development to extend the availability of training and employment opportunities on a statewide basis and to assist local employment advisory groups convened under this subdivision. The county welfare agency may convene an employment advisory group which shall include but not be limited to representatives from the local chamber of commerce, from major area employers, from private and public collective bargaining units who shall be represented by their exclusive representatives, from secondary and post-secondary educational institutions in the community, and from job services offices operated by the commissioner of economic security under chapter 268. The county welfare agency shall work with the local employment advisory group to maximize the job opportunities for welfare clients. In a county where a private industry council has been established, the county welfare agency may work with the council to maximize job opportunities in lieu of or in addition to convening an employment advisory group.

Sec. 11. Minnesota Statutes 1994, section 256.736, subdivision 10, is amended to read:

Subd. 10. **COUNTY DUTIES.** (a) To the extent of available state appropriations, county boards shall:

(1) refer all mandatory and eligible volunteer caretakers permitted to participate under subdivision 3a to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider the target group of which the referred caretaker is a member;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

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(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the target groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage nontarget caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using available funds to caretakers who participate in employment and training programs;

(11) ensure that orientation, job search, services to custodial parents under the age of 20, educational activities and work experience for AFDC-UP families, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;

(12) explain in its local service unit plan under section 268.88 how it will ensure that target caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14, a community work experience program as defined in section 256.737, grant diversion as defined in section 256.739, and on-the-job training as defined in section 256.738. A county may also provide another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. A county is not required to provide a community work experience program if the county agency is successful in placing at least 40 percent of the monthly average of all caretakers who are subject to the job search requirements of subdivision 14 in grant diversion or on-the-job training program;

(14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in an approved employment and training service. The assessment must include an evaluation of the participant's

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(i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause (14); (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in, including the worksite to which the caretaker will be assigned, if the caretaker is subject to the requirements of section 256.737, subdivision 2; (vi) specifies necessary supportive services such as child care; (vii) reflects the effort to arrange mandatory activities so that the activities do not interfere with access to available English as a second language classes and to the extent possible, reflects the preferences of the participant; ~~and~~ (viii) includes a written agreement between the county agency and the caretaker that outlines a reasonable schedule for completing the plan, including specific completion deadlines, and confirms that (A) there is a market for full-time employees with this education or training where the caretaker will or is willing to reside upon completion of the program; (B) the average wage level for employees with this education or training is greater than the caretaker can earn without this education or training; (C) the caretaker has the academic ability to successfully complete the program; and (D) there is a reasonable expectation that the caretaker will complete the training program based on such factors as the caretaker's previous education, training, work history, current motivation, and changes in previous circumstances; and (ix) specifies the recipient's long-term employment goal which shall lead to self-sufficiency;

(16) provide written notification to and obtain the written ~~or oral~~ concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements ~~to~~ and assure that no work assignment under this section or sections 256.737, 256.738, and 256.739, or the Minnesota parent's fair share mandatory community work experience program results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737, 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738,

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a participant filling an established unfilled position vacancy, If an exclusive bargaining representative and a county or public service employer disagree regarding whether job duties are covered under a collective bargaining agreement, the exclusive bargaining representative or the county or public service employer may petition the bureau of mediation services, and the bureau shall determine if the job duties are covered by a collective bargaining agreement; and

(17) assess each caretaker in an AFDC-UP family who is under age 25, has not completed high school or a high school equivalency program, and who would otherwise be required to participate in a work experience placement under section 256.737 to determine if an appropriate secondary education option is available for the caretaker. If an appropriate secondary education option is determined to be available for the caretaker, the caretaker must, in lieu of participating in work experience, enroll in and meet the educational program's participation and attendance requirements. "Secondary education" for this paragraph means high school education or education designed to prepare a person to qualify for a high school equivalency certificate, basic and remedial education, and English as a second language education. A caretaker required to participate in secondary education who, without good cause, fails to participate shall be subject to the provisions of subdivision 4a and the sanction provisions of subdivision 4, clause (6). For purposes of this clause, "good cause" means the inability to obtain licensed or legal nonlicensed child care services needed to enable the caretaker to attend, inability to obtain transportation needed to attend, illness or incapacity of the caretaker or another member of the household which requires the caretaker to be present in the home, or being employed for more than 30 hours per week.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a target caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined under chapter 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the non-target caretaker relocates to another county or when a target caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

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Sec. 12. Minnesota Statutes 1994, section 256.736, subdivision 10a, is amended to read:

Subd. 10a. **ORIENTATION.** (a) Each county agency must provide an orientation to all caretakers within its jurisdiction in the time limits described in this paragraph:

(1) within 60 days of being determined eligible for AFDC for caretakers with a continued absence or incapacitated parent basis of eligibility; or

(2) within 30 days of being determined eligible for AFDC for caretakers with an unemployed parent basis of eligibility.

(b) Caretakers are required to attend an in-person orientation if the caretaker is a member of one of the groups listed in subdivision 3a, paragraph (a), unless the caretaker is exempt from registration under subdivision 3 and the caretaker's exemption basis will not expire within 60 days of being determined eligible for AFDC, or the caretaker is enrolled at least half time in any recognized school, training program, or institution of higher learning and the in-person orientation cannot be scheduled at a time that does not interfere with the caretaker's school or training schedule. The county agency shall require attendance at orientation of caretakers described in subdivision 3a, paragraph (b) or (c), if the commissioner determines that the groups are eligible for participation in employment and training services.

(c) The orientation must consist of a presentation that informs caretakers of:

(1) the identity, location, and phone numbers of employment and training and support services available in the county;

(2) the types and locations of child care services available through the county agency that are accessible to enable a caretaker to participate in educational programs or employment and training services;

(3) the child care resource and referral program designated by the commissioner providing education and assistance to select child care services and a referral to the child care resource and referral when assistance is requested;

(4) the obligations of the county agency and service providers under contract to the county agency;

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

(6) the grounds for exemption from mandatory employment and training services or educational requirements;

(7) the consequences for failure to participate in mandatory services or requirements;

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(8) the method of entering educational programs or employment and training services available through the county;

(9) the availability and the benefits of the early and periodic, screening, diagnosis and treatment (EPSDT) program and preschool screening under chapter 123;

(10) their eligibility for transition year child care assistance when they lose eligibility for AFDC due to their earnings;

(11) their eligibility for extended medical assistance when they lose eligibility for AFDC due to their earnings; and

(12) the availability and benefits of the Head Start program.

(d) All orientation programs should provide information to caretakers on parenting, nutrition, household management, food preparation, and other subjects relevant to promoting family integration and self-sufficiency and provide detailed information on community resources available for training sessions on these topics.

(e) Orientation must encourage recipients to view AFDC as a temporary program providing grants and services to individuals who set goals and develop strategies for supporting their families without AFDC assistance. The content of the orientation must not imply that a recipient's eligibility for AFDC is time limited. Orientation may be provided through audio-visual methods, but the caretaker must be given an opportunity for face-to-face interaction with staff of the county agency or the entity providing the orientation, and an opportunity to express the desire to participate in educational programs and employment and training services offered through the county agency.

(f) County agencies shall not require caretakers to attend orientation for more than three hours during any period of 12 continuous months. The county agency shall also arrange for or provide needed transportation and child care to enable caretakers to attend.

The county or, under contract, the county's employment and training service provider shall mail written orientation materials containing the information specified in paragraph (c), clauses (1) to (3) and (8) to (12), to each caretaker exempt from attending an in-person orientation or who has good cause for failure to attend after at least two dates for their orientation have been scheduled. The county or the county's employment and training service provider shall follow up with a phone call or in writing within two weeks after mailing the material.

(g) Persons required to attend orientation must be informed of the penalties for failure to attend orientation, support services to enable the person to attend, what constitutes good cause for failure to attend, and rights to appeal. Persons required to attend orientation must be offered a choice of at least two

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dates for their first scheduled orientation. No person may be sanctioned for failure to attend orientation until after a second failure to attend.

~~(g)~~ (h) Good cause for failure to attend an in-person orientation exists when a caretaker cannot attend because of:

(1) temporary illness or injury of the caretaker or of a member of the caretaker's family that prevents the caretaker from attending an orientation during the hours when the orientation is offered;

(2) a judicial proceeding that requires the caretaker's presence in court during the hours when orientation is scheduled; or

(3) a nonmedical emergency that prevents the caretaker from attending an orientation during the hours when orientation is offered. "Emergency" for the purposes of this paragraph means a sudden, unexpected occurrence or situation of a serious or urgent nature that requires immediate action.

~~(h)~~ (i) Caretakers must receive a second orientation only when:

(1) there has been a 30-day break in AFDC eligibility; and

(2) the caretaker has not attended an orientation within the previous 12-month period, excluding the month of reapplication for AFDC.

Sec. 13. Minnesota Statutes 1994, section 256.736, subdivision 14, is amended to read:

Subd. 14. **JOB SEARCH.** (a) Each county agency must establish and operate a job search program as provided under this section. Unless all caretakers in the household are exempt, the principal wage earner in an AFDC-UP assistance unit must one nonexempt caretaker in each AFDC-UP household must be referred to and begin participation in the job search program within 30 days of being determined eligible for AFDC. If the principal wage earner is exempt from participation in job search, the other caretaker must be referred to and begin participation in the job search program within 30 days of being determined eligible for AFDC. The principal wage earner or the other assistance unit contains more than one nonexempt caretaker, the caretakers may determine which caretaker shall participate. The designation may be changed only once annually at the annual redetermination of eligibility. If no designation is made or if the caretakers cannot agree, the county agency shall designate the caretaker having earned the greater of the incomes, including in-kind income, during the 24-month period immediately preceding the month of application for AFDC benefits as the caretaker that must participate. When no designation is made or the caretakers cannot agree and neither caretaker had earnings or the earnings were identical for each caretaker, then the county agency shall designate the caretaker who must participate. A caretaker is exempt from job search participation if:

(1) the caretaker is exempt from registration under subdivision 3; or

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(2) the caretaker is under age 25, has not completed a high school diploma or an equivalent program, and is participating in a secondary education program as defined in subdivision 10, paragraph (a), clause (17), which is approved by the employment and training service provider in the employability development plan.

(b) The job search program must provide four consecutive weeks of job search activities for no less than 20 hours per week but not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county agency if the caretaker fails to cooperate with the job search requirement. A person for whom lack of proficiency in English, as determined by an appropriate evaluation, is a barrier to employment, can choose to attend an available intensive, functional work literacy program for a minimum of 20 hours in place of the 20 hours of job search activities. The caretaker's employability development plan must include the length of time needed in the program, specific outcomes, attendance requirements, completion dates, and employment goals as they pertain to the intensive literacy program.

(c) The job search program may provide services to non-AFDC-UP caretakers.

(d) After completion of job search requirements in this section, nonexempt caretakers shall be placed in and must participate in and cooperate with the work experience program under section 256.737, the on-the-job training program under section 256.738, or the grant diversion program under section 256.739. Caretakers must be offered placement in a grant diversion or on-the-job training program, if either such employment is available, before being required to participate in a community work experience program under section 256.737. When a nonexempt caretaker fails to cooperate with the job search program, the work experience program, the on-the-job training program, or the community work experience program and is subject to the sanction provisions of subdivision 4, the second caretaker in the assistance unit, unless exempt, must also be removed from the grant unless that second caretaker has been referred to and has started participating in the job search program and subsequently in the work experience program, the on-the-job training program, or the community work experience program prior to the date the sanction begins for the first caretaker. The second caretaker is ineligible for AFDC until the first caretaker's sanction ends or the second caretaker cooperates with the requirements.

Sec. 14. Minnesota Statutes 1994, section 256.736, subdivision 16, is amended to read:

Subd. 16. **ALLOCATION AND USE OF MONEY.** (a) State money appropriated for employment and training services under this section must be allocated to counties as specified in paragraphs (b) to (j) (l).

(b) For purposes of this subdivision, "targeted caretaker" means a recipient who:

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(1) is a custodial parent under the age of 24 who: (i) has not completed a high school education and at the time of application for AFDC is not enrolled in high school or in a high school equivalency program; or (ii) had little or no work experience in the preceding year;

(2) is a member of a family in which the youngest child is within two years of being ineligible for AFDC due to age; or

(3) has received 36 months or more of AFDC over the last 60 months.

(c) One hundred percent of the money appropriated for case management services as described in subdivision 11 must be allocated to counties based on the average number of cases in each county described in clause (1). Money appropriated for employment and training services as described in subdivision 1a, paragraph (d), other than case management services, must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which either have been open for 36 or more consecutive months or have a caretaker who is under age 24 and who has no high school or general equivalency diploma. The average number of cases must be based on counts of these cases as of March 31, June 30, September 30, and December 31 of the previous year.

(2) Twenty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which are not counted under clause (1). The average number of cases must be based on counts of cases as of March 31, June 30, September 30, and December 31 of the previous year.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for target group members in each county.

(d) No more than 15 percent of the money allocated under paragraph (b) and no more than 15 percent of the money allocated under paragraph (c) may be used for administrative activities.

(e) At least 55 percent of the money allocated to counties under paragraph (c) must be used for employment and training services for caretakers in the target groups, and up to 45 percent of the money may be used for employment and training services for nontarget caretakers. One hundred percent of the money allocated to counties for case management services must be used to provide those services to caretakers in the target groups.

(f) Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs

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under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.

(g) Counties, the department of economic security, and entities under contract with either the department of economic security or the department of human services for provision of ~~Project~~ STRIDE related services shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of economic security that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to the county, the department of economic security, or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(h) The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the third quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.

(i) The county agency may continue to provide case management and supportive services to a participant for up to 90 days after the participant loses AFDC eligibility and may continue providing a specific employment and training service for the duration of that service to a participant if funds for the service are obligated or expended prior to the participant losing AFDC eligibility.

(j) One hundred percent of the money appropriated for an unemployed parent work experience program under section 256.737 must be allocated to counties based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(k) The commissioner may waive the requirement of paragraph (e) that case management funds be spent only on case management services in order to permit the development of a unified STRIDE funding allocation for each county agency. The unified allocation may be expended by the county agency for case management and employment and training activities in the proportion determined necessary to streamline administrative procedures and enhance program performance. The commissioner, in consultation with the commissioner of economic security, may also grant a waiver from program spending limits in paragraphs (d) and (e) to any county which can demonstrate increased program effectiveness through a written request to the department. Counties which request a waiver of the spending limits in paragraphs (d) and (e) shall amend

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their local service unit plans and receive approval of the plans prior to commencing the waiver. The commissioners of human services and economic security shall annually evaluate the effectiveness of all waivers approved under this subdivision.

(1) Effective July 1, 1995, the commissioner of human services shall begin developing a performance model for the purpose of analyzing each county's performance in the provision of STRIDE employment and training services. Beginning February 1, 1997, and each year thereafter, the commissioner of human services shall inform each county of the county's performance based upon the following measures:

- (1) employment rate at termination of STRIDE eligibility;
- (2) wage rate at termination of STRIDE eligibility;
- (3) average annual cost per placement calculated by dividing the total STRIDE expenditures by the number of participants placed in unsubsidized employment;

(4) AFDC-UP participation rate;

(5) percentage of 18- and 19-year-old custodial parents subject to secondary education requirements of subdivision 3b who complete secondary education or equivalent course of study; and

(6) achievement of federally mandated JOBS participation rate.

Performance measures (1), (2), and (3) shall be adjusted to reflect local conditions.

County agencies must take the results of these performance measures into consideration when selecting employment and training service providers.

Sec. 15. Minnesota Statutes 1994, section 256.736, is amended by adding a subdivision to read:

Subd. 20. SPECIAL PROVISIONS FOR PERSONS PARTICIPATING IN EDUCATIONAL PROGRAMS. The provisions of this subdivision are applicable to all project STRIDE participants, including those subject to subdivision 3b and section 256.737.

(a) For recipients eligible to participate under subdivision 3b who are enrolled in a high school equivalency program on a full-time basis, there is no work requirement. Individuals who are enrolled part time in a high school equivalency program must take classroom instruction for at least six hours per week, meet the attendance and satisfactory progress requirements as defined by the employment and training service provider in consultation with the provider of the high school equivalency program, and concurrently work a monthly average of not less than 64 hours in employment paying at least minimum wage or

in documented volunteer work. Hours spent assisting at a licensed day care center shall count toward the weekly hours needed to fulfill the employment or volunteer requirement. "Volunteer work" shall include attendance at parenting skill classes. Failure to comply, without good cause, with this requirement shall result in the imposition of sanctions as specified in subdivision 4, clause (6).

(b) Concurrent with participation in post-secondary education or training approved in an employability development plan under subdivision 10, paragraph (a), clause (15), the participant must work at a minimum the number of hours per month prescribed by this subdivision in employment paying at least minimum wage or in documented volunteer work for a public or nonprofit agency and agree to search for and accept any offer of suitable employment upon completion of the education or training. For individuals who are participating in an educational program under this paragraph on a full-time basis as determined by the institution, there is no work requirement. For individuals participating in an educational program on a part-time basis as determined by the institution, the number of hours that a participant must work shall be increased or decreased in inverse proportion to the number of credit hours being taken, with a maximum of eight hours weekly of work. Hours spent assisting at a licensed day care center shall count towards the weekly hours needed to fulfill the employment or volunteer requirement. "Volunteer work" shall include attendance at parenting skill classes.

