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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **3277**

03/17/2016 Authored by Zerwas, Mahoney and Moran

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

03/24/2016 Adoption of Report: Amended and re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act  
1.2 relating to human services; changing certain reimbursement requirements of the  
1.3 food stamp employment and training program; modifying certain appropriation  
1.4 requirements of the Supplemental Nutrition Assistance Program; amending  
1.5 Minnesota Statutes 2014, section 256D.051, subdivision 6b; Laws 2013, chapter  
1.6 108, article 14, section 2, subdivision 1, as amended.

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

1.8 Section 1. Minnesota Statutes 2014, section 256D.051, subdivision 6b, is amended to  
1.9 read:

1.10 Subd. 6b. **Federal reimbursement.** (a) Federal financial participation from  
1.11 the United States Department of Agriculture for food stamp employment and training  
1.12 expenditures that are eligible for reimbursement through the food stamp employment and  
1.13 training program are dedicated funds and are annually appropriated to the commissioner  
1.14 of human services for the operation of the food stamp employment and training program.

1.15 (b) The appropriation must be used for skill attainment through employment,  
1.16 training, and support services for food stamp participants. Up to ten percent of the funds  
1.17 may be used for the administrative cost of capturing additional federal reimbursement  
1.18 dollars. By February 15, 2017, the commissioner shall report to the legislative committees  
1.19 having jurisdiction over the food stamp program on the progress of securing additional  
1.20 federal reimbursement dollars.

1.21 (c) Federal financial participation for the nonstate portion of food stamp employment  
1.22 and training costs must be paid to the county agency or other entity that incurred the costs.

1.23 Sec. 2. Laws 2013, chapter 108, article 14, section 2, subdivision 1, as amended by  
1.24 Laws 2014, chapter 312, article 31, section 3, is amended to read:

2.1	Subdivision 1. <b>Total Appropriation</b>		<b>\$ 6,437,815,000</b>	<b>\$ 6,456,311,000</b>
2.2	Appropriations by Fund			
2.3		2014	2015	
2.4	General	5,654,095,000	5,676,652,000	
2.5	State Government			
2.6	Special Revenue	4,099,000	4,510,000	
2.7	Health Care Access	519,816,000	518,446,000	
2.8	Federal TANF	257,915,000	254,813,000	
2.9	Lottery Prize Fund	1,890,000	1,890,000	

2.10 **Receipts for Systems Projects.**

2.11 Appropriations and federal receipts for  
 2.12 information systems projects for MAXIS,  
 2.13 PRISM, MMIS, and SSIS must be deposited  
 2.14 in the state system account authorized  
 2.15 in Minnesota Statutes, section 256.014.  
 2.16 Money appropriated for computer projects  
 2.17 approved by the commissioner of Minnesota  
 2.18 information technology services, funded  
 2.19 by the legislature, and approved by the  
 2.20 commissioner of management and budget,  
 2.21 may be transferred from one project to  
 2.22 another and from development to operations  
 2.23 as the commissioner of human services  
 2.24 considers necessary. Any unexpended  
 2.25 balance in the appropriation for these  
 2.26 projects does not cancel but is available for  
 2.27 ongoing development and operations.

2.28 **Nonfederal Share Transfers.** The  
 2.29 nonfederal share of activities for which  
 2.30 federal administrative reimbursement is  
 2.31 appropriated to the commissioner may be  
 2.32 transferred to the special revenue fund.

2.33 **ARRA Supplemental Nutrition Assistance**  
 2.34 **Benefit Increases.** The funds provided for  
 2.35 food support benefit increases under the  
 2.36 Supplemental Nutrition Assistance Program

3.1 provisions of the American Recovery and  
3.2 Reinvestment Act (ARRA) of 2009 must be  
3.3 used for benefit increases beginning July 1,  
3.4 2009.

3.5 **Supplemental Nutrition Assistance**

3.6 **Program Employment and Training.**

3.7 ~~(1) Notwithstanding Minnesota Statutes,~~  
3.8 ~~sections 256D.051, subdivisions 1a, 6b,~~  
3.9 ~~and 6e, and 256J.626, federal Supplemental~~  
3.10 ~~Nutrition Assistance employment and~~  
3.11 ~~training funds received as reimbursement of~~  
3.12 ~~MFIP consolidated fund grant expenditures~~  
3.13 ~~for diversionary work program participants~~  
3.14 ~~and child care assistance program~~  
3.15 ~~expenditures must be deposited in the general~~  
3.16 ~~fund. The amount of funds must be limited to~~  
3.17 ~~\$4,900,000 per year in fiscal years 2014 and~~  
3.18 ~~2015, and to \$4,400,000 per year in fiscal~~  
3.19 ~~years 2016 and 2017, contingent on approval~~  
3.20 ~~by the federal Food and Nutrition Service.~~

