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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1862

03/16/2015 Authored by McDonald; Dean, M., and Gruenhagen

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

1.1 A bill for an act
1.2 relating to human services; excluding a portion of child support payments from
1.3 available income in determining MFIP eligibility; amending Minnesota Statutes
1.4 2014, sections 256J.21, subdivision 2; 256J.33, subdivision 4.

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

1.6 Section 1. Minnesota Statutes 2014, section 256J.21, subdivision 2, is amended to read:

1.7 Subd. 2. **Income exclusions.** The following must be excluded in determining a
1.8 family's available income:

1.9 (1) payments for basic care, difficulty of care, and clothing allowances received for
1.10 providing family foster care to children or adults under Minnesota Rules, parts 9555.5050
1.11 to 9555.6265, 9560.0521, and 9560.0650 to 9560.0655, payments for family foster care
1.12 for children under section 260C.4411 or chapter 256N, and payments received and used
1.13 for care and maintenance of a third-party beneficiary who is not a household member;

1.14 (2) reimbursements for employment training received through the Workforce
1.15 Investment Act of 1998, United States Code, title 20, chapter 73, section 9201;

1.16 (3) reimbursement for out-of-pocket expenses incurred while performing volunteer
1.17 services, jury duty, employment, or informal carpooling arrangements directly related to
1.18 employment;

1.19 (4) all educational assistance, except the county agency must count graduate student
1.20 teaching assistantships, fellowships, and other similar paid work as earned income and,
1.21 after allowing deductions for any unmet and necessary educational expenses, shall
1.22 count scholarships or grants awarded to graduate students that do not require teaching
1.23 or research as unearned income;

- (5) loans, regardless of purpose, from public or private lending institutions, governmental lending institutions, or governmental agencies;
- (6) loans from private individuals, regardless of purpose, provided an applicant or participant documents that the lender expects repayment;
- (7)(i) state income tax refunds; and
- (ii) federal income tax refunds;
- (8)(i) federal earned income credits;
- (ii) Minnesota working family credits;
- (iii) state homeowners and renters credits under chapter 290A; and
- (iv) federal or state tax rebates;
- (9) funds received for reimbursement, replacement, or rebate of personal or real property when these payments are made by public agencies, awarded by a court, solicited through public appeal, or made as a grant by a federal agency, state or local government, or disaster assistance organizations, subsequent to a presidential declaration of disaster;
- (10) the portion of an insurance settlement that is used to pay medical, funeral, and burial expenses, or to repair or replace insured property;
- (11) reimbursements for medical expenses that cannot be paid by medical assistance;
- (12) payments by a vocational rehabilitation program administered by the state under chapter 268A, except those payments that are for current living expenses;
- (13) in-kind income, including any payments directly made by a third party to a provider of goods and services;
- (14) assistance payments to correct underpayments, but only for the month in which the payment is received;
- (15) payments for short-term emergency needs under section 256J.626, subdivision 2;
- (16) funeral and cemetery payments as provided by section 256.935;
- (17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in a calendar month;
- (18) any form of energy assistance payment made through Public Law 97-35, Low-Income Home Energy Assistance Act of 1981, payments made directly to energy providers by other public and private agencies, and any form of credit or rebate payment issued by energy providers;
- (19) Supplemental Security Income (SSI), including retroactive SSI payments and other income of an SSI recipient, except as described in section 256J.37, subdivision 3b;
- (20) Minnesota supplemental aid, including retroactive payments;
- (21) proceeds from the sale of real or personal property;
- (22) adoption or kinship assistance payments under chapter 256N or 259A;

(23) state-funded family subsidy program payments made under section 252.32 to help families care for children with developmental disabilities, consumer support grant funds under section 256.476, and resources and services for a disabled household member under one of the home and community-based waiver services programs under chapter 256B;

(24) interest payments and dividends from property that is not excluded from and that does not exceed the asset limit;

(25) rent rebates;

(26) income earned by a minor caregiver, minor child through age 6, or a minor child who is at least a half-time student in an approved elementary or secondary education program;

(27) income earned by a caregiver under age 20 who is at least a half-time student in an approved elementary or secondary education program;

(28) MFIP child care payments under section 119B.05;

(29) all other payments made through MFIP to support a caregiver's pursuit of greater economic stability;

(30) income a participant receives related to shared living expenses;

(31) reverse mortgages;

(32) benefits provided by the Child Nutrition Act of 1966, United States Code, title 42, chapter 13A, sections 1771 to 1790;

(33) benefits provided by the women, infants, and children (WIC) nutrition program, United States Code, title 42, chapter 13A, section 1786;

(34) benefits from the National School Lunch Act, United States Code, title 42, chapter 13, sections 1751 to 1769e;

(35) relocation assistance for displaced persons under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12, chapter 13, sections 1701 to 1750jj;

(36) benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part 2, sections 2271 to 2322;

(37) war reparations payments to Japanese Americans and Aleuts under United States Code, title 50, sections 1989 to 1989d;

(38) payments to veterans or their dependents as a result of legal settlements regarding Agent Orange or other chemical exposure under Public Law 101-239, section 10405, paragraph (a)(2)(E);

(39) income that is otherwise specifically excluded from MFIP consideration in federal law, state law, or federal regulation;

(40) security and utility deposit refunds;

(41) American Indian tribal land settlements excluded under Public Laws 98-123, 98-124, and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations and payments to members of the White Earth Band, under United States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;

(42) all income of the minor parent's parents and stepparents when determining the grant for the minor parent in households that include a minor parent living with parents or stepparents on MFIP with other children;

(43) income of the minor parent's parents and stepparents equal to 200 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child in households that include a minor parent living with parents or stepparents not on MFIP when determining the grant for the minor parent. The remainder of income is deemed as specified in section 256J.37, subdivision 1b;

(44) payments made to children eligible for relative custody assistance under section 257.85;

(45) vendor payments for goods and services made on behalf of a client unless the client has the option of receiving the payment in cash;

(46) the principal portion of a contract for deed payment;

(47) cash payments to individuals enrolled for full-time service as a volunteer under AmeriCorps programs including AmeriCorps VISTA, AmeriCorps State, AmeriCorps National, and AmeriCorps NCCC; ~~and~~

(48) housing assistance grants under section 256J.35, paragraph (a); and

(49) child support payments of up to \$100 for an assistance unit with one child and up to \$200 for an assistance unit with two or more children.

Sec. 2. Minnesota Statutes 2014, section 256J.33, subdivision 4, is amended to read:

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

(1) gross earned income from employment, prior to mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36, unless the employment income is specifically excluded under section 256J.21, subdivision 2;

(2) gross earned income from self-employment less deductions for self-employment expenses in section 256J.37, subdivision 5, but prior to any reductions for personal or

5.1 business state and federal income taxes, personal FICA, personal health and life insurance,
5.2 and after the disregards in section 256J.21, subdivision 4, and the allocations in section
5.3 256J.36;

5.4 (3) unearned income after deductions for allowable expenses in section 256J.37,
5.5 subdivision 9, and allocations in section 256J.36, unless the income has been specifically
5.6 excluded in section 256J.21, subdivision 2;

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

5.10 (5) child support received by an assistance unit in excess of the amount excluded in
5.11 section 256J.21, subdivision 2, and spousal support received by an assistance unit;

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

5.13 (7) the income of an eligible relative and spouse who seek to be included in the
5.14 assistance unit; and

5.15 (8) the unearned income of a minor child included in the assistance unit.