Sec. 16. Minnesota Statutes 1994, section 256.737, subdivision 1a, is amended to read:

Subd. 1a. **COMMISSIONER'S DUTIES.** The commissioner shall: (a) assist counties in the design and implementation of these programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until June 30, 1993, unless superseded by permanent rules; (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law; (d) ensure that participants at CWEP worksites are assigned to work, and require revision of the CWEP work plan in cases where work is not available at the site; (e) shall design and implement an intensive, functional work literacy program that addresses the barriers to employment for nonexempt caretakers in AFDC-UP households who lack proficiency in English. The commissioner is encouraged to work with adult basic education providers to provide functional work literacy services, where available. The intensive, functional work literacy program must be designed to assist nonexempt caretakers in AFDC-UP households achieve self-sufficiency by enhancing their employability through concurrent participation in meaningful work experience, job search skills, and functional work literacy; and ~~(d)~~ (f) prohibit the use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee bargaining unit position established as of January 1, 1993. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the community work experience program. Written or oral concurrence with respect

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to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative within seven days. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program.

Sec. 17. Minnesota Statutes 1994, section 256.737, subdivision 2, is amended to read:

Subd. 2. **PROGRAM REQUIREMENTS.** (a) Worksites developed under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, community service, services to aged or disabled citizens, and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.

(b) As a condition to placing a person receiving aid to families with dependent children in a program under this subdivision, the county agency shall first provide the recipient the opportunity:

(1) for placement in suitable subsidized or unsubsidized employment through participation in job search under section 256.736, subdivision 14; or

(2) for placement in suitable employment through participation in on-the-job training under section 256.738 or grant diversion under section 256.739, if such employment is available.

(c) A caretaker referred to job search under section 256.736, subdivision 14, and who has failed to secure suitable employment must participate in a community work experience program.

(d) The county agency shall limit the maximum number of hours any participant under this section may work in any month to:

(1) for counties operating an approved mandatory community work experience program as of January 1, 1993, who elect this method for countywide operations, a number equal to the amount of the aid to families with dependent children payable to the family divided by the greater of the federal minimum wage or the applicable state minimum wage; or

(2) for all other counties, a caretaker must participate in any week 20 hours with no less than 16 hours spent participating in a work experience placement and no more than four of the hours spent in alternate activities as described in the caretaker's employability development plan. A person for whom lack of proficiency in English, as determined by an appropriate evaluation, is a barrier to employment, can choose to attend an available intensive, functional work literacy program and the hours will be applied to the four hours of alternate activities. The caretaker's employability development plan must include the length of time needed in the program, specific outcomes, completion dates, and employ-

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ment goals as they pertain to the intensive language program. Placement in a work experience worksite must be based on the assessment required under section 256.736 and the caretaker's employability development plan. Caretakers participating under this clause may be allowed excused absences from the assigned job site of up to eight hours per month. For the purposes of this clause, "excused absence" means absence due to temporary illness or injury of the caretaker or a member of the caretaker's family, the unavailability of licensed child care or transportation needed to participate in the work experience placement, a job interview, or a nonmedical emergency. For purposes of this clause, "emergency" has the meaning given it in section 256.736, subdivision 10a, paragraph (g).

(e) After a participant has been assigned to a position under paragraph (d), clause (1), for nine months, the participant may not continue in that assignment unless the maximum number of hours a participant works is no greater than the amount of the aid to families with dependent children payable with respect to the family divided by the higher of (1) the federal minimum wage or the applicable state minimum wage, whichever is greater, or (2) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

(f) After each six months of a recipient's participation in an assignment, and at the conclusion of each assignment under this section, the county agency shall reassess and revise, as appropriate, each participant's employability development plan.

(g) Structured, supervised volunteer work with an agency or organization which is monitored by the county service provider may, with the approval of the commissioner of economic security, be used as a work experience placement.

(h) If there is no work available at the site to which a CWEP participant is assigned, then the CWEP work plan shall be revised so that participants may work at alternative sites.

Sec. 18. Minnesota Statutes 1994, section 256.737, is amended by adding a subdivision to read:

Subd. 7. INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS. (a) Payment of any claims resulting from an alleged injury or death of a recipient participating in a community work experience program established and operated by a county pursuant to this section shall be determined in accordance with this section. This determination method applies to work experience programs established under aid to families with dependent children, work readiness, Minnesota parent's fair share, and to obligors participating in community services pursuant to section 518.551, subdivision 5a, in a county with an approved community investment program.

(b) Claims that are subject to this section shall be investigated by the county agency responsible for supervising the work to determine whether the claimed injury occurred, whether the claimed medical expenses are reasonable, and

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whether the loss is covered by the claimant's insurance. If insurance coverage is established, the county agency shall submit the claim to the appropriate insurance entity for payment. The investigating county agency shall submit all valid claims, in the amount net of any insurance payments, to the department of human services.

(c) The department of human services shall submit all claims for impairment compensation to the commissioner of labor and industry. The commissioner of labor and industry shall review all submitted claims and recommend to the department of human services an amount of compensation comparable to that which would be provided under the impairment compensation schedule of section 176.101, subdivision 3b.

(d) The department of human services shall approve a claim of \$1,000 or less for payment if appropriated funds are available, if the county agency responsible for supervising the work has made the determinations required by this section, and if the work program was operated in compliance with the safety provisions of this section. The department shall pay the portion of an approved claim of \$1,000 or less that is not covered by the claimant's insurance within three months of the date of submission. On or before February 1 of each legislative session, the department shall submit to the appropriate committees of the senate and the house of representatives a list of claims of \$1,000 or less paid during the preceding calendar year and shall be reimbursed by legislative appropriation for any claims that exceed the original appropriation provided to the department to operate this program. Any unspent money from this appropriation shall carry over to the second year of the biennium, and any unspent money remaining at the end of the second year shall be returned to the state general fund.

On or before February 1 of each year, the department shall submit to the appropriate committees of the senate and the house of representatives a list of claims in excess of \$1,000 and a list of claims of \$1,000 or less that were submitted to but not paid by the department of human services, together with any recommendations of appropriate compensation. These claims shall be heard and determined by the appropriate committees of the senate and house of representatives and, if approved, shall be paid under the legislative claims procedure.

(e) Compensation paid under this section is limited to reimbursement for reasonable medical expenses and impairment compensation for disability in like amounts as allowed in section 176.101, subdivision 3b. Compensation for injuries resulting in death shall include reasonable medical expenses and burial expenses in addition to payment to the participant's estate in an amount up to \$200,000. No compensation shall be paid under this section for pain and suffering, lost wages, or other benefits provided in chapter 176. Payments made under this section shall be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

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(f) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivisions. The claimant shall not be entitled to seek damages from any state or county insurance policy or self-insurance program.

(g) A claim is not valid for purposes of this subdivision if the local agency responsible for supervising the work cannot verify to the department of human services:

(1) that appropriate safety training and information is provided to all persons being supervised by the agency under this subdivision; and

(2) that all programs involving work by those persons comply with federal Occupational Safety and Health Administration and state department of labor and industry safety standards. A claim that is not valid because of failure to verify safety training or compliance with safety standards will not be paid by the department of human services or through the legislative claims process and must be heard, decided, and paid, if appropriate, by the local government unit responsible for supervising the work of the claimant.

(g) This program is effective July 1, 1995. Claims may be submitted on or after November 1, 1995.

Sec. 19. Minnesota Statutes 1994, section 256.74, is amended by adding a subdivision to read:

Subd. 6. STATE SUPPLEMENTARY PAYMENTS. The commissioner of human services shall report back on a plan for providing supplemental payments for recipients of AFDC whose income is reduced or terminated as a result of a reduction in the rate of pay, reduction in numbers of hours worked, or reduction in court ordered or agreed upon support, but whose assistance under the AFDC program is not adjusted accordingly because of the operation of retrospective budgeting procedures. The amount of assistance must be sufficient to ensure that the assistance unit's income equals, but does not exceed, the standard of assistance in the AFDC program for an assistance unit of like size and composition. A recipient shall not be eligible for supplementary assistance if the recipient voluntarily, and without good cause attributable to the employer, discontinued employment with the employer or was discharged for misconduct connected with work or for misconduct which interferes with or adversely affects employment. The commissioner's report shall provide information on the projected number of families likely to be eligible for supplementary payments during the 1997-1999 biennium; and on the costs, including administrative costs, of making those payments to eligible recipients. The report shall be presented to the legislature by February 15, 1996.

Sec. 20. Minnesota Statutes 1994, section 256.81, is amended to read:

256.81 COUNTY AGENCY, DUTIES.

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(1) The county agency shall keep such records, accounts, and statistics in relation to aid to families with dependent children as the state agency shall prescribe.

(2) Each grant of aid to families with dependent children shall be paid to the recipient by the county agency unless paid by the state agency. Payment must be by check or electronic means except in those instances in which the county agency, subject to the rules of the state agency, determines that payments for care shall be made to an individual other than the parent or relative with whom the dependent child is living or to vendors of goods and services for the benefit of the child because such parent or relative is unable to properly manage the funds in the best interests and welfare of the child. There is a presumption of mismanagement of funds whenever a recipient is more than 30 days in arrears on payment of rent, except when the recipient has withheld rent to enforce the recipient's right to withhold the rent in accordance with federal, state, or local housing laws. In cases of mismanagement based solely on failure to pay rent, the county may vendor the rent payments to the landlord. At the request of a recipient, the state or county may make payments directly to vendors of goods and services, but only for goods and services appropriate to maintain the health and safety of the child, as determined by the county.

(3) The state or county may ask the recipient to give written consent authorizing the state or county to provide advance notice to a vendor before vendor payments of rent are reduced or terminated. Whenever possible under state and federal laws and regulations and if the recipient consents, the state or county shall provide at least 30 days notice to vendors before vendor payments of rent are reduced or terminated. If 30 days notice cannot be given, the state or county shall notify the vendor within three working days after the date the state or county becomes aware that vendor payments of rent will be reduced or terminated. When the county notifies a vendor that vendor payments of rent will be reduced or terminated, the county shall include in the notice that it is illegal to discriminate on the grounds that a person is receiving public assistance and the penalties for violation. The county shall also notify the recipient that it is illegal to discriminate on the grounds that a person is receiving public assistance and the procedures for filing a complaint. The county agency may develop procedures, including using the MAXIS system, to implement vendor notice and may charge vendors a fee not exceeding \$5 to cover notification costs.

(4) A vendor payment arrangement is not a guarantee that a vendor will be paid by the state or county for rent, goods, or services furnished to a recipient, and the state and county are not liable for any damages claimed by a vendor due to failure of the state or county to pay or to notify the vendor on behalf of a recipient, except under a specific written agreement between the state or county and the vendor or when the state or county has provided a voucher guaranteeing payment under certain conditions.

(5) The county shall be paid from state and federal funds available therefor the amount provided for in section 256.82.

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(6) Federal funds available for administrative purposes shall be distributed between the state and the counties in the same proportion that expenditures were made except as provided for in section 256.017.

(7) The affected county may require that assistance paid under the AFDC emergency assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to remedy a tenant's default in payment of rent or other funds due to the landlord pursuant to a rental agreement, or to restore the premises to the condition at the commencement of the tenancy, ordinary wear and tear excepted, be returned to the county when the individual vacates the premises or paid to the recipient's new landlord as a vendor payment. The vendor payment of returned funds shall not be considered a new use of emergency assistance.

Sec. 21. [256.8799] FOOD STAMP OUTREACH PROGRAM.

Subdivision 1. ESTABLISHMENT. The commissioner of human services shall establish, in consultation with the representatives from community action agencies, a statewide outreach program to better inform potential recipients of the existence and availability of food stamps under the food stamp program. As part of the outreach program, the commissioner and community action agencies shall encourage recipients in the use of food stamps at food cooperatives. The commissioner shall explore and pursue federal funding sources, and specifically, apply for funding from the United States Department of Agriculture for the food stamp outreach program.

Subd. 2. ADMINISTRATION OF THE PROGRAM. A community association representing community action agencies under section 268.53, in consultation with the commissioner shall administer the outreach program, issue the request for proposals, and review and approve the potential grantee's plan. Grantees shall comply with the monitoring and reporting requirements as developed by the commissioner in accordance with subdivision 4, and must also participate in the evaluation process as directed by the commissioner. Grantees must successfully complete one year of outreach and demonstrate compliance with all monitoring and reporting requirements in order to be eligible for additional funding.

Subd. 3. PLAN CONTENT. In approving the plan, the association shall evaluate the plan and give highest priority to a plan that:

(1) targets communities in which 50 percent or fewer of the residents with incomes below 125 percent of the poverty level receive food stamps;

(2) demonstrates that the grantee has the experience necessary to administer the program;

(3) demonstrates a cooperative relationship with the local county social service agencies;

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(4) provides ways to improve the dissemination of information on the food stamp program as well as other assistance programs through a statewide hotline or other community agencies;

(5) provides direct advocacy consisting of face-to-face assistance with the potential applicants;

(6) improves access to the food stamp program by documenting barriers to participation and advocating for changes in the administrative structure of the program; and

(7) develops strategies for combatting community stereotypes about food stamp recipients and the food stamp program, misinformation about the program, and the stigma associated with using food stamps.

Subd. 4. COORDINATED DEVELOPMENT. The commissioner shall consult with representatives from the United States Department of Agriculture, Minnesota Community Action Association, Food First Coalition, Minnesota department of human services, Urban Coalition/University of Minnesota extension services, county social service agencies, local social service agencies, and organizations that have previously administered state-funded food stamp outreach programs to:

(1) develop the reporting requirements for the program;

(2) develop and implement the monitoring of the program;

(3) develop, coordinate, and assist in the evaluation process; and

(4) provide an interim report to the legislature by January 1997, and a final report to the legislature by January 1998, which includes the results of the evaluation and recommendations.

Sec. 22. Minnesota Statutes 1994, section 256.979, is amended by adding a subdivision to read:

Subd. 9. ACCRUAL OF SUPPORT OBLIGATIONS. The commissioner shall seek the waiver required under this section only if the provision creating the centralized child support payment center does not pass in the 1995 legislative session. If the centralized child support payment center provision does not pass, the commissioner shall seek a waiver from the secretary of the Department of Health and Human Services to enable the agency to accrue child support payments received on behalf of both AFDC and non-AFDC clients until the sum total of the money owed by the state agency to the client is at least \$10. Obligors shall be assessed a processing fee of \$10 to be retained by the county agency in every instance when both of the following conditions exist:

(1) the obligor pays less than the required monthly support obligation; and

(2) that reduced payment would result in a child support payment to an AFDC or non-AFDC client of less than \$10 for that month.

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Sec. 23. Minnesota Statutes 1994, section 256.983, subdivision 1, is amended to read:

Subdivision 1. **PROGRAMS ESTABLISHED.** Within the limits of available appropriations, and to the extent required or authorized by applicable federal regulations, the commissioner of human services shall require the establishment of fraud prevention investigation programs in the seven counties participating in the fraud prevention investigation pilot project established under section 256.983, and in 11 additional Minnesota counties with the largest aid to families with dependent children program caseloads as of July 1, 1991. If funds are sufficient, the commissioner may also extend fraud prevention investigation programs to: (1) other counties that have welfare fraud control programs already in place based on enhanced funding contracts covering the fraud investigation function; and (2) counties that have the largest AFDC caseloads as of July 1, 1994, and are not currently participating in the fraud prevention investigation pilot project. The pilot project may be expanded provided the expansion is budget neutral to the state.

Sec. 24. **[256.9850] IDENTITY VERIFICATION.**

The commissioner of human services shall seek from the secretary of Health and Human Services all necessary waivers of the requirements of the program of AFDC, to enable the commissioner to establish a statewide program to test the effectiveness of identity verification systems in the electronic benefit transfer systems in the state AFDC program. Identity verification provisions shall be added to the statewide requests for proposal on the expansion of electronic benefit transfer systems in the AFDC program.

Sec. 25. **[256.986] COUNTY COORDINATION OF FRAUD CONTROL ACTIVITIES.**

(a) The county agency shall prepare and submit to the commissioner of human services by January 1 of each year a plan to coordinate county duties related to the prevention, investigation, and prosecution of fraud in public assistance programs. Plans may be submitted on a voluntary basis prior to January 1, 1996. Each county must submit its first annual plan prior to January 1, 1997.

(b) Within the limits of appropriations specifically made available for this purpose, the commissioner may make grants to counties submitting plans under paragraph (a) to implement coordination activities.

Sec. 26. Minnesota Statutes 1994, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. **DRUGS.** (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, after receiving recommendations from professional medical associations and

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professional pharmacist associations, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve three-year terms and shall serve without compensation. Members may be reappointed once.

(b) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include:

(i) drugs or products for which there is no federal funding;

(ii) over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, and vitamins for children under the age of seven and pregnant or nursing women;

(iii) any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee, as necessary, appropriate, and

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cost-effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14;

(iv) anorectics; and

(v) drugs for which medical value has not been established.