3.21 ~~(2) Consistent with the receipt of the federal~~  
3.22 ~~funds, the commissioner may adjust the~~  
3.23 ~~level of working family credit expenditures~~  
3.24 ~~claimed as TANF maintenance of effort.~~  
3.25 ~~Notwithstanding any contrary provision in~~  
3.26 ~~this article, this rider expires June 30, 2017.~~

3.27 **TANF Maintenance of Effort.** (a) In order  
3.28 to meet the basic maintenance of effort  
3.29 (MOE) requirements of the TANF block grant  
3.30 specified under Code of Federal Regulations,  
3.31 title 45, section 263.1, the commissioner may  
3.32 only report nonfederal money expended for  
3.33 allowable activities listed in the following  
3.34 clauses as TANF/MOE expenditures:

- 4.1 (1) MFIP cash, diversionary work program,  
4.2 and food assistance benefits under Minnesota  
4.3 Statutes, chapter 256J;
- 4.4 (2) the child care assistance programs  
4.5 under Minnesota Statutes, sections 119B.03  
4.6 and 119B.05, and county child care  
4.7 administrative costs under Minnesota  
4.8 Statutes, section 119B.15;
- 4.9 (3) state and county MFIP administrative  
4.10 costs under Minnesota Statutes, chapters  
4.11 256J and 256K;
- 4.12 (4) state, county, and tribal MFIP  
4.13 employment services under Minnesota  
4.14 Statutes, chapters 256J and 256K;
- 4.15 (5) expenditures made on behalf of legal  
4.16 noncitizen MFIP recipients who qualify for  
4.17 the MinnesotaCare program under Minnesota  
4.18 Statutes, chapter 256L;
- 4.19 (6) qualifying working family credit  
4.20 expenditures under Minnesota Statutes,  
4.21 section 290.0671;
- 4.22 (7) qualifying Minnesota education credit  
4.23 expenditures under Minnesota Statutes,  
4.24 section 290.0674; and
- 4.25 (8) qualifying Head Start expenditures under  
4.26 Minnesota Statutes, section 119A.50.
- 4.27 (b) The commissioner shall ensure that  
4.28 sufficient qualified nonfederal expenditures  
4.29 are made each year to meet the state's  
4.30 TANF/MOE requirements. For the activities  
4.31 listed in paragraph (a), clauses (2) to  
4.32 (8), the commissioner may only report  
4.33 expenditures that are excluded from the

5.1 definition of assistance under Code of  
5.2 Federal Regulations, title 45, section 260.31.

5.3 (c) For fiscal years beginning with state fiscal  
5.4 year 2003, the commissioner shall ensure  
5.5 that the maintenance of effort used by the  
5.6 commissioner of management and budget  
5.7 for the February and November forecasts  
5.8 required under Minnesota Statutes, section  
5.9 16A.103, contains expenditures under  
5.10 paragraph (a), clause (1), equal to at least 16  
5.11 percent of the total required under Code of  
5.12 Federal Regulations, title 45, section 263.1.

5.13 (d) The requirement in Minnesota Statutes,  
5.14 section 256.011, subdivision 3, that federal  
5.15 grants or aids secured or obtained under that  
5.16 subdivision be used to reduce any direct  
5.17 appropriations provided by law, do not apply  
5.18 if the grants or aids are federal TANF funds.

5.19 (e) For the federal fiscal years beginning on  
5.20 or after October 1, 2007, the commissioner  
5.21 may not claim an amount of TANF/MOE in  
5.22 excess of the 75 percent standard in Code  
5.23 of Federal Regulations, title 45, section  
5.24 263.1(a)(2), except:

5.25 (1) to the extent necessary to meet the 80  
5.26 percent standard under Code of Federal  
5.27 Regulations, title 45, section 263.1(a)(1),  
5.28 if it is determined by the commissioner  
5.29 that the state will not meet the TANF work  
5.30 participation target rate for the current year;

5.31 (2) to provide any additional amounts  
5.32 under Code of Federal Regulations, title 45,  
5.33 section 264.5, that relate to replacement of  
5.34 TANF funds due to the operation of TANF  
5.35 penalties; and

6.1 (3) to provide any additional amounts that  
6.2 may contribute to avoiding or reducing  
6.3 TANF work participation penalties through  
6.4 the operation of the excess MOE provisions  
6.5 of Code of Federal Regulations, title 45,  
6.6 section 261.43 (a)(2).

6.7 For the purposes of clauses (1) to (3),  
6.8 the commissioner may supplement the  
6.9 MOE claim with working family credit  
6.10 expenditures or other qualified expenditures  
6.11 to the extent such expenditures are otherwise  
6.12 available after considering the expenditures  
6.13 allowed in this subdivision and subdivisions  
6.14 2 and 3.

6.15 (f) Notwithstanding any contrary provision  
6.16 in this article, paragraphs (a) to (e) expire  
6.17 June 30, 2017.

6.18 **Working Family Credit Expenditures**  
6.19 **as TANF/MOE.** The commissioner may  
6.20 claim as TANF maintenance of effort up to  
6.21 \$6,707,000 per year of working family credit  
6.22 expenditures in each fiscal year.