The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(c) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug shall be estimated by the commissioner, at average wholesale price minus 7.6 percent effective January 1, 1994. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third-party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(d) Until the date the on-line, real-time Medicaid Management Information System (MMIS) upgrade is successfully implemented, as determined by the commissioner of administration, a pharmacy provider may require individuals who

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seek to become eligible for medical assistance under a one-month spenddown, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spenddown amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spenddown of (1) their right to appeal the denial of services on the grounds that they have satisfied the spenddown requirement, and (2) their potential eligibility for the MinnesotaCare program or the children's health plan.

Sec. 27. Minnesota Statutes 1994, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. **STANDARDS.** (a) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) The commissioner shall set the standard of assistance for an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian. When the other standards specified in this subdivision increase, this standard must also be increased by the same percentage.

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, except that the standard may not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that

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a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods, income deductions, exclusions, and disregards used when calculating the countable income for a single adult or childless couple must be used.

(d) For an assistance unit consisting of a childless couple, the standards of assistance are the same as the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, the standard of assistance for the other is the second adult standard of the aid to families with dependent children program.

(e) For an assistance unit consisting of all members of a family, the standards of assistance are the same as the standards of assistance that apply to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the family are not included in the assistance unit for general assistance, the standards of assistance for the remaining members are the same as the standards of assistance that apply to an assistance unit composed of the entire family, less the standards of assistance for a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. In no case shall the standard for family members who are in the assistance unit for general assistance, when combined with the standard for family members who are not in the general assistance unit, total more than the standard for the entire family if all members were in an AFDC assistance unit. A child may not be excluded from the assistance unit unless income intended for its benefit is received from a federally aided categorical assistance program or supplemental security income. The income of a child who is excluded from the assistance unit may not be counted in the determination of eligibility or benefit level for the assistance unit.

(f) An assistance unit consisting of one or more members of a family must have its grant determined using the policies and procedures of the aid to families with dependent children program, except that, until June 30, 1995, in cases where a county agency has developed or approved a case plan that includes reunification with the children, foster care maintenance payments made under state or local law for a child who is temporarily absent from the assistance unit must not be considered income to the child and the payments must not be counted in the determination of the eligibility or benefit level of the assistance unit. Otherwise, the standard of assistance must be determined according to paragraph (e); the first \$50 of total child support received by an assistance unit in a month must be excluded and the balance counted as unearned income; ~~and nonrecurring lump sums received by the family must be considered income in the month received and a resource in the following months.~~

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Sec. 28. Minnesota Statutes 1994, section 256D.03, subdivision 4, is amended to read:

Subd. 4. **GENERAL ASSISTANCE MEDICAL CARE; SERVICES.** (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers, except as provided in paragraph (c):

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;
- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (6) eyeglasses and eye examinations provided by a physician or optometrist;
- (7) hearing aids;
- (8) prosthetic devices;
- (9) laboratory and X-ray services;
- (10) physician's services;
- (11) medical transportation;
- (12) chiropractic services as covered under the medical assistance program;
- (13) podiatric services;
- (14) dental services;
- (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
- (16) day treatment services for mental illness provided under contract with the county board;
- (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
- (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
- (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;

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(20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and

(21) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.

(b) Except as provided in paragraph (c), for a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.

(c) Gender reassignment surgery and related services are not covered services under this subdivision unless the individual began receiving gender reassignment services prior to July 1, 1995.

(d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

(~~d~~) (e) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985 to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as fol-

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lows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987 to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988 to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any

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services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

~~(e)~~ (f) Any county may, from its own resources, provide medical payments for which state payments are not made.

~~(f)~~ (g) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

~~(g)~~ (h) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

~~(h)~~ (i) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

Sec. 29. **[256D.045] SOCIAL SECURITY NUMBER REQUIRED.**

To be eligible for general assistance under sections 256D.01 to 256D.21, an individual must provide the individual's social security number to the county agency or submit proof that an application has been made. The provisions of this section do not apply to the determination of eligibility for emergency general assistance under section 256D.06, subdivision 2.

Sec. 30. Minnesota Statutes 1994, section 256D.05, subdivision 6, is amended to read:

Subd. 6. **ASSISTANCE FOR PERSONS WITHOUT A VERIFIED RESIDENCE.** (a) For applicants or recipients of general assistance, emergency general assistance, or work readiness assistance who do not have a verified residence address, the county agency may provide assistance using one or more of the following methods:

(1) the county agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs;

(2) the county agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment. Nothing in this clause prevents the county agency from issuing voucher or vendor payments for emergency general assistance in an amount less than the standards of assistance; ~~and~~

(3) the county agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard; and

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(4) for the purposes of clauses (2) and (3), the county agency may divide the monthly assistance standard as follows: \$50 per week for each of the first three weeks, and the remainder for the fourth week.

(b) An individual may verify a residence address by providing a driver's license; a state identification card; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.

(c) Notwithstanding the provisions of section 256D.06, subdivision 1, if the county agency elects to provide assistance on a weekly payment basis, the agency may not provide assistance for a period during which no need is claimed by the individual unless the individual has good cause for failing to claim need. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The advance notice required under section 256D.10 does not apply to weekly assistance that is withheld because the individual failed to claim need without good cause.

(d) The county agency may not issue assistance on a weekly basis to an applicant or recipient who has professionally certified mental illness or mental retardation or a related condition, or to an assistance unit that includes minor children, unless requested by the assistance unit.

Sec. 31. [256D.0511] LUMP-SUM PAYMENTS.

Subdivision 1. INELIGIBILITY. Applicants for general assistance or work readiness who are ineligible for AFDC due to a nonrecurring lump-sum payment or recipients of general assistance or work readiness are ineligible for general assistance and work readiness benefits for the period described below unless the person demonstrates that the lump-sum payment was used for basic needs.

Subd. 2. BUDGETING LUMP SUMS. Nonrecurring lump-sum income received by a recipient of general assistance or work readiness assistance must be budgeted in the normal retrospective cycle. Nonrecurring lump-sum income received by an applicant for general assistance or work readiness who is ineligible for AFDC due to a nonrecurring lump-sum payment is prospectively budgeted.

Subd. 3. PERIOD OF INELIGIBILITY. The period of ineligibility determined under the AFDC program shall be used when computing eligibility for applicants for general assistance or work readiness who are ineligible for AFDC due to receipt of a nonrecurring lump-sum payment. Recipients of general assistance or work readiness who receive nonrecurring lump-sum income shall have their period of ineligibility determined using the AFDC policy defined in section 256.74, subdivision 1.

Subd. 4. SHORTENING A PERIOD OF INELIGIBILITY. Applicants for general assistance or work readiness who are ineligible for AFDC due to receipt

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of a lump sum must cooperate in determining if the AFDC period of ineligibility can be shortened under section 256.74, subdivision 1, as a condition of eligibility for general assistance or work readiness. For applicants and recipients of general assistance or work readiness, the period of ineligibility must be shortened when the assistance unit provides documentation that part or all of the lump-sum income has been expended for basic needs as defined in subdivision 5.

Subd. 5. DEFINITIONS. As used in this section, the following words have the meanings given:

(1) "assistance unit," for purposes of applying the lump-sum provision, is defined as all persons whose needs are taken into account in determining eligibility and the amount of assistance payment; and

(2) "basic needs" are defined as the minimum personal requirements of subsistence and are restricted to:

(i) food;

(ii) clothing;

(iii) shelter;

(iv) utilities;

(v) other items of which the loss or lack of is determined by the county agency to pose a direct immediate threat to the physical health or safety of a member of the assistance unit;

(vi) education, training, and work expenses necessary to become economically self-sufficient; and

(vii) medical expenses.

Sec. 32. [256D.055] COUNTY DESIGN; WORK FOCUSED PROGRAM.

The commissioner of human services shall issue a request for proposals from counties to submit a plan for developing and implementing a county-designed program. The plan shall be for first-time applicants for aid to families with dependent children (AFDC) and family general assistance (FGA) and must emphasize the importance of becoming employed and oriented into the work force in order to become self-sufficient. The plan must target public assistance applicants who are most likely to become self-sufficient quickly with short-term assistance or services such as child care, child support enforcement, or employment and training services.

The plan may include vendor payments, mandatory job search, refocusing existing county or provider efforts, or other program features. The commissioner may approve a county plan which allows a county to use other program funding for the county work focus program in a more flexible manner. Nothing in this section shall allow payments made to the public assistance applicant to be less

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than the amount the applicant would have received if the program had not been implemented, or reduce or eliminate a category of eligible participants from the program without legislative approval.

The commissioner shall not approve a county plan that would have an adverse impact on the Minnesota family investment plan demonstration. If the plan is approved by the commissioner, the county may implement the plan. If the plan is approved by the commissioner, but a federal waiver is necessary to implement the plan, the commissioner shall apply for the necessary federal waivers. If by July 1, 1996, at least four counties have not proposed a work focused plan, the commissioner of human services may pursue the work first plan as provided under Minnesota Statutes, sections 256.7351 to 256.7359. However, a county with a work focus plan that has been approved under this section may implement the plan.

Sec. 33. Minnesota Statutes 1994, section 256D.09, subdivision 2a, is amended to read:

Subd. 2a. **REPRESENTATIVE PAYEE VENDOR PAYMENTS FOR DRUG DEPENDENT PERSONS.** Notwithstanding subdivision 1, the commissioner shall adopt rules, and may adopt emergency rules, governing the assignment of a representative payee and management of the general assistance or work readiness assistance grant of a drug dependent person as defined in section 254A.02, subdivision 5. The representative payee is responsible for deciding how the drug dependent person's benefits can best be used to meet that person's needs. The determination of drug dependency must be made by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, to perform an assessment of chemical use. Upon receipt of the assessor's determination of drug dependency, the county shall determine whether a representative payee will be assigned to manage the person's benefits. The chemical use assessment, the decision to refer a person for the assessment, and the county determination of whether a representative payee will be assigned are subject to the administrative and judicial review provisions of section 256.045. However, notwithstanding any provision of section 256.045 to the contrary, an applicant or recipient who is referred for an assessment and is otherwise eligible to receive a general assistance or work readiness benefit, may only be provided with emergency general assistance or vendor payments pending the outcome of an administrative or judicial review. If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person applying for or receiving financial assistance or a work readiness assistance grant is drug dependent, as defined in section 254A.02, subdivision 5, the person may shall be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete and the results of the assessment made available to the county agency. A reasonable basis for questioning whether a person is drug dependent referring an individual for an assessment exists when:

(1) the person has required detoxification two or more times in the past 12 months;

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(2) the person appears intoxicated at the county agency as indicated by two or more of the following:

- (i) the odor of alcohol;
- (ii) slurred speech;
- (iii) disconjugate gaze;
- (iv) impaired balance;
- (v) difficulty remaining awake;
- (vi) consumption of alcohol;
- (vii) responding to sights or sounds that are not actually present;
- (viii) extreme restlessness, fast speech, or unusual belligerence;

(3) the person has been involuntarily committed for drug dependency at least once in the past 12 months; or

(4) the person has received treatment, including domiciliary care, for drug abuse or dependency at least twice in the past 12 months.

The assignment to representative payee status must be reviewed at least every 12 months. The county agency shall designate the representative payee after consultation with the recipient. The county agency shall select the representative payee from appropriate individuals, or public or nonprofit agencies, including those suggested by the recipient, but the county agency's designation of representative payee prevails, subject to the administrative and judicial review provisions of section 256.045.

The assessment and determination of drug dependency, if any, must be made by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, to perform an assessment of chemical use. The county shall only provide emergency general assistance or vendor payments to an otherwise eligible applicant or recipient who is determined to be drug dependent, except up to 15 percent of the grant amount the person would otherwise receive may be paid in cash. Notwithstanding subdivision 1, the commissioner of human services shall also require county agencies to provide assistance only in the form of vendor payments to all eligible recipients who assert chemical dependency as a basis for eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1) and (6).

The determination of drug dependency shall be reviewed at least every 12 months. If the county determines a recipient is no longer drug dependent, the county may cease vendor payments and provide the recipient payments in cash.

Sec. 34. Minnesota Statutes 1994, section 256D.09, is amended by adding a subdivision to read:

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Subd. 5. VENDOR PAYMENTS TO LANDLORDS. The affected county may require that assistance paid under the emergency general assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to remedy a tenant's default in payment of rent or other funds due to the landlord pursuant to a rental agreement, or to restore the premises to the condition at the commencement of the tenancy, ordinary wear and tear excepted, be returned to the county when the individual vacates the premises or paid to the recipient's new landlord as a vendor payment. The vendor payment of returned funds shall not be considered a new use of emergency assistance.

Sec. 35. Minnesota Statutes 1994, section 256D.09, is amended by adding a subdivision to read:

Subd. 6. RECOVERY OF OVERPAYMENTS. (a) If an amount of general assistance, family general assistance, or work readiness assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member, for one or more monthly assistance payments, until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. The amount of this reduction is ten percent, if the overpayment is due solely to having wrongfully obtained assistance, whether based on:

(1) a court order;

(2) the finding of an administrative fraud disqualification hearing or the waiver of such a hearing; or

(3) a confession or judgment containing an admission of an intentional program violation.

(c) In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(d) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the aid reductions provided in this subdivision, until the total amount of the overpayment is repaid.

(e) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance under standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

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Sec. 36. **EMPOWERMENT ZONES; ADMINISTRATIVE SIMPLIFICATION OF WELFARE LAWS.**

(a) The commissioner of human services shall make recommendations to effectuate the changes in federal laws and regulations, state laws and rules, and the state plan to improve the administrative efficiency of the aid to families with dependent children, general assistance, work readiness, family general assistance, medical assistance, general assistance medical care, and food stamp programs. At a minimum, the following administrative standards and procedures must be changed.

The commissioner shall:

(1) require income or eligibility reviews no more frequently than annually for cases in which income is normally invariant, as in aid to families with dependent children cases where the only source of household income is Supplemental Social Security Income;

(2) permit households to report income annually when the source of income is excluded, such as a minor's earnings;

(3) require income or eligibility reviews no more frequently than annually for extended medical assistance cases;

(4) require income or eligibility reviews no more frequently than annually for a medical assistance postpartum client, where the client previously had eligibility under a different basis prior to pregnancy or if other household members have eligibility with the same income/basis that applies to the client;

(5) permit all income or eligibility reviews for foster care medical assistance cases to use the short application form;

(6) make dependent care expenses declaratory for medical assistance; and

(7) permit households to only report gifts worth \$100 or more per month.

(b) The county's administrative savings resulting from these changes may be allocated to fund any lawful purpose.

(c) The recommendations must be provided in a report to the chairs of the appropriate legislative committees by August 1, 1995. The recommendations must include a list of the administrative standards and procedures that require approval by the federal government before implementation, and also which administrative simplification standards and procedures may be implemented by a county prior to receiving a federal waiver.

(d) The commissioner shall seek the necessary waivers from the federal government as soon as possible to implement the administrative simplification standards and procedures.

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Sec. 37. EMPOWERMENT ZONES.

Certain local agencies, in consultation with the commissioners of human services and labor and industry shall develop, by December 1, 1995, a plan to improve the employment opportunities available to unemployed and underemployed citizens at risk of becoming public assistance recipients. The employment activities shall be focused on improving public infrastructure, enhancing the local tax base, improving the quality of available housing, reducing crime, designing strategies for job skill enhancement, strengthening communities, and maintaining and improving natural systems. The plan shall be developed by the city council, county board, county and city park boards, and the school board of the city or cities in which projects are undertaken. The plan shall include details of all projects, including: specific project sites delineated on local maps; estimates of the total public cost required to transform a poverty zone to a highly developable site; a five-, ten-, and 15-year economic impact model of the potential new revenue streams created by the project, including income, sales, employment, and property taxes generated, savings from environmental, welfare, and crime mitigation, and other economic benefits; an identification of existing federal, state, and local funding sources for which the projects may qualify; and draft legislation for the 1996 legislature needed to expedite development of the projects. Organized labor shall be consulted in the development of the plan and implementation of any work activities and the University of Minnesota shall aid in the development of economic and technical support. Participating jurisdictions shall report back to the chairs of the senate finance and tax committees and the house ways and means and tax committees by August 1, 1995, with an outline for the plan, as identified by the local taxing jurisdictions. This section will sunset effective June 30, 1997.

Sec. 38. CHILD CARE SELF-EMPLOYMENT PROJECT.

The commissioners of human services and economic security shall develop a plan for an AFDC grant diversion pilot project in Region 6E, to commence October 1, 1996. The purpose of the project is to enable AFDC caretakers to become self-sufficient. The Community Action Agency and the Child Care Resource and Referral Agency of that region shall work together to train and place qualified AFDC caretakers in child care centers or licensed family child care homes. The pilot shall be operated without the use of additional state funds. Child care development funds available for this region may be used to start up or expand child care services in this region.

Sec. 39. PARENT'S FAIR SHARE REPORT.

The commissioner of human services shall report to the chairs of the human services policy and funding committees of the legislature by January 15, 1996, recommendations for establishing a statewide employment and training program for unemployed noncustodial parents modeled after the national parent's fair share pilot project. The report shall include cost estimates and must be developed in consultation with the departments of trade and economic development and economic security, and with counties that participate in the pilot project and other interested counties.

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Sec. 40. PARENT'S FAIR SHARE.

Money appropriated for the Minnesota parent's fair share program must be paid to the participating counties, in the form of quarterly advances, under the terms of the contract between the department and the counties. Federal JOBS financial participation funds earned by the Minnesota parent's fair share program are appropriated to the commissioner and must be refunded to the participating counties in accordance with the terms of the contracts.

Sec. 41. PROGRAM INTEGRITY.

Unexpended money appropriated for program integrity initiatives in fiscal year 1996 does not cancel but is available for this purpose in fiscal year 1997.

Sec. 42. WELFARE REFORM.

Unexpended money appropriated for welfare reform initiatives in fiscal year 1996 does not cancel but is available to the commissioner for those initiatives including work first, work focus, and the temporary county assistance program, in fiscal year 1997.

Sec. 43. CHILD CARE COOPERATIVES.

A county may collaborate and coordinate efforts with school districts, local youth centers, and other organizations to provide cooperative child care services at a convenient location and provide a low-cost alternative to day care services. The county may collaborate with the local school district or an organization near a school. The county is encouraged to explore other nontraditional suitable locations for community day care services and consult with parents and others who are interested in establishing a day care cooperative.

Parents must be given an opportunity to participate in the child care cooperatives. Incentives offered to parents to participate in the cooperative may include reduced day care costs for an appropriate amount of time or a few hours of free child care that provides a parent with a short respite.

For purposes of the collaborative effort, the county may request a waiver of Minnesota Rules, part 9565.5025, subpart 2, to implement the program. This waiver would reduce the barriers the applicant faces when applying for child care by specifically allowing the applicant to initially declare income, instead of being required to document income. The county may also request a waiver of rules related to day care requirements to provide more flexibility in developing and implementing the cooperative.

Sec. 44. SEAMLESS CHILD CARE SYSTEM.

The commissioner of human services shall examine the feasibility of implementing a seamless child care system statewide by July 1, 1996. The seamless child care system must provide a consistent approach to administering child care by consolidating the different child care programs under Minnesota Stat-

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utes, chapter 256H, and Minnesota Statutes, section 136A.125, streamlining all child care funding available under Minnesota Statutes, chapter 256H, and Minnesota Statutes, section 136A.125, and making consistent the laws and rules to govern the child care system.

The commissioner shall report to the legislature by November 1995. The report must contain recommendations as to how to develop and implement the system statewide, proposed uniform eligibility criteria, a list of necessary federal waivers, a list of the statutes and rules that must be repealed or amended, and an estimate of state and county savings resulting from the reduction in administrative duties.

Sec. 45. MINNESOTA PARENT'S FAIR SHARE; COMMUNITY WORK EXPERIENCE.

The Minnesota parent's fair share pilot project shall include a community work experience component for participants who fail to comply with the requirements of the pilot project.

Sec. 46. FEDERAL WAIVER PACKAGE.

Subdivision 1. REQUEST. The commissioner of human services shall make a single request for the waivers listed in this section to the United States Department of Health and Human Services. The waivers in the package support and encourage AFDC recipients to move from reliance on welfare to self-sufficiency. The commissioner shall explore alternatives to the federally required waiver evaluation process in an effort to reduce evaluation costs and develop a cost-effective evaluation process for the waiver package in this section. While also exploring other possible alternatives, the commissioner shall investigate the feasibility of the following: (1) one evaluation for the entire waiver package; (2) consolidation of evaluation efforts for the same or similar waiver with another state; and (3) completion of the evaluation internally, possibly by the office of legislative auditor. The commissioner shall notify the revisor of statutes when each waiver is approved by the federal government.

Subd. 2. WAIVER TO DISALLOW PARENTAL INCOME OF A PREGNANT OR PARENTING MINOR LIVING WITH PARENTS. The commissioner shall seek the following waivers: (1) from the filing unit requirement in Code of Federal Regulations, title 45, section 206.10(a)(1)(vii), for minor parents living with a parent on AFDC with other dependent children, resulting in the minor parent receiving the same separate need standard available if the minor parent's parent was not on AFDC; (2) to disregard all parental income if the parent is on AFDC with other children; and (3) if the parent is not on AFDC with other children, to disregard income equal to 200 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child and deem the remainder of income under Code of Federal Regulations, title 45, section 233.20(a)(3)(xviii). The general policy in requesting these waivers is to keep the family intact and give the minor parent, the dependent child, and the grandparent an incentive to continue living together as a family.

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Subd. 3. WAIVER TO ALLOW START WORK OFFSET. The commissioner shall seek a waiver of the federal regulation which requires the state to recover AFDC overpayments from the assistance unit if the overpayment occurred in the month the assistance unit started working and the overpayment resulted from the assistance unit's increased earnings. This "start work offset" is available to an assistance unit every two years.

Subd. 4. WAIVER OF THE 100-HOUR RULE; WORK HISTORY REQUIREMENT; 30-DAY WAITING PERIOD REQUIREMENT. The commissioner shall seek a waiver to eliminate the 100-hour rule under Code of Federal Regulations, title 45, section 233.100(a)(1)(i); the eligibility requirement for past employment history under Code of Federal Regulations, title 45, section 233.100(a)(3)(iii); and the requirement for a 30-day waiting period under Code of Federal Regulations, title 45, section 233.100(a)(3)(i).

Subd. 5. WAIVER OF MOTOR VEHICLE RESOURCE LIMIT. The commissioner shall seek a waiver to increase the maximum equity value of a licensed motor vehicle, which can be excluded as a resource under the federal regulations, from \$1,500 to the level permitted under the federal Food Stamp Program. This waiver is essential for AFDC recipients who need reliable transportation to participate in education, work, and training to become self-sufficient.

Subd. 6. WAIVER TO ALLOW STUDENTS TO EARN INCOME. The commissioner shall seek a waiver of the federal regulation which includes the earned income of dependent children and minor caretakers who are attending school at least half time when determining eligibility for AFDC. The commissioner shall also seek a waiver which allows savings set aside in a separate account designated specifically for future education or employment needs to be excluded from the AFDC resource limits.

Subd. 7. GRANT AMOUNT WAIVER. The commissioner of human services shall seek federal waivers as necessary in order to adjust AFDC assistance payment amounts so that, notwithstanding the provisions of Minnesota Statutes, section 256.74, subdivision 1, the amount of assistance granted to an eligible family in which all members have resided in Minnesota for less than 12 months shall be the lesser of the maximum payment standard that would have been received by that family from the state of immediate prior residence, or the amount calculated in accordance with Minnesota Rules, parts 9500.2440 to 9500.2480.

Subd. 8. IMPLEMENTATION. The commissioner shall implement the program changes authorized under this subdivision promptly upon approval of the waiver, provided all conditions are met under Minnesota Statutes, section 256.01, subdivision 2, clause (12).

Subd. 9. EVALUATION. If any of the federal waivers are granted, the commissioner shall evaluate the program changes according to federal waiver requirements and, if necessary, submit reports to the legislature within a time frame consistent with the evaluation criteria that are established.

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Subd. 10. ADDITIONAL WAIVER REQUEST FOR EMPLOYED DISABLED PERSONS. The commissioner shall seek a federal waiver in order to implement a work incentive for disabled persons eligible for medical assistance who are not residents of long-term care facilities. The waiver shall request authorization to establish a medical assistance earned income disregard for employed disabled persons who are eligible for SSDI and who receive personal care assistance under the Medical Assistance Program. The disregard shall be equivalent to the threshold amount applied to persons who qualify under section 1619(b) of the Social Security Act, except that when a disabled person's earned income reaches the maximum income permitted at the threshold under section 1619(b), the person shall retain medical assistance eligibility and must contribute to the costs of medical care on a sliding fee basis.

Sec. 47. MAXIMIZING MAXIS; FRAUD RECOVERY EFFORTS.

The commissioner of human services shall submit a plan to the legislature by December 1, 1995, to maximize the capability of the MAXIS system to aid in fraud control. The commissioner shall explore ways of using the MAXIS system to establish or expand recovery efforts, certify debts, and collect overpayments due to fraud, client error, or agency error in all state and federally funded public assistance programs. The commissioner shall also make recommendations for sharing recovered revenues under this program with counties to provide incentives to both the state and county to begin or maintain aggressive recovery efforts.

Sec. 48. APPROPRIATIONS.

Subdivision 1. APPROPRIATIONS. The appropriations in this section are from the general fund to the commissioner of human services and are available for the biennium ending June 30, 1997, unless otherwise specified in the following subdivisions.

Subd. 2. FOOD STAMP OUTREACH. \$150,000 is appropriated for the food stamp outreach program authorized by Minnesota Statutes, section 256.8799.* (The preceding subdivision was vetoed by the governor.)

Subd. 3. MINNESOTA PARENT'S FAIR SHARE PILOT PROJECT. \$800,000 is appropriated for the following purposes:

(a) \$400,000 for a grant to Ramsey county to enable the county to expand the Minnesota parent's fair share pilot project. As a condition of this grant, the commissioner may require a local match from the county.

(b) \$100,000 is added to the appropriation to Anoka county for costs associated with the Minnesota parent's fair share pilot project.

(c) \$100,000 is added to the appropriation to Dakota county for costs associated with the Minnesota parent's fair share pilot project.

(d) \$200,000 for costs associated with the mandatory community work experience component of the Minnesota parent's fair share pilot project.

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Subd. 4. INTENSIVE LANGUAGE PROGRAM. \$1,025,000 is appropriated to the commissioner of human services for the purpose of the training and education costs associated with the intensive six-month language program for non-English speaking mandatory STRIDE and CWEP participants, and is available for the fiscal year beginning July 1, 1996. This appropriation is in addition to any other appropriation for training and education for non-English speaking STRIDE participants. The commissioner of human services shall consult with the commissioner of education, on a regular basis, in the planning and implementation of the intensive program and shall ensure that funding follows the student to avoid unfunded mandates.

Subd. 5. INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS. \$351,000 is appropriated to pay for costs associated with the claims arising from the injury protection program, established under Minnesota Statutes, section 256.737.

Subd. 6. SOCIAL SERVICES EVALUATION. \$660,000 is appropriated to pay for county costs associated with minor caretaker evaluations.

Subd. 7. AFDC CHILD CARE. \$520,000 is added to the appropriation to pay for child care costs incurred by STRIDE participants under Minnesota Statutes, section 256.736, subdivisions 14a and 20.

Subd. 8. AFDC GRANTS. \$1,687,000 is added to the appropriation for the aid to families with dependent children program for the fiscal year beginning July 1, 1996.

Subd. 9. COUNTY COORDINATION OF FRAUD CONTROL ACTIVITIES. \$500,000 is appropriated for grants to counties to implement plans submitted under Minnesota Statutes, section 256.986.

Subd. 10. FRAUD PREVENTION INVESTIGATION PROGRAM. \$500,000 is added to the appropriation to expand the number of counties participating in the fraud prevention investigation program.

Subd. 11. HUMAN SERVICES ADMINISTRATION. \$1,766,000 is appropriated to pay for administrative costs. Of this sum, \$400,000 is available the first year of the biennium for translation services under Minnesota Statutes, section 256.01, subdivision 13.

Subd. 12. MA GRANTS. \$50,000 is appropriated for MA grants to implement the waiver for employed disabled persons, and is available for the fiscal year beginning July 1, 1996.

Sec. 49. REPEALER.

Minnesota Statutes 1994, section 256.734, is repealed.

Sec. 50. EFFECTIVE DATE.

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Sections 3 (99 Hour Rule) and 6 (Start Work Offset) are effective upon federal approval of the applicable waivers. Section 4 (Parenting Minors) is effective October 1, 1995. Sections 20 (256.81, clause (7) only), 29 (256D.045), and 34 (256D.09, subdivision 5), are effective July 1, 1996.

ARTICLE 3

WORKING FAMILY CREDITS JOINT VENTURE

Section 1. Minnesota Statutes 1994, section 13.46, subdivision 2, is amended to read:

Subd. 2. **GENERAL.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names ~~and~~, social security numbers, income, addresses, and other data as required, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, early refund of refundable tax credits, and the income tax, "Refundable tax credits" means the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code;
- (9) to the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for reemployment insurance, for any employment or training program administered, supervised, or certified by

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that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, and to verify receipt of energy assistance for the telephone assistance plan;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential facilities as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education coordinating board to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a recipient of aid to families with dependent children may be disclosed to law enforcement officers who provide the name and social security number of the recipient and satisfactorily demonstrate that: (i) the recipient is a fugitive felon, including the grounds for this determination; (ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and (iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance, work readiness, or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient, and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the food stamp act, in accordance with Code of Federal Regulations, title 7, section 272.1(c); or

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(18) data on a child support obligor who is in arrears may be disclosed for purposes of publishing the data pursuant to section 518.575.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed in accordance with the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), or (17), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 2. JOINT EFFORT; INCENTIVE TO WORK.

The departments of human services and revenue, in consultation with the department of economic security, must jointly develop a plan and seek federal waivers as necessary to develop a pilot project to provide the following tax credits on a monthly basis to eligible working taxpayers eligible to participate in the pilot program: Minnesota working family credit under section 290.0671, property tax refund under section 290A.04, dependent care credit under section 290.067, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code. The commissioners of human services and revenue shall report on the plan for implementation of the pilot program to the chairs of the human services policy and funding committees, and the chairs of the tax committees of the legislature by January 1, 1996.

Sec. 3. PILOT PROGRAM: EARLY REFUND OF REFUNDABLE TAX CREDITS.

Notwithstanding any law to the contrary, the commissioner of revenue may implement a pilot program to run for one calendar year beginning in the first quarter of calendar year 1996, to refund on a monthly basis to persons eligible for the AFDC program under Minnesota Statutes, sections 256.72 to 256.87, MFIP under Minnesota Statutes, sections 256.031 to 256.0361, or persons eligible for the GA program under Minnesota Statutes, sections 256D.01 to 256D.16 as a family assistance unit, an amount based on 50 percent of an estimate of how much the refundable credits of Minnesota Statutes, sections 290.067, 290.0671, and 290A.04, and, if the required federal waiver or waivers are granted, section 32 of the Internal Revenue Code, generated in a month exceed the estimated tax imposed under Minnesota Statutes, section 290.06, for the month. The commissioner of revenue shall use information provided by the commissioner of human services and department of revenue data to estimate the credits and tax for participating taxpayers. Taxpayers eligible for the pilot program must complete a form prepared and distributed by the commissioner of

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revenue to participate. The form must request information necessary for administering the program, and must include a statement that the commissioners of human services and revenue will share data relating to program participants as necessary for program administration. Refunds issued under this program will be considered a tax on the taxpayer for the year in which the credits are generated for the purposes of assessing and collecting overpayments of the credits, except that the commissioner of revenue must abate any interest and penalties generated by the failure to timely repay any overpaid credits. By March 1, 1997, the commissioners of revenue and human services shall report on the implementation of the pilot program, with recommendations to the chairs of the house and senate human services policy and funding committees and to the chairs of the tax committees in both houses.

Sec. 4. **APPROPRIATION; TAX CREDITS.**

\$100,000 is appropriated from the general fund to the commissioner of revenue for the fiscal year ending June 30, 1996, for purposes of implementing sections 1 to 3.

ARTICLE 4

INCOME SUPPORT AND TRANSITION

Section 1. Minnesota Statutes 1994, section 256.035, subdivision 6d, is amended to read:

Subd. 6d. **LENGTH OF JOB SEARCH OBLIGATION TO SEEK AND OBTAIN FULL-TIME EMPLOYMENT.** (a) When the family support agreement specifies a date when job search should begin, the parental caregiver must participate in employment search activities. If, after three months of search, the parental caregiver does not find a job that is consistent with the parental caregiver's employment goal, the parent must accept any suitable employment. The search may be extended for up to three months if the parental caregiver seeks and needs additional job search assistance.

(b) When the family support agreement specifies job search consistent with the overall employment goal, the caregiver is expected to seek and accept full-time employment. For this purpose, full-time employment means 30 or more hours a week. Caregivers who are single parents with a child under six satisfy this requirement by working 20 or more hours a week.

(c) A caregiver who voluntarily quits suitable employment without good cause or without agreement of the case manager, or who is terminated for non-performance, must contact the case manager within ten calendar days of the date employment ended to schedule a meeting to revise the family support agreement. A caregiver who fails to contact the case manager within the required time or fails to attend a scheduled meeting to revise the family support agree-

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ment is subject to sanction. If the revised family support agreement specifies job search, the caregiver must take any suitable employment. A caregiver who fails to comply is subject to sanction. A caregiver who voluntarily quits suitable employment with good cause or who is laid off must contact the case manager within ten calendar days of the date employment ended to schedule a meeting to revise the family support agreement. A caregiver who fails to contact the case manager within the required time or fails to attend a scheduled meeting to revise the family support agreement is subject to sanction. If the family support agreement specifies job search, the search is limited to three months to find a job related to the caregiver's overall employment goal. After three months, the caregiver must take any suitable employment. A caregiver who fails to comply is subject to sanction.

ARTICLE 5

WORK FIRST PROGRAM

Section 1. [256.7351] WORK FIRST PROGRAM.

Subdivision 1. CITATION. Sections 256.7351 to 256.7359 may be cited as the work first program.

Subd. 2. DEFINITIONS. As used in sections 256.7351 to 256.7359, the following words have the meanings given them.

(a) "AFDC" means aid to families with dependent children.

(b) "AFDC-UP" means AFDC clients who are eligible for assistance by reason of unemployment as defined by the commissioner under section 256.12, subdivision 14.

(c) "Applicant" means an individual who has submitted a request for assistance and has never received an AFDC or FGA grant through the MAXIS computer system as a caretaker, or an applicant whose AFDC or FGA application was denied or benefits were terminated due to noncompliance with work first requirements.

(d) "Application date" means the date any Minnesota county agency receives a signed and dated CAF Part I.

(e) "CAF" means a combined application form on which people apply for multiple assistance programs including: aid to families with dependent children, refugee cash assistance, general assistance, work readiness, Minnesota supplemental aid, food stamps, medical assistance, general assistance medical care, emergency assistance, emergency medical assistance, and emergency general assistance medical care.

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(f) "Caretaker" means a parent or eligible adult, including a pregnant woman, who is part of the assistance unit that has applied for or is receiving an AFDC or FGA grant.

(g) "Child support" means a voluntary or court-ordered payment by absent parents in an assistance unit.

(h) "Commissioner" means the commissioner of human services.

(i) "Department" means the department of human services.

(j) "Employability development plan" or "EDP" means a plan developed by the applicant, with advice from the employment advisor, for the purposes of identifying an employment goal, improving work skills through certification or education, training or skills recertification, and which addresses barriers to employment.

(k) "EDP status report form" means a program form on which deferred participants indicate what has been achieved in the participant's EDP and the types of problems encountered.

(l) "Employment advisor" means a program staff who is qualified to assist the participant to develop a job search or employability development plan, match the participant with existing job openings, refer the participant to employers, and has an extensive knowledge of employers in the area.

(m) "Financial specialist" means a program staff who is trained to explain the benefits offered under the program, determine eligibility for different assistance programs, and broker other resources from employers and the community.

(n) "Job network" means people that a person may contact to learn more about particular companies, inquire about job leads, or discuss one's occupational interests and expertise.

(o) "Job search allowance" means the amount of financial assistance needed to support job search.

(p) "Job search plan" or "JSP" means the specific plan developed by the applicant, with advice from the employment advisor, to secure a job as soon as possible, and focus the scope of the search process and other activities. Under the work first program, a job search plan shall meet the requirements for an EDP under section 256.736, subdivision 10, paragraph (a), clause (15).

(q) "JSP status report form" means a program form on which participants indicate the number of submitted job applications, job interviews held, jobs offered, other outcomes achieved, problems encountered, and the total number of hours spent on job search per week.

(r) "Participant" means a recipient who is required to participate in the work first program.

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(s) "Program" means the work first program.

(t) "Provider" means an employment and training agency certified by the commissioner of economic security under section 268.871, subdivision 1.

(u) "Self-employment" means employment where people work for themselves rather than an employer, are responsible for their own work schedule, and do not have taxes or FICA withheld by an employer.

(v) "Self-sufficiency agreement" means the agreement between the provider or its representative and the applicant that describes the activities that the applicant must conduct and the necessary services and aid to be furnished by the provider to enable the individual to meet the purpose of either the JSP or EDP.

(w) "Subsidized job" means a job that is partly reimbursed by the provider for cost of wages for participants in the program.

Subd. 3. ESTABLISHING WORK FIRST PROGRAM. The commissioners of human services and economic security may develop and establish pilot projects which require applicants for aid under AFDC under section 256.72, or general assistance program (FGA) under section 256D.05, subdivision 1, clause (15), to meet the requirements of the work first program. The purpose of the program is to:

(1) ensure that the participant is working as early as possible;

(2) promote greater opportunity for economic self-support, participation, and mobility in the work force; and

(3) minimize the risk for long-term welfare dependency.

Subd. 4. PROGRAM ADMINISTRATION. The program must be administered in a way that, in addition to the county agency, other sectors in the community such as employers from the public and private sectors, not-for-profit organizations, educational and social service agencies, labor unions, and neighborhood associations are involved.

Subd. 5. PROGRAM DESIGN. The program shall meet the following principles:

(1) work is the primary means of economic support;

(2) the individuals's potential is reviewed during the application process to determine how to approach the job market aggressively;

(3) public aid such as cash and medical assistance, child care, child support assurance, and other cash benefits are used to support intensive job search and immediate work; and

(4) maximum use is made of tax credits to supplement income.

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Subd. 6. WAIVER REQUESTS. The department shall request all waivers as soon as possible to implement the program in coordination with section 256D.055, provided that all conditions are met under section 256.01, subdivision 2, clause (12). Upon obtaining all waivers, the department shall amend the state plans for the AFDC and the Jobs Opportunities and Basic Skills Program (JOBS), and Supportive Services plan to coordinate these programs under the work first program for the pilot counties, and shall seek approval of state plan amendments. The department shall request all waivers from federal statutes and regulations to qualify the program as a federally approved demonstration project under section 1115 of the Social Security Act.

Subd. 7. DUTIES OF COMMISSIONER. In addition to any other duties imposed by law, the commissioner shall:

- (1) request all waivers to implement the program;
- (2) establish the program according to sections 256.7351 to 256.7359 and allocate money as appropriate to pilot counties participating in the program;
- (3) provide systems development and staff training;
- (4) accept and supervise the disbursement of any funds that may be provided from other sources for use in the demonstration program; and
- (5) direct a study to safeguard the interests of children.

Subd. 8. DUTIES OF COUNTY AGENCY. The county agency shall:

- (1) collaborate with the commissioners of human services and economic security and other agencies to develop, implement, and evaluate the demonstration of the work first program;
- (2) operate the work first program in partnership with private and public employers, local industry councils, labor unions, and employment, educational, and social service agencies and according to subdivision 4;
- (3) ensure that program components such as client orientation, immediate job search, job development, creation of temporary public service jobs, job placements, and post placement follow-up are implemented according to the work first program; and
- (4) for job assignments under section 256.7355 provide written notification to and obtain the written concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements and ensure that no work assignment under this section results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contract for services of col-

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lective bargaining agreements; or (v) a participant filling an established unfilled position vacancy, except for on-the-job training under this section. If there is a dispute between an exclusive bargaining representative and a county or public work employer over whether or not job duties are covered under a collective bargaining agreement, the exclusive bargaining representative, the county, or the public works employer may petition the bureau of mediation services, who shall determine if the job duties are covered by a collective bargaining agreement.

Subd. 9. DUTIES OF PARTICIPANT. To be eligible for an AFDC or family GA benefit, a participant shall cooperate with the county agency, the provider, and the participant's employer in all aspects of the program.

Sec. 2. [256.7352] PROGRAM PARTICIPANTS; PROGRAM EXPECTATIONS.

All applicants selected for participation are expected to meet the requirements under the work first program. Payments for rent and utilities up to the AFDC or FGA benefits to which the assistance unit is entitled will be vendor paid for as many months as the applicant is eligible or six months, whichever comes first. The residual amount after vendor payment, if any, will be paid to the AFDC or FGA applicant or recipient, unless it is used as a wage subsidy under section 256.7354, subdivision 2.

Sec. 3. [256.7353] PROGRAM REQUIREMENTS.

Subdivision 1. NOTIFICATION OF PROGRAM. Except for the provisions in this section, the provisions for AFDC and FGA application process shall be followed. Within two days after the receipt of a completed combined application form, the county agency must refer to the provider the applicant who meets the conditions under section 256.7352, and notify the applicant in writing of the program including the following provisions:

(1) notification that, as part of the application process, applicants are required to attend orientation, to be followed immediately by a job search;

(2) the program provider, the date, time, and location of the scheduled program orientation;

(3) the procedures for qualifying for and receiving benefits under the program;

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

(5) the rights, responsibilities, and obligations of participants in the program, including, but not limited to, the grounds for exemptions and deferrals, the consequences for refusing or failing to participate fully, and the appeal process.

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Subd. 2. PROGRAM ORIENTATION. The provider must give a face-to-face orientation regarding the program to the applicant within five days after the date of application. The orientation must be designed to inform the applicant of:

- (1) the importance of locating and obtaining a job as soon as possible;
- (2) benefits to be provided to support work;
- (3) the manner by which benefits shall be paid;
- (4) how other supportive services such as medical assistance, child care, transportation, and other work-related aid shall be available to support job search and work;
- (5) the consequences for failure without good cause to comply with program requirements; and
- (6) the appeal process.

Subd. 3. JOB SEARCH PLAN; EMPLOYMENT ADVISOR; FINANCIAL SPECIALIST. At the end of orientation, the provider must assign an employment advisor and a financial specialist to the applicant. With advice from the employment advisor, the applicant must develop a job search plan (JSP) based on existing job markets, prior employment, work experience, and transferable work skills, unless exempt under subdivision 5. A job search must be planned and conducted for a period of up to eight consecutive weeks from the date of application and for at least 32 hours per week. The types of and target number of job openings to be pursued per week must be written in the job search plan. The following activities may be included in the job search plan:

- (1) motivational counseling;
- (2) job networking or training on how to locate job openings;
- (3) development of a personal resume; and
- (4) information on how to conduct job interviews and establish a personal job network.

Following the development of the JSP or the employability development plan (EDP) under subdivision 9, the financial specialist must interview the applicant to determine eligibility for and the extent of benefits under sections 256.7356 and 256.7357 to support the job search or employability development plan. The provider must attach to the appropriate plan the summary of the necessary enabling services and benefits to be furnished by the provider. The provider or its representative and the applicant must sign the plan, with its attachment, to indicate a self-sufficiency agreement between the provider and the participant.

Subd. 4. IMMEDIATE JOB SEARCH. An applicant must be required to begin job search within seven days after the date of application for at least 32 hours per week for up to eight weeks, unless exempted under subdivision 5 or

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deferred under subdivision 9. For an applicant who is working at least 20 hours per week, job search shall consist of 12 hours per week for up to eight weeks. Within the first five days of job search, the applicant is required to initiate informational contacts with prospective employers, generate additional job leads from the job network, review references and experiences from previous employment, and carry out the other activities under the job search plan developed under subdivision 3.

Subd. 5. EXEMPTION CATEGORIES. The applicant will be exempted from the job search requirements and development of JSP and EDP under subdivisions 3, 4 and 8 if the applicant belongs to any of the following groups:

(1) caretakers under age 20 who have not completed a high school education and are attending high school on a full-time basis;

(2) individuals who are age 60 or older;

(3) individuals who are suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(4) caretakers whose presence in the home is needed because of illness or incapacity of another member in the household;

(5) women who are pregnant, if it has been medically verified that the child is expected to be born within the next six months;

(6) caretakers or other caretaker relatives of a child under the age of three who personally provide full-time care for the child;

(7) individuals employed at least 30 hours per week;

(8) individuals for whom participation would require a round trip commuting time by available transportation of more than two hours, excluding transporting of children for child care;

(9) individuals for whom lack of proficiency in English is a barrier to employment, provided such individuals are participating in an intensive program which lasts no longer than six months and is designed to remedy their language deficiency; individuals who, because of advanced age or lack of ability, are incapable of gaining proficiency in English, as determined by the county social worker, shall continue to be exempt under this subdivision and are not subject to the requirement that they be participating in a language program;

(10) individuals under such duress that they are incapable of participating in the program, as determined by the county social worker; or

(11) individuals in need of refresher courses for purposes of obtaining professional certification or licensure.

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Subd. 6. AFDC-UP APPLICANTS. All applicants and recipients under the AFDC-UP program will be required to meet the requirements in the community work experience program under section 256.737, instead of the requirements in subdivisions 4 to 14.

Subd. 6a. DESIGNATED PARTICIPANT IN FGA FAMILIES. Unless all adult members of an FGA family are exempt under section 256.7343, subdivision 1, one adult in the family must be designated to participate in all the requirements under this section. If the household contains more than one exempt adult, the adults may determine which adult must participate. If no designation is made or if the adults cannot agree, the county shall designate the adult having earned the greater income, including in-kind income, during the 24-month period immediately preceding the month of application for general assistance, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate which adult must participate.

Subd. 7. COUNTY DUTIES. The county must act on the application within 30 days of the application date. If the applicant is not eligible, the application will be denied and the county must notify the applicant of the denial in writing. An applicant whose application has been denied may be allowed to complete the job search plan; however, supportive services will not be provided.

Subd. 8. JOB SEARCH STATUS REPORT. The applicant or participant must submit a completed JSP status report form to the employment advisor every two weeks during the job search process, with the first completed form due 21 days after the date of application.

Subd. 9. EMPLOYABILITY DEVELOPMENT PLAN. At the discretion and approval of the employment advisor, the applicant may be deferred from the requirement to conduct at least 32 hours of job search per week for up to eight consecutive weeks, if during the development of the job search plan, the applicant is determined to:

(1) not have worked within the past 12 months and not have a high school or a general equivalency diploma provided the applicant agrees to develop and carry out an EDP instead of job search, and concurrently work for at least 16 hours per week in a temporary public service job. The EDP must include the employment goals and specific outcomes the participant must achieve;

(2) be within six months of completing any post-secondary training program, provided that the applicant agrees to develop and carry out an EDP instead of a job search, and concurrently work for a minimum number of hours per week in a temporary public service job. The EDP must include the employment goal and specific outcomes that the participant must achieve. The applicant that is deferred under this subdivision may choose to work in a job other than a public service job for a minimum number of hours per week rather than in a temporary public service job. For individuals who are participating in an educational program under this paragraph and who are attending school full time as determined by the institution there is no work requirement.

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For individuals participating in an educational program on a part-time basis as determined by the institution, the minimum number of hours that a participant must work shall be decreased as the participant increases the number of credit hours taken, except that the participant shall not be required to work more than eight hours per week.

During vacation periods of one month or more, the 16-hour per week minimum work requirement shall apply.

The applicant may be deferred for up to six months. At the end of the deferment period, the participant must develop a job search plan and conduct at least 32 hours of job search per week for up to eight consecutive weeks, and submit reports as required under subdivisions 3 and 4; or

(3) be in treatment for chemical dependency, be a victim of domestic abuse, or be homeless, provided that the applicant agrees to develop an EDP instead of a JSP, and immediately follow through with the activities in the EDP. The EDP must include specific outcomes that the applicant must achieve for the duration of the EDP and activities which are needed to address the issues identified. Under this clause, the applicant may be deferred for up to eight weeks.

Subd. 10. EDP STATUS REPORT. The participant who is deferred from job search under subdivision 9 must submit a completed EDP status report form to the employment advisor every 14 days as long as the participant continues to be deferred, with the first completed form due 21 days after the date of application.

Subd. 11. JOB OFFER. The participant must not refuse any job offer, provided that the job is within the participant's physical and mental abilities, pays hourly gross wages of not less than the applicable state or federal minimum wage, and meets health and safety standards set by federal, state, and local agencies. If a job is offered, the participant must inform the provider immediately to redetermine eligibility for and extent of benefits and services to support work. To enhance job retention, the provider may provide services such as motivational counseling or on-site problem solving for up to six months. The participant who has completed at least six months of work in a nonsubsidized job shall be encouraged to participate in a training program that would improve the participant's ability to obtain a job that pays a higher wage.

Subd. 12. DUTY TO REPORT. The participant must immediately inform the provider regarding any changes related to the participant's employment status.

Subd. 13. REQUIREMENT TO WORK IN A TEMPORARY PUBLIC SERVICE JOB. (a) If after the completion of the maximum eight weeks of job search the participant has failed to secure a nonsubsidized or a subsidized job for at least 32 hours per week, or does not earn a net income from self-employment that is equal to at least the AFDC or FGA monthly grant for the household size, whichever is applicable, the participant is required to work in a

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temporary public service job for up to 67 working days for (1) at least 32 hours per week, or (2) a period equivalent to the result of dividing the AFDC or FGA grant amount which the participant would otherwise receive, whichever is applicable, by the federal hourly minimum wage, or applicable hourly state minimum wage, or the hourly rate of pay for individuals employed in the same occupation at the site, whichever is highest. If the result is more than 128 hours per month, the participant's requirement to work in a temporary public service job shall not be more than 32 hours per week.

(b) Within seven days from the date of application, the participant that is deferred under subdivision 9, clause (1) or (2), and is participating in an educational program on a part-time basis must work in a temporary public service job as required under subdivision 9, clause (2).

(c) The provider shall strive to match the profile of the participant with the needs of the employers that are participating in a temporary jobs program under section 256.7355.

Subd. 14. TERMINATION OF WORK ASSIGNMENT. Work assignments are governed by section 256.7341.

Sec. 4. [256.7354] JOB DEVELOPMENT AND SUBSIDY.

Subdivision 1. JOB INVENTORY. The provider must develop an inventory of job openings including full-time, part-time, permanent, temporary or seasonal, and training positions, in partnership with private and public employers, local industry councils, and employment agencies. To the extent possible, the inventory must include specific information regarding job openings, must be updated on a weekly basis, and must be available to all participants on a daily basis.

Subd. 2. JOB SUBSIDY. The county may use all or part of AFDC or FGA benefits as a subsidy to employers for the purpose of providing work experience or training to the participant who has completed the job search plan, provided that (1) the job to be subsidized is permanent and full time, and pays an hourly rate of at least \$6 per hour; (2) the employer agrees to retain the participant after satisfactory completion of the work experience or training period; and (3) the participant has first tried to secure a nonsubsidized job by following the job search plan. The subsidy may be available for up to six months.

Sec. 5. [256.7355] TEMPORARY JOBS PROGRAM.

Subdivision 1. PROGRAM ESTABLISHED. The provider must establish and operate a program to provide temporary jobs to participants who, after eight weeks of job search, are not hired into a nonsubsidized or a subsidized job, or are deferred under section 256.7353, subdivision 9. The temporary jobs to be created under this section must be public service jobs that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public

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facilities, public safety, community service, services to the aged or disabled citizens, and child care.

Subd. 2. ASSIGNMENT TO TEMPORARY PUBLIC SERVICE JOBS. The provider must assign the participant that is within completion of the required eight weeks of job search and has failed to secure a nonsubsidized or a subsidized job for at least 32 hours per week, or does not earn a net income from self-employment that is equal to at least the AFDC or FGA monthly grant for the household size, whichever is applicable, to a temporary public service job. The assignment must be made seven days before the end of the job search and be based on section 256.7353, subdivision 13. The participant that is deferred under section 256.7353, subdivision 9, will be assigned by the provider to a temporary public service job within seven days after the application.

Subd. 3. PARTICIPANT'S STATUS. The participant who is working in a temporary public service job under this section is not considered an employee for the purposes of unemployment insurance compensation, retirement, or civil service laws, and shall not perform work ordinarily performed by a public employee.

Subd. 4. CONTINUOUS JOB SEARCH REQUIREMENT. At the discretion of the employer or the provider, the participant who is working in a temporary public service job under section 256.7353, subdivision 13, may be required to continue to look for a job for up to eight hours per week.

Subd. 5. EXCUSED ABSENCES. The participant who is working in a temporary public service job may be allowed excused absences from the assigned temporary job site up to eight hours per month. For the purposes of this subdivision, "excused absence" means absence due to temporary illness or injury of the caretaker or a member of the caretaker's family, the unavailability of licensed child care or unavailability of transportation needed to go to and from the work site, a job interview, or a nonmedical emergency. For the purposes of this subdivision, "emergency" means a sudden, unexpected occurrence or situation of a serious or urgent nature that requires action.

Subd. 6. MOVE TO A DIFFERENT COUNTY. If the applicant or recipient who is required to participate in the work first program moves to a different county in Minnesota, the benefits and enabling services agreed upon in the self-sufficiency agreement shall be provided by the pilot county where the applicant or recipient originated, so long as the move was part of the job search or employability development plan. If the applicant or recipient is moving to a different county for failure to comply with the requirement of the work first program, the applicant or recipient will not be eligible for AFDC or FGA in Minnesota for at least six months from the date of the move.

Sec. 6. [256.7356] TRANSITIONAL BENEFITS TO SUPPORT WORK; RENT AND UTILITIES VENDOR PAYMENT.

Payments for rent and utilities up to the amount of AFDC or FGA benefits

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to which the assistance unit is entitled shall be provided in the form of vendor payments for as many months as the applicant is eligible or six months, whichever comes first. The residual amount after vendor payment, if any, will be paid to the AFDC or FGA recipient, unless it is used as a wage subsidy under section 256.7344, subdivision 2. This provision shall apply to all applicants including those meeting the exemption categories under section 256.7353, subdivision 5, or deferral categories under section 256.7353, subdivision 9. To the extent needed, a job search allowance shall be provided for up to eight weeks to cover expenses related to the job search. Before the job search allowance is issued, it must be approved by the employment advisor and financial specialist, and clearly described in the job search.

Sec. 7. [256.7357] ELIGIBILITY FOR FOOD STAMPS, MEDICAL ASSISTANCE, AND CHILD CARE.

The participant shall be treated as an AFDC or FGA recipient for food stamps, medical assistance, and child care eligibility purposes. As with an AFDC recipient, the participant who leaves the program as a result of increased earnings from employment shall be eligible for transitional medical assistance and child care.

Sec. 8. [256.7358] SANCTIONS AND APPEAL PROCESS.

Subdivision 1. GOOD CAUSE. (a) For the purpose of this subdivision, "good cause" means absence due to temporary illness or injury of the participant or a member of the participant's family; the unavailability of licensed child care or unavailability of transportation needed to attend orientation or conduct job search; or a nonmedical emergency as defined under section 256.7353, subdivision 5.

(b) The applicant who is required, but fails, without good cause, to participate in orientation, complete the JSP or EDP, and comply with the job search requirements under section 256.7353 prior to being eligible for AFDC or FGA shall be denied AFDC or FGA benefits. The applicant will not be eligible for AFDC or FGA benefits in Minnesota for at least six months.

(c) Following participation in the orientation, completion of JSP or EDP and participation in job search under section 256.7353, but before being determined eligible for AFDC or FGA recipients in AFDC-UP cases who are subject to the vendor payment provisions under section 256.7356 are subject to the job search, work experience, and sanction provisions of sections 256.736, subdivision 14, and 256.737 and not the job search and work provisions under work first.

(d) If, after receiving a written warning from the county, the participant fails without good cause, to conduct at least 32 hours of job search per week in any given two-week period, the participant will be immediately required to work for at least 16 hours per week in a temporary public service job. The required 32 hours per week of job search will be reduced to 16 hours.

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(e) If the participant who is deferred under section 256.7353, subdivision 9, fails to comply with the activities described in the EDP, the participant will lose the deferment status, provided that the participant has received at least two written warnings from the provider.

(f) If the participant refuses to work in a temporary public service job, or is terminated from a temporary public service job for failure to work, benefits to the assistance unit shall be terminated and the participant shall not be eligible for aid under the AFDC or FGA program for at least six months from the date of refusal or termination. If the participant before completing at least four consecutive months of employment voluntarily quits or is terminated from a non-subsidized or a subsidized job, the participant shall immediately be assigned to work in a temporary public service job for at least 32 hours per week for up to 67 working days unless the participant is hired or rehired into a non-subsidized or subsidized job.

Subd. 2. NOTICE OF SANCTIONS. If the county determines that the participant has failed or refused without good cause as defined in subdivision 1, to cooperate with the program requirements, the county shall inform the participant in writing of its intent to impose an applicable sanction listed under subdivision 1 and the opportunity to have a conciliation conference upon request and within five days of receipt of the notice before a sanction is imposed.

Sec. 9. [256.7359] FUNDING.

Subdivision 1. BLOCK GRANT. A block grant to fund the entire program including, but not limited to, the costs for program administration and provision of cash benefits and program services including the entire costs of vendor payments made on behalf of clients and the entire cost of the temporary jobs program, will be paid to the county agency or provider participating in the work first program. Counties may request additional funds if there are unexpected increases in caseload.

Subd. 2. LEVERAGING GRANT AMOUNT TO SECURE OTHER FUNDS. The county agency or the provider in cooperation with the department may leverage the grant amount to secure other funds from employers, foundations, and the community for the purpose of developing additional components to benefit children and improve the program.

Subd. 3. EMPLOYER REIMBURSEMENT. The employer shall be reimbursed for wages paid to participants under section 256.7354, subdivision 2.

Sec. 10. APPROPRIATION; WORK FOCUS; WORK FIRST PROGRAM.

\$1,025,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1997, for purposes of implementing the work focus program under Minnesota Statutes, section 256D.055, and work first in sections 1 to 9.

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ARTICLE 6

GENERAL ASSISTANCE AND WORK READINESS
FOOD STAMP WORK AND TRAINING

Section 1. Minnesota Statutes 1994, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBILITY.** (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner and who is a resident of the state shall be eligible for and entitled to general assistance if the person or family is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the county agency through its director or designated representative;

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(6) a person who has an application pending for, or is appealing termination of benefits from, the social security disability program or the program of supplemental security income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(7) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

(8) a person who, ~~following participation in the work readiness program, completion of an individualized employability assessment by the work readiness service provider, and consultation between the county agency and the work readiness service provider, the work readiness service provider determines is not employable.~~ has been assessed by a vocational specialist and, in consultation

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with the county agency, has been determined to be unemployable for purposes of this item, a person is considered employable if the county agency determines that there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. The person's eligibility under this category must be reassessed at least annually by the county agency and must be based upon the results of a new individualized employability assessment completed by the work readiness service provider. The recipient shall, if otherwise eligible, continue to receive general assistance while the annual individualized employability assessment is completed by the work readiness service provider, rather than receive work readiness payments under section 256D.051. Subsequent eligibility for general assistance is dependent upon the county agency determining, following consultation with the work readiness service provider, that the person is not employable, or the person meeting the requirements of another general assistance category of eligibility. The county agency must provide notice to the person not later than 30 days before annual eligibility under this item ends, informing the person of the date annual eligibility will end and the need for vocational assessment if the person wishes to continue eligibility under this clause. For purposes of establishing eligibility under this clause, it is the applicant's or recipient's duty to obtain any needed vocational assessment;

(9) a person who is determined by the county agency, in accordance with emergency and permanent rules adopted by the commissioner, to be learning disabled, provided that if a rehabilitation plan for the person is developed or approved by the county agency, the person is following the plan;

(10) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than that the child has failed or refuses to cooperate with the county agency in developing the plan;

(11) a woman in the last trimester of pregnancy who does not qualify for aid to families with dependent children. A woman who is in the last trimester of pregnancy who is currently receiving aid to families with dependent children may be granted emergency general assistance to meet emergency needs;

(12) a person who is eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;

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(13) a person who lives more than two hours round-trip traveling time from any potential suitable employment;

(14) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day;

(15) (i) a family as defined in section 256D.02, subdivision 5, which is ineligible for the aid to families with dependent children program. If all children in the family are six years of age or older, or if suitable child care is available for children under age six at no cost to the family, all the adult members of the family must register for and cooperate in the work readiness program under section 256D.051. If one or more of the children is under the age of six and suitable child care is not available without cost to the family, all the adult members except one adult member must register for and cooperate with the work readiness program under section 256D.051. The adult member who must participate in the work readiness program is the one having earned the greater of the incomes, excluding in-kind income, during the 24-month period immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each adult, the applicant must designate the adult who must participate in work readiness and that designation must not be transferred or changed after program eligibility is determined as long as program eligibility continues without an interruption of 30 days or more. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6; and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination as provided by the termination provisions of section 256D.051, subdivision 1a, paragraph (b). The time limits of section 256D.051, subdivision 1, do not apply to persons eligible under this clause; (ii) unless all adults in the family are exempt under section 256D.051, subdivision 3a, one adult in the family must participate in and cooperate with the food stamp employment and training program under section 256D.051 each month that the family receives general assistance benefits. If the household contains more than one nonexempt adult, the adults may determine which adult must participate. The designation may be changed once annually at the annual re-determination of eligibility. If no designation is made or if the adults cannot agree, the county agency shall designate the adult having earned the greater of the incomes, including in-kind income, during the 24-month period immediately preceding the month of application for general assistance, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate which adult must participate. The recipient's participation must begin on the first day of the first full month following the determination of eligibility for general assistance benefits. To the extent of available resources, and with the county agency's consent, the recipient may voluntarily continue to participate in food stamp employment and training services for up to three additional consecutive months immediately following termination of general assistance benefits in order to complete the provisions of the recipient's employability development plan. If the adult member fails without

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good cause to participate in or cooperate with the food stamp employment and training program, the county agency shall concurrently terminate that person's eligibility for general assistance and food stamps for two months or until compliance is achieved, whichever is shorter, using the notice, good cause, conciliation and termination procedures specified in section 256D.051; or

(16) a person over age 18 whose primary language is not English and who is attending high school at least half time.

(b) Persons or families who are not state residents but who are otherwise eligible for general assistance may receive emergency general assistance to meet emergency needs.

(c) As a condition of eligibility under paragraph (a), clauses (1), (3), (5), (8), and (9), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

(d) The burden of providing documentation for a county agency to use to verify eligibility for general assistance or ~~work readiness for exemption from the food stamp employment and training program~~ is upon the applicant or recipient. The county agency shall use documents already in its possession to verify eligibility, and shall help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain.

Sec. 2. Minnesota Statutes 1994, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. **WORK REGISTRATION FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.** (a) ~~Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for~~ The commissioner shall implement a food stamp employment and training program in order to meet the food stamp employment and training participation requirements of the United States Department of Agriculture. Unless all adult members of the food stamp household are exempt under subdivision 3a, one nonexempt adult recipient in each household must participate in the food stamp employment and training program each month that the household is eligible for food stamps, up to a maximum period of six calendar months during any 12 consecutive calendar month period; subject to the provisions of paragraph (d), subdivision 3; and section 256D.052, subdivision 4. If the household contains more than one nonexempt adult, the adults may determine which adult must participate. The designation may be changed only once annually at the annual redetermination of eligibility. If no designation is made or if the adults cannot agree, the county agency shall designate the adult having earned the greater of the incomes, including in-kind

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income, during the 24-month period immediately preceding the month of application for food stamp benefits, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate the adult that must participate. The person's eligibility period begins participation in food stamp employment and training services must begin on the first day of the calendar month following the date of application eligibility for assistance or following the date all eligibility factors are met, whichever is later; however, food stamps. With the county agency's consent, and to the extent of available resources, the person may voluntarily continue to participate in work readiness food stamp employment and training services for up to three additional consecutive months immediately following the last month of benefits end of the six-month mandatory participation period in order to complete the provisions of the person's employability development plan. After July 1, 1992, if orientation is available within three weeks after the date eligibility is determined, initial payment will not be made until the registrant attends orientation to the work readiness program. Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (15), any person who would be defined for purposes of the food stamp program as being enrolled or participating at least half-time in an institution of higher education or a post-secondary program is ineligible for the work readiness program. Post-secondary education does not include the following programs: (1) high school equivalency; (2) adult basic education; (3) English as a second language; (4) literacy training; and (5) skill-specific technical training that has a course of study of less than three months; that is not paid for using work readiness funds; and that is specified in the work readiness employability development plan developed with the recipient prior to the recipient beginning the training course.

(d) Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits due to exhaustion of the period of eligibility specified in paragraph (a) or (d).

Sec. 3. Minnesota Statutes 1994, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. WORK READINESS PAYMENTS NOTICES; CONCILIA-

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TION CONFERENCE; SANCTIONS. (a) Except as provided in this subdivision, grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) Except as provided in section 256D.05, subdivision 6, work readiness assistance must be paid on the first day of each month.

At the time the county agency notifies the assistance unit household that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services food stamps, the county agency must inform all mandatory registrants employment and training services participants as identified in subdivision 1 in the assistance unit household that they must comply with all work readiness food stamp employment and training program requirements that each month, including the requirement to attend an initial orientation to the food stamp employment and training program and that work readiness food stamp eligibility will end at the end of the month unless the registrants participants comply with work readiness the requirements specified in the notice. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice no later than five days after eligibility ends, which informs the registrant that family general assistance or work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and advise the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and complies with the work readiness requirements that had not been complied with, or demonstrates that the person had good cause for failing to comply with the requirement. The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.

(c) Notwithstanding the provisions of section 256D.01, subdivision 1a, paragraph (d), when one member of a married couple has exhausted the five months of work readiness eligibility in a 12-month period and the other member has one or more months of eligibility remaining within the same 12-month period, the standard of assistance applicable to the member who remains eligible is the first adult standard in the aid to families with dependent children program.

(d) Notwithstanding sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits under paragraph (b).

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(b) A participant who fails without good cause to comply with food stamp employment and training program requirements of this section, including attendance at orientation, will lose food stamp eligibility for two months or until the county agency determines that the participant has complied with the program requirements, whichever is shorter. If the participant is not the head of household, the person shall be considered an ineligible household member for food stamp purposes. If the participant is the head of household, the entire household is ineligible for food stamps as provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means circumstances beyond the control of the participant, such as illness or injury, illness or injury of another household member requiring the participant's presence, a household emergency, or the inability to obtain child care for children between the ages of six and 12 or to obtain transportation needed in order for the participant to meet the food stamp employment and training program participation requirements.

(c) The county agency shall mail or hand deliver a notice to the participant not later than five days after determining that the participant has failed without good cause to comply with food stamp employment and training program requirements which specifies the requirements that were not complied with, the factual basis for the determination of noncompliance, the right to reinstate eligibility upon a showing of good cause or the failure to meet the requirements, must ask the reason for the noncompliance, and must identify the participant's appeal rights. The notice must request that the participant inform the county agency if the participant believes that good cause existed for the failure to comply, must offer the participant a conciliation conference as provided in paragraph (d), and must state that the county agency intends to terminate eligibility for food stamp benefits due to failure to comply with food stamp employment and training program requirements.

(d) The county agency must offer a conciliation conference to participants who have failed to comply with food stamp employment and training program requirements. The purpose of the conference is to determine the cause for non-compliance, to attempt to resolve the problem causing the noncompliance so that all requirements are complied with, and to determine if good cause for non-compliance was present. The conciliation period shall run for ten working days from the date of the notice required in paragraph (c). Information about how to request a conciliation conference must be specified in the notice required in paragraph (c). If the county agency determines that the participant, during the conciliation period, complied with all food stamp employment and training program requirements that the recipient was required to comply with prior to and during the conciliation period, or if the county agency determines that good cause for failing to comply with the requirements was present, a sanction on the participant's or household's food stamp eligibility shall not be imposed.

(e) If the county agency determines that the participant did not comply during the conciliation period with all food stamp employment and training program requirements that were in effect prior to and during the conciliation period, and if the county agency determines that good cause was not present, the

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county must provide a ten-day notice of termination of food stamp benefits. The termination notice must be issued following the last day of the conciliation period. The amount of food stamps that are withheld from the household and determination of the impact of the sanction on other household members is governed by Code of Federal Regulations, title 7, section 273.7.

(f) The participant may appeal the termination of food stamp benefits under the provisions of section 256.045.

Sec. 4. Minnesota Statutes 1994, section 256D.051, subdivision 2, is amended to read:

Subd. 2. **COUNTY AGENCY DUTIES.** (a) The county agency shall provide to ~~registrants~~ food stamp recipients a work readiness food stamp employment and training program. The ~~work readiness~~ program must include:

(1) orientation to the ~~work readiness food stamp employment and training~~ program;

(2) an individualized employability assessment and an individualized employability development plan that includes assessment of literacy, ability to communicate in the English language, educational and employment history, and that estimates the length of time it will take the ~~registrant participant~~ participant to obtain employment. The employability assessment and development plan must be completed in consultation with the ~~registrant participant~~, must assess the ~~registrant's participant's~~ participant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment. A copy of the employability development plan must be provided to the registrant;

(3) referral to available accredited remedial or skills training programs designed to address ~~registrant's participant's~~ participant's barriers to employment;

(4) referral to available programs ~~including the Minnesota employment and economic development program that provide subsidized or unsubsidized employment as necessary;~~

(5) a job search program, including job seeking skills training; and

(6) other activities, to the extent of available resources designed by the county agency to prepare the ~~registrant participant~~ participant for permanent employment.

~~The work readiness program may include a public sector or nonprofit work experience component only if the component is established according to section 268.90.~~

In order to allow time for job search, the county agency may not require an individual to participate in the work readiness food stamp employment and training program for more than 32 hours a week. The county agency shall require an individual to spend at least eight hours a week in job search or other work readiness food stamp employment and training program activities.

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(b) The county agency shall prepare an annual plan for the operation of its ~~work readiness food stamp employment and training~~ program. The plan must be submitted to and approved by the commissioner of economic security. The plan must include:

(1) a description of the services to be offered by the county agency;

(2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;

(3) a description of the factors that will be taken into account when determining a client's employability development plan; and

(4) ~~provisions to assure that applicants and recipients are evaluated for eligibility for general assistance prior to termination from the work readiness program; and~~

(5) provisions to ensure that the county agency's employment and training service provider provides each recipient with an orientation, employability assessment, and employability development plan as specified in paragraph (a), clauses (1) and (2), within 30 days of the recipient's ~~application~~ eligibility for assistance.

Sec. 5. Minnesota Statutes 1994, section 256D.051, is amended by adding a subdivision to read:

Subd. 2a. DUTIES OF COMMISSIONER. In addition to any other duties imposed by law, the commissioner shall:

(1) based on sections 256D.051 and 256D.052 and Code of Federal Regulations, title 7, section 273.7, supervise the administration of food stamp employment and training services to county agencies;

(2) disburse money appropriated for food stamp employment and training services to county agencies based upon the county's costs as specified in section 256D.06;

(3) accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for food stamp employment and training services; and

(4) cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.051 and 256D.052.

Sec. 6. Minnesota Statutes 1994, section 256D.051, subdivision 3, is amended to read:

Subd. 3. **REGISTRANT PARTICIPANT DUTIES.** In order to receive

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work readiness food stamp assistance, a registrant shall: (1) cooperate with the county agency in all aspects of the work readiness food stamp employment and training program; (2) accept any suitable employment, including employment offered through the job training partnership act, and other employment and training options; and (3) participate in work readiness food stamp employment and training activities assigned by the county agency. The county agency may terminate assistance to a registrant who fails to cooperate in the work readiness food stamp employment and training program, as provided in subdivision 1a.

Sec. 7. Minnesota Statutes 1994, section 256D.051, subdivision 3a, is amended to read:

Subd. 3a. **PERSONS REQUIRED TO REGISTER FOR AND PARTICIPATE IN THE WORK READINESS FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.** Each person in a work readiness assistance unit who is 18 years old or older must register for and participate in the work readiness program. A person in the assistance unit who is at least 16 years old but less than 19 years old and who is not a full-time secondary school student is required to register and participate. A student who was enrolled as a full-time student during the last school term must be considered a full-time student during summers and school holidays. (a) To the extent required under Code of Federal Regulations, title 7, section 273.7(a), each applicant for and recipient of food stamps is required to register for work as a condition of eligibility for food stamp benefits. Applicants and recipients are registered by signing an application or annual reapplication for food stamps, and must be informed that they are registering for work by signing the form.

(b) The commissioner shall determine, within federal requirements, persons required to participate in the Food Stamp Employment and Training (FSET) program.

(c) The following food stamp recipients are exempt from mandatory participation in food stamp employment and training services:

(1) recipients of benefits under the AFDC program, Minnesota supplemental aid program, or the general assistance program, except that an adult who receives general assistance under section 256D.05, subdivision 1, paragraph (b), is not exempt unless that person qualifies under one of the remaining exemption provisions in this paragraph;

(2) a child;

(3) a recipient over age 55;

(4) a recipient who has a mental or physical illness, injury, or incapacity which is expected to continue for at least 30 days and which impairs the recipient's ability to obtain or retain employment as evidenced by professional certification or the receipt of temporary or permanent disability benefits issued by a private or government source;

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(5) a parent or other household member responsible for the care of either a dependent child in the household who is under age six or a person in the household who is professionally certified as having a physical or mental illness, injury, or incapacity. Only one parent or other household member may claim exemption under this provision;

(6) a recipient receiving unemployment compensation or who has applied for unemployment compensation and has been required to register for work with the department of economic security as part of the unemployment compensation application process;

(7) a recipient participating each week in a drug addiction or alcohol abuse treatment and rehabilitation program, provided the operators of the treatment and rehabilitation program, in consultation with the county agency, recommend that the recipient not participate in the food stamp employment and training program;

(8) a recipient employed or self-employed for 30 or more hours per week at employment paying at least minimum wage, or who earns wages from employment equal to or exceeding 30 hours multiplied by the federal minimum wage; or

(9) a student enrolled at least half time in any school, training program, or institution of higher education. When determining if a student meets this criteria, the school's, program's or institution's criteria for being enrolled half time shall be used.

Sec. 8. Minnesota Statutes 1994, section 256D.051, subdivision 3b, is amended to read:

Subd. 3b. **WORK READINESS PARTICIPATION REQUIREMENTS ORIENTATION.** ~~A work readiness registrant meets the work readiness participation requirements if the registrant:~~

(1) completes the specific tasks or assigned duties that were identified by the county agency in the notice required under section 256D.101, subdivision 1, paragraph (a); and

(2) meets the requirements in subdivisions 3 and 8. The county agency or its employment and training service provider must provide an orientation to food stamp employment and training services to each nonexempt food stamp recipient within 30 days of the date that food stamp eligibility is determined. The orientation must inform the participant of the requirement to participate in services, the date, time, and address to report to for services, the name and telephone number of the food stamp employment and training service provider, the consequences for failure without good cause to comply, the services and support services available through food stamp employment and training services and other providers of similar services, and must encourage the participant to view the food stamp program as a temporary means of supplementing the family's food needs until the family achieves self-sufficiency through employment. The

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orientation may be provided through audio-visual methods, but the participant must have the opportunity for face-to-face interaction with county agency staff.

Sec. 9. Minnesota Statutes 1994, section 256D.051, subdivision 6, is amended to read:

Subd. 6. **SERVICE COSTS.** Within the limits of available resources, the commissioner shall reimburse ~~92 percent of~~ county agency expenditures for providing work readiness food stamp employment and training services including direct participation expenses and administrative costs; ~~except as provided in section 256.017.~~ State work readiness food stamp employment and training funds shall be used only to pay the county agency's and work readiness food stamp employment and training service provider's actual costs of providing participant support services, direct program services, and program administrative costs for persons who participate in work readiness such employment and training services. ~~Beginning July 1, 1991, The average annual reimbursable cost for providing work readiness food stamp employment and training services to a recipient for whom an individualized employability development plan is not completed must not exceed \$60 for the work readiness food stamp employment and training services, and \$223 \$240 for necessary recipient support services such as transportation or child care needed to participate in work readiness services food stamp employment and training program. If an individualized employability development plan has been completed, the average annual reimbursable cost for providing work readiness food stamp employment and training services must not exceed \$283, except that the total annual average reimbursable cost shall not exceed \$804 for recipients who participate in a pilot project work experience program under Laws 1993, First Special Session chapter 1, article 6, section 55, \$300 for all services and costs necessary to implement the plan, including the costs of training, employment search assistance, placement, work experience, on-the-job training, other appropriate activities, the administrative and program costs incurred in providing these services, and necessary recipient support services such as tools, clothing, and transportation needed to participate in work readiness food stamp employment and training services. Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991. Payment to counties under this subdivision is subject to the provisions of section 256.017. The county agency may expend additional county funds over and above the dollar limits of this subdivision without state reimbursement.~~

Sec. 10. Minnesota Statutes 1994, section 256D.051, subdivision 6b, is amended to read:

Subd. 6b. **FEDERAL REIMBURSEMENT.** Federal financial participation from the United States Department of Agriculture for work readiness food stamp employment and training expenditures that are eligible for reimbursement through the food stamp employment and training program are dedicated funds and are annually appropriated to the commissioner of human services for

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the operation of the ~~work readiness food stamp employment and training~~ program. Federal financial participation for the nonstate portion of ~~work readiness food stamp employment and training~~ costs must be paid to the county agency that incurred the costs.

Sec. 11. Minnesota Statutes 1994, section 256D.051, subdivision 8, is amended to read:

Subd. 8. **VOLUNTARY QUIT.** A person who is required to participate in ~~work readiness food stamp employment and training~~ services is not eligible for ~~general assistance or work readiness payments or services food stamps~~ if, without good cause, the person refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who is required to participate in ~~work readiness food stamp employment and training~~ services and, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving ~~general assistance or work readiness payments or services food stamps~~ shall be terminated from the ~~general assistance or work readiness food stamp~~ program as specified in subdivision 1a.

Sec. 12. Minnesota Statutes 1994, section 256D.051, subdivision 9, is amended to read:

Subd. 9. **SUBCONTRACTORS.** A county agency may, at its option, subcontract any or all of the duties under ~~subdivision 2 this section to a public or private entity approved by the commissioner of economic security.~~

Sec. 13. Minnesota Statutes 1994, section 256D.051, subdivision 17, is amended to read:

Subd. 17. **START WORK GRANTS.** Within the limit of available appropriations, the county agency may make grants necessary to enable ~~work readiness recipients food stamp employment training program participants~~ to accept bona fide offers of employment. The grants may be made for costs directly related to starting employment, including transportation costs, clothing, tools and equipment, license or other fees, and relocation. Start work grants are available once in any 12-month period to a ~~recipient participant.~~ The commissioner shall allocate money appropriated for start work grants to counties based on each county's ~~work readiness food stamp employment and training program~~ caseload in the 12 months ending in March for each following state fiscal year and may reallocate any unspent amounts.

Sec. 14. Minnesota Statutes 1994, section 256D.052, subdivision 3, is amended to read:

Subd. 3. **SERVICES PROVIDED PARTICIPANT LITERACY TRANSPORTATION COSTS.** Within the limits of the state appropriation the county agency must provide transportation to enable ~~people food stamp employment and training participants~~ to participate in literacy training under this section.

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The state shall reimburse county agencies for the costs of providing transportation under this section up to the amount of the state appropriation. Counties must make every effort to ensure that child care is available as needed by recipients who are pursuing literacy training.

Sec. 15. [256D.23] TEMPORARY COUNTY ASSISTANCE PROGRAM.

Subdivision 1. PROGRAM ESTABLISHED. Minnesota residents who meet the income and resource standards of section 256D.01, subdivision 1a, but do not qualify for cash benefits under sections 256D.01 to 256D.22, may qualify for a county payment under this section.

Subd. 2. PAYMENT AMOUNT, DURATION, AND METHOD. (a) A county may make a payment of up to \$203 for a single individual and up to \$260 for a married couple under the terms of this subdivision.

(b) Payments to an individual or married couple may only be made once in a calendar year. If the applicant qualifies for a payment as a result of an emergency, as defined by the county, the payment shall be made within ten working days of the date of application. If the applicant does not qualify under the county definition of emergency, the payment shall be made at the beginning of the second month following the month of application, and the applicant must receive the payment in person at the local agency office.

(c) Payments may be made in the form of cash or as vendor payments for rent and utilities. If vendor payments are made, they shall be equal to \$203 for a single individual or \$260 for a married couple, or the actual amount of rent and utilities, whichever is less.

(d) Each county must develop policies and procedures as necessary to implement this section.

(e) Payments under this section are not an entitlement. No county is required to make a payment in excess of the amount available to the county under subdivision 3.

Subd. 3. STATE ALLOCATION TO COUNTIES. The commissioner shall allocate to each county on an annual basis the amount specifically appropriated for payments under this section. The allocation shall be based on each county's proportionate share of state fiscal year 1994 work readiness expenditures.

Sec. 16. APPROPRIATIONS

Subdivision 1. GENERAL ASSISTANCE GRANTS. \$5,281,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1997, to cover the projected expansion in the general assistance caseload attributable to the transfer of some work readiness clients to general assistance.

Subd. 2. TEMPORARY COUNTY ASSISTANCE. \$6,427,000 is appropri-

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ated from the general fund to the commissioner of human services for the biennium ending June 30, 1997, for purposes of the temporary county assistance program under Minnesota Statutes, section 256D.23.* (The preceding subdivision was vetoed by the governor.)

Sec. 17. INSTRUCTION TO REVISOR.

The revisor of statutes is directed to delete the words "work readiness" wherever they appear in Minnesota Statutes, sections 256D.01 to 256D.21, in the next and subsequent editions of Minnesota Statutes.

Sec. 18. REPEALER.

Minnesota Statutes 1994, sections 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113, are repealed.

ARTICLE 7

MINNESOTA FAMILY INVESTMENT PLAN EXPANSION

Section 1. ~~[256.047]~~ EXPANSION OF MFIP TO RAMSEY COUNTY (MFIP-R).

Subdivision 1. MISSION STATEMENT. The goal of MFIP-R employment and pre-employment services is to help caregivers increase their family income in a timely manner through paid employment.

Subd. 2. SERVICE PROVIDING AGENCIES. Employment and pre-employment services must be offered by providers certified by the commissioner of economic security who meet the standards in section 268.871, subdivision 1. County agencies must ensure that all services, including contracted services, meet the requirements of MFIP-R services according to section 256.048, subdivision 6.

Subd. 3. STAFFING. County agencies may hire MFIP-R staff, which includes employment specialists, job developers, and vocational counselors to provide pre-employment and employment services described in section 256.048, subdivision 6, and coordinate social and support services. County agencies are expected to ensure that staff providing employment and pre-employment services have the necessary training and experience to perform the specific services which they are assigned to do.

Sec. 2. ~~[256.0475]~~ DEFINITIONS.

Subdivision 1. EMPLOYABILITY PLAN. "Employability plan" means the plan developed by MFIP-R staff and the caregiver under section 256.048.

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Subd. 2. FAMILY SUPPORT AGREEMENT. "Family support agreement" means the subsection of the employability plan which is limited to employment, education, employment and training services, and scheduled meetings with MFIP-R staff. For mandatory caregivers, noncompliance with the family support agreement may result in sanction.

Subd. 3. MANDATORY CAREGIVER. "Mandatory caregiver" means a caregiver who is required to develop a family support agreement under section 256.048, and is not exempt under that section.

Subd. 4. MFIP-R. "MFIP-R" means the pre-employment and employment program under section 256.048 provided to caregivers assigned to the Minnesota family investment plan in Ramsey county who receive financial assistance under sections 256.033, 256.034, and 256.036.

Sec. 3. [256.048] INCOME SUPPORT AND TRANSITION.

Subdivision 1. EXPECTATIONS. The requirement for a caregiver to develop a family support agreement is tied to the structure of the family and the length of time on assistance according to paragraphs (a) to (c).

(a) In a family headed by a single adult parental caregiver who has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for 12 or more months within the preceding 24 months, the parental caregiver must be developing and complying with the terms of the family support agreement commencing with the 13th month of assistance.

(b) For a family with a minor parental caregiver or a family whose parental caregiver is 18 or 19 years of age and does not have a high school diploma or its equivalent, the parental caregiver must be developing and complying with a family support agreement concurrent with the receipt of assistance. The terms of the family support agreement must include compliance with section 256.736, subdivision 3b. If the parental caregiver fails to comply with the terms of the family support agreement, the sanctions in subdivision 4 apply. When the requirements in section 256.736, subdivision 3b, have been met, a caregiver has fulfilled the caregiver's obligation. County agencies must continue to offer MFIP-R services if the caregiver wants to continue with an employability plan. Caregivers who fulfill the requirements of section 256.736, subdivision 3b, are subject to the expectations of paragraphs (a) and (c).

(c) In a family with two adult parental caregivers, at least one of whom has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for six or more months within the preceding 12 months, one parental caregiver must be developing and complying with the terms of the family support agreement commencing with the seventh month of assistance. The family and MFIP-R staff will designate the parental caregiver who will develop the family support agreement based on which parent has the greater potential to increase family income through immediate employment.

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Subd. 2. EXEMPTIONS. A caregiver is exempt from expectations as provided in paragraphs (a) and (b).

(a) Except for clause (4), which applies only for a single-parent family, a caregiver in a single-parent or two-parent family is exempt from the expectations of MFIP-R if the caregiver is:

(1) ill, incapacitated, or 60 years of age or older;

(2) needed in the home because of the illness or incapacity of another family member;

(3) the parent of a child under one year of age and is personally providing care for the child. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year old parents as provided in section 256.736, subdivision 3b, paragraphs (f) and (g);

(4) the parent of a child under six years of age and is employed or participating in education or employment and training services for 20 or more hours per week. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year-old parents as provided in section 256.736, subdivision 3b, paragraph (f), clause (5);

(5) working 30 hours or more per week or, if the number of hours cannot be verified, earns weekly, at least the federal minimum hourly wage rate multiplied by 30;

(6) in the second or third trimester of pregnancy; or

(7) not the natural parent, adoptive parent, or stepparent of a minor child in the assistance unit.

(b) In a two-parent household, only one parent may be exempt under paragraph (a), clause (2) or (3). If paragraph (a), clause (5), applies to either parent in a two-parent family, the other parent is exempt. In a two-parent household, if the parent designated to develop a family support agreement becomes exempt and the exemption is expected to last longer than six months, then the second parent is required to develop a family support agreement unless otherwise exempt under paragraph (a).

Subd. 3. GOOD CAUSE FOR FAILURE TO COMPLY. Caregivers may claim the following reasons as good cause for failure to comply with the expectations of MFIP-R employment and pre-employment services:

(1) needed child care is not available;

(2) the job does not meet the definition of suitable employment according to section 256.736, subdivision 1a, paragraph (h);

(3) the parental caregiver is ill, incapacitated, or injured;

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- (4) a family member is ill and needs care by the parental caregiver;
- (5) the parental caregiver is unable to secure the necessary transportation;
- (6) the parental caregiver is in an emergency situation;
- (7) the schedule of compliance with the family support agreement conflicts with judicial proceedings;
- (8) the parental caregiver is already participating in acceptable activities;
- (9) the family support agreement requires an educational program for a parent under the age of 20, but the educational program is not offered in the school district;
- (10) activities identified in the family support agreement are not available;
- (11) the parental caregiver is willing to accept suitable employment but employment is not available;
- (12) the parental caregiver documents other verifiable impediments to compliance with the family support agreement beyond the parental caregiver's control; or
- (13) the family support agreement requires an educational program for a parent under the age of 20, but the only available school program requires round trip commuting time from the custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

Subd. 4. SANCTION. The county agency must reduce an assistance unit's assistance payment by ten percent of the transitional standard for the applicable family size when a caregiver, who is not exempt from the expectations in this section, fails to attend a mandatory briefing, fails to attend scheduled meetings with MFIP-R staff, or fails to develop or comply with the terms of the caregiver's family support agreement. MFIP-R staff must send caregivers a notice of intent to sanction. For the purpose of this section, "notice of intent to sanction" means MFIP-R staff must provide written notification to the caregiver that the caregiver is not fulfilling the requirement to develop or comply with the family support agreement. This notification must inform the caregiver of the right to request a conciliation conference within ten days of the mailing of the notice of intent to sanction or the right to request a fair hearing under section 256.045. If a caregiver requests a conciliation conference, the county agency must postpone implementation of the sanction pending completion of the conciliation conference. If the caregiver does not request a conciliation conference within ten calendar days of the mailing of the notice of intent to sanction, the MFIP-R staff must notify the county agency that the assistance payment should be reduced.

Upon notification from MFIP-R staff that an assistance payment should be reduced, the county agency must send a notice of adverse action to the caregiver

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stating that the assistance payment will be reduced in the next month following the ten-day notice requirement and state the reason for the action. For the purpose of this section, "notice of adverse action" means the county agency must send a notice of sanction, reduction, suspension, denial, or termination of benefits before taking any of those actions. The caregiver may request a fair hearing under section 256.045, upon notice of intent to sanction or notice of adverse action, but the conciliation conference is available only upon notice of intent to sanction.

Subd. 5. ORIENTATION. The county agency must provide a financial assistance orientation which supplies information to caregivers about the MFIP-R and must encourage parental caregivers to engage in activities to stabilize the family and lead to employment and self-support.

Subd. 6. PRE-EMPLOYMENT AND EMPLOYMENT SERVICES. The county agency must provide services identified in clauses (1) to (10). Services include:

(1) a required briefing for all nonmandatory caregivers assigned to MFIP-R, which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services, an overview of job search techniques, and the opportunity to volunteer for MFIP-R job search activities and basic education services;

(2) a briefing for all mandatory caregivers assigned to MFIP-R, which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services;

(3) an MFIP assessment that meets the requirements of section 256.736, subdivision 10, paragraph (a), clause (14), and addresses caregivers' skills, abilities, interests, and needs;

(4) development, together with the caregiver, of an employability plan and family support agreement according to subdivision 7;

(5) coordination of services including child care, transportation, education assistance, and social services necessary to enable caregivers to fulfill the terms of the employability plan and family support agreement;

(6) provision of full-time English as a second language (ESL) classes;

(7) provision of a broad range of employment and pre-employment services including basic skills testing, interest and aptitude testing, career exploration, job search activities, community work experience program under section 256.737, or on-the-job training under section 256.738;

(8) evaluation of the caregiver's compliance with the employability plan and family support agreement and support and recognition of progress toward employment goals;

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(9) provision of postemployment follow-up for up to six months after caregivers become exempt or exit MFIP-R due to employment if requested by the caregiver; and

(10) approval of education and training program activities.

Subd. 7. EMPLOYABILITY PLAN AND FAMILY SUPPORT AGREEMENT. (a) The caregiver and MFIP-R staff will develop an employability plan and family support agreement. The employability plan includes the caregiver's overall employment goal, activities necessary to reach that goal, a timeline for each activity, and the support services provided by the agency. All activities in the employability plan must contribute to the caregiver's overall employment goal.

(b) The family support agreement is the enforceable section of an employability plan for mandatory caregivers. The family support agreement must be limited to employment, education, or employment and training services, and scheduled meetings with MFIP-R staff. The family support agreement must be signed by both an MFIP-R staff and the parental caregiver.

(1) In developing an employability plan and family support agreement, MFIP-R staff must discuss with the caregiver the economic benefits under MFIP of taking available employment. MFIP-R staff must provide examples of how different levels of earnings increase available income.

(2) Activities in the family support agreement must enhance the family's opportunities to increase its income in a timely manner through paid employment.

(3) Each step of the family support agreement shall build upon prior steps and facilitate progress toward the caregiver's overall employment goal.

(4) Social services, such as mental health or chemical dependency services, parenting education, or budget management, can be included in the employability plan but not in the family support agreement and are not subject to sanctions under subdivision 4.

(5) The family support agreement must state the parental caregiver's obligations and the standards for satisfactory compliance with the requirements of MFIP-R.

Subd. 8. REQUIREMENT TO ATTEND BRIEFING. All MFIP-R caregivers are required to attend a mandatory briefing which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services.

Subd. 9. REQUIREMENT TO PARTICIPATE IN JOB SEARCH. The family support agreement for mandatory caregivers will include 30 hours per week of job search activity. The family support agreement for single parental

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caregivers with a child under the age of six may require no more than 20 hours of job search activity. Job search requirements do not apply to minor parental caregivers and parental caregivers under the age of 20 who must meet the educational requirement under section 256.736, subdivision 3b.

Subd. 10. LENGTH OF JOB SEARCH. Caregivers participating in job search shall have eight weeks to find employment which is consistent with the employment goal in the family support agreement. If after eight weeks of job search the parental caregiver does not find employment consistent with the overall employment goal, the caregiver must accept any suitable employment.

Subd. 11. LEVEL OF EMPLOYMENT. Caregivers participating in job search are expected to seek and accept full-time employment. Any caregiver satisfies this requirement by working at least 30 hours per week. Single parents with a child under the age of six satisfy the requirement by working at least 20 hours per week.

Subd. 12. CESSATION OF EMPLOYMENT. Mandatory caregivers who quit a job, are laid off, or are terminated must contact MFIP-R staff within ten calendar days of the date the employment ended to schedule a meeting to revise the family support agreement to incorporate job search activities to obtain suitable employment. A caregiver who fails to contact MFIP-R staff within ten calendar days, fails to attend a scheduled meeting to revise the family support agreement, or fails to accept an offer of suitable employment is subject to sanctions under subdivision 4.

Subd. 13. EDUCATION AND TRAINING ACTIVITIES; BASIC EDUCATION. Basic education, including adult basic education, high school or general equivalency diploma, or ESL may be included in the family support agreement when a caregiver is actively participating in job search activities as specified in the family support agreement, or employed at least 12 hours per week. Six months of basic education activities may be included in the family support agreement, and extension of basic education activities is contingent upon review and approval by MFIP-R staff.

Non-English speaking caregivers have the option to participate in full-time ESL activities for up to six months prior to participation in job search with approval of MFIP-R staff.

Subd. 14. EDUCATION AND TRAINING ACTIVITIES; POST-SECONDARY EDUCATION. (a) Mandatory caregivers, mandatory caregivers who become exempt, and caregivers converted from STRIDE or ACCESS may have post-secondary education included in the family support agreement. For individuals who are participating in an educational program under this paragraph on a full-time basis as determined by the institution, there is no work requirement. For individuals participating in an educational program on a part-time basis as determined by the institution, the minimum number of hours that a participant must work shall be increased or decreased in inverse proportion to the number of credit hours being taken, up to a maximum of 12 hours weekly of work.

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(b) Conditions for approval of a post-secondary education program include demonstration by the caregiver that:

(1) there is a market for full-time employees with this education or training where the caregiver will or is willing to reside upon completion of the program;

(2) the average wage level for employees with this education or training is significantly greater than the caregiver can earn without this education or training;

(3) the caregiver can meet the requirements for admission into the program; and

(4) there is a reasonable expectation that the caregiver will complete the training program based on such factors as the caregiver's current MFIP assessment; previous education, training, and work history; current motivation; and changes in previous circumstances.

(c) A comparison must be made between income foregone by delaying immediate entry into full-time paid employment while in pursuit of education or training and the probable income which will be earned following the education or training. The advantages and disadvantages to the family must be discussed with respect to both options.

(d) Activities under this subdivision are limited to the equivalent of two years of full-time education, with the following exceptions:

(1) caregivers in subdivision 15;

(2) caregivers who have already obtained a post-secondary degree. These caregivers are limited to course work necessary to upgrade skills, or obtain licensure or certification;

(3) extenuating circumstances that prohibit the caregiver from completing the program within the equivalent of two years; or

(4) the education activities may be part of a four-year education program provided the family support agreement specifies that the employment goal will be met at the time the caregiver completes the equivalent of two years of full-time education or that the caregiver will participate in activities leading to the employment goal following completion of the two years of full-time education.

(e) Caregivers in education or training programs must maintain satisfactory progress. "Satisfactory progress" in an education or training program means the caregiver remains in good standing as defined by the education or training institution and meets the requirements in the caregiver's MFIP-R employability plan. MFIP-R staff may withdraw approval of the caregiver's employability plan when the caregiver does not maintain satisfactory progress in the education or training program.

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Subd. 15. CONVERTED STRIDE AND ACCESS CASES. Caregivers with an employability plan from STRIDE or ACCESS must develop an MFIP-R employability plan. With approval of the MFIP-R staff, the family support agreement for caregivers under this section may include continuation of educational activities, up to a baccalaureate degree, if initiated under STRIDE or ACCESS. Caregivers who continue these activities must also participate in job search or work at least 12 hours per week.

Subd. 16. REVISIONS TO FAMILY SUPPORT AGREEMENT. The caregiver may revise the family support agreement with approval of MFIP-R staff.

Subd. 17. VOLUNTEERS FOR MFIP-R PRE-EMPLOYMENT AND EMPLOYMENT SERVICES. (a) Upon request, local agencies must continue to offer MFIP-R services to:

(1) caregivers with a signed family support agreement who become exempt under subdivision 2; and

(2) caregivers randomly assigned to MFIP during the conversion period who have an active STRIDE or ACCESS plan.

(b) County agencies must also service the following caregivers, as funding allows:

(1) second parent in a two-parent family; and

(2) caregivers who have not reached the timing for mandatory participation.

(c) Volunteers under paragraph (a) may access all MFIP-R services. Volunteers under paragraph (b), clause (1), may access MFIP-R job search and basic education services only. Volunteers under paragraph (b), clause (2), may access only MFIP-R job search services.

(d) Caregivers identified in this subdivision are voluntary participants for MFIP-R pre-employment and employment services and may not be sanctioned for failure to cooperate unless they reach the timing of MFIP-R pre-employment and employment services under subdivision 6, or are no longer exempt under subdivision 2.

Subd. 18. CONCILIATION. The county agency must inform the mandatory parental caregiver of the option of a conciliation conference when the mandatory parental caregiver receives a notice of intent to sanction or cannot reach agreement with MFIP-R staff about the contents or interpretation of the family support agreement.

Conciliation procedures shall be available as provided in section 256.736, subdivision 11, paragraph (c). Upon receiving a notice of intent to sanction, a caregiver may request a hearing under section 256.045 without exercising the option of a conciliation conference.

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Subd. 19. CHILD CARE. The commissioner shall ensure that each MFIP caregiver who is employed or is developing or is engaged in activities identified in an employability plan under subdivision 7, and who needs assistance with child care costs to be employed or to develop or comply with the terms for an employability plan, receives a child care subsidy through child care money appropriated for the MFIP. The subsidy must cover all actual child care costs for eligible hours up to the maximum rate allowed under section 256H.15. A caregiver who is in the assistance unit and leaves the program as a result of increased earnings from employment, and needs child care assistance to remain employed, is entitled to extended child care assistance as provided under United States Code, title 42, section 602(g)(1)(a)(ii), on a copayment basis.

Subd. 20. HEALTH CARE. A family leaving the program as a result of increased earnings from employment is eligible for extended medical assistance as provided under Public Law Number 100-485, section 303, as amended, and Public Law Number 101-239, section 8015(b)(7).

Sec. 4. [256.049] APPLICABILITY.

Section 256.035 will not apply to the expansion of MFIP into Ramsey county (MFIP-R). Sections 256.047 to 256.048 will substitute for section 256.035 for the purposes of MFIP-R. Sections 256.031 to 256.034, and 256.036, 256.0361, and 268.871 are applicable to MFIP-R insofar as they are not inconsistent with sections 256.047 to 256.048. Minnesota Rules, part 9500.4220, does not apply to MFIP-R. Minnesota Rules, parts 9500.4000 to 9500.4210, and 9500.4230 to 9500.4340, are applicable to the expansion of MFIP into Ramsey county insofar as they are not inconsistent with sections 256.047 to 256.048.

Sec. 5. APPROPRIATIONS.

Subdivision 1. COUNTY ADMINISTRATIVE COSTS. (a) \$50,000 is appropriated to pay for MFIP-R county administrative costs for the fiscal year beginning July 1, 1995.

(b) \$200,000 is appropriated to pay for MFIP-R county administrative costs for the fiscal year beginning July 1, 1996.

Subd. 2. MFIP-R. \$6,589,000 is appropriated for the expansion of MFIP-R into Ramsey county for grants and child care for fiscal year beginning July 1, 1996.

Subd. 3. MFIP-R CASE MANAGEMENT. \$1,601,000 is appropriated for MFIP-R case management for the fiscal year beginning July 1, 1996.

Sec. 6. EFFECTIVE DATE.

(a) Sections 1 to 4 and 5, subdivisions 1, paragraph (b), 2, and 3, are effective July 1, 1996.

(b) Section 5, subdivision 1, paragraph (a), is effective July 1, 1995.

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Presented to the governor May 15, 1995

Signed by the governor May 18, 1995, 11:48 a.m.

CHAPTER 179—H.F.No. 1399

An act relating to crime; imposing penalties for assaulting a police horse while it is being used for law enforcement purposes; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Section 1. **[609.597] ASSAULTING OR HARMING A POLICE HORSE; PENALTIES.**

Subdivision 1. DEFINITION. As used in this section, "police horse" means a horse that has been trained for crowd control and other law enforcement purposes and is used to assist peace officers in the performance of their official duties.

Subd. 2. CRIME. Whoever assaults or intentionally harms a police horse while the horse is being used or maintained for use by a law enforcement agency is guilty of a crime and may be sentenced as provided in subdivision 3.

Subd. 3. PENALTIES. A person convicted of violating subdivision 2 may be sentenced as follows:

(1) if a peace officer, or any other person suffers great bodily harm or death as a result of the violation, the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both;

(2) if the police horse suffers death or great bodily harm as a result of the violation, or if a peace officer suffers demonstrable bodily harm as a result of the violation, the person may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both;

(3) if the police horse suffers demonstrable bodily harm as a result of the violation, the person may be sentenced to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both;

(4) if a peace officer is involuntarily unseated from the police horse or any person, other than the peace officer, suffers demonstrable bodily harm as a result of the violation, the person may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both;

(5) if a violation other than one described in clauses (1) to (4) occurs, the

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