

1 Department of Human Services

2

3 Adopted Permanent Rules Relating to Minnesota Family Investment
4 Program

5

6 Rules as Adopted

7 9500.4000 SCOPE AND APPLICABILITY.

8 Subpart 1. **Scope.** Parts 9500.4000 to 9500.4340 establish
9 standards that govern the responsibilities of the Department of
10 Human Services and local agencies in the administration of the
11 Minnesota Family Investment Program (MFIP) and the rights and
12 responsibilities of participants under the Minnesota Family
13 Investment Program.

14 Subp. 2. **Applicability, field trial counties.** Parts
15 9500.4000 to 9500.4340 apply to the MFIP field trial beginning
16 April 1, 1994, in Anoka, Dakota, Hennepin, Mille Lacs, Morrison,
17 Sherburne, and Todd counties.

18 9500.4010 MFIP SELECTION.

19 Assistance units in the field trial counties assigned to
20 the MFIP participation group must be randomly selected from the
21 pool of applicants and recipients of AFDC, family general
22 assistance, and food stamps. After an assistance unit is
23 assigned to the MFIP participation group, the assistance unit
24 will remain in the MFIP participation group for the duration of
25 the field trial. Assistance units in the MFIP participation
26 group will receive MFIP assistance as long as the assistance
27 unit remains eligible for assistance. If, after a period of
28 ineligibility, an assistance unit that was previously assigned
29 to the MFIP participation group reapplies for assistance in an
30 MFIP field trial county and is found eligible, the assistance
31 unit must be assigned to participate in MFIP. Some assistance
32 units selected to the MFIP participation group will be randomly
33 assigned a special status and will not receive case management
34 services under Minnesota Statutes, section 256.035, subdivision
35 6a. Assistance units who do not receive case management

1 services under Minnesota Statutes, section 256.035, subdivision
2 6a, are eligible for services under Minnesota Statutes, section
3 256.736, to the same extent as families receiving AFDC.

4 Assistance units assigned a special status are entitled to child
5 care if child care is needed to enable the participants to work.

6 For purposes of MFIP evaluation, some assistance units in
7 the field trial counties receiving or applying for AFDC, family
8 general assistance, or food stamps will be randomly assigned to
9 a comparison group. After an assistance unit is assigned to a
10 comparison group, the assistance unit will remain in the
11 comparison group for the duration of the field trial.

12 Assistance units in a comparison group will receive assistance
13 under AFDC, family general assistance, or food stamps, as long
14 as the assistance unit remains eligible for assistance. If,
15 after a period of ineligibility, an assistance unit that was
16 previously assigned to a comparison group reapplies for
17 assistance and is found eligible, the assistance unit shall
18 receive assistance under the AFDC, family general assistance, or
19 food stamps programs.

20 Assignment to MFIP, a special status within MFIP, or a
21 comparison group is not subject to appeal under Minnesota
22 Statutes, section 256.045.

23 9500.4020 PROGRAM DEFINITIONS.

24 Subpart 1. **Scope.** As used in parts 9500.4000 to
25 9500.4340, the following terms have the meanings given them.

26 Subp. 2. **Absent parent.** "Absent parent" means a minor
27 child's parent who does not live in the child's home.

28 Subp. 3. **ACCESS program.** "ACCESS program" means the AFDC
29 child care program under Minnesota Statutes, section 256H.05,
30 subdivision 6.

31 Subp. 4. **Agency error.** "Agency error" means an error that
32 results in an overpayment or underpayment to an assistance unit
33 and is not caused by an applicant's or participant's failure to
34 provide adequate, correct, or timely information about income,
35 property, household composition, or other circumstances.

1 Subp. 5. **Aid to families with dependent children or AFDC.**
2 "Aid to families with dependent children" or "AFDC" means the
3 program authorized under title IV-A of the Social Security Act
4 to provide financial assistance and social services to needy
5 families with dependent children.

6 Subp. 6. **Appeal.** "Appeal" means a written statement from
7 an applicant or participant who requests a hearing under part
8 9500.4250 and Minnesota Statutes, section 256.045.

9 Subp. 7. **Applicant.** "Applicant" means a person who has
10 submitted to a local agency an application for assistance for
11 AFDC, family general assistance, or food stamps and whose
12 application has not been acted upon, denied, or voluntarily
13 withdrawn.

14 Subp. 8. **Application.** "Application" means the submission
15 by or on behalf of a family to the local agency of a completed,
16 signed, and dated form, prescribed by the commissioner, that
17 indicates a desire to receive assistance.

18 Subp. 9. **Assignment of support.** "Assignment of support"
19 means the transfer of a person's right to child support, private
20 health care benefits, and spousal maintenance benefits to the
21 local agency.

22 Subp. 10. **Assistance unit or MFIP assistance unit.**
23 "Assistance unit" or "MFIP assistance unit" means a group of
24 mandatory and optional people receiving or applying for MFIP
25 benefits together.

26 Subp. 11. **Authorized representative.** "Authorized
27 representative" means a person who is authorized, in writing, by
28 an applicant or participant to act on the applicant's or
29 participant's behalf in matters involving the application for
30 assistance or participation in MFIP.

31 Subp. 12. **Basic needs.** "Basic needs" means the minimum
32 personal requirements of subsistence and is restricted to food,
33 clothing, shelter, utilities, and other items of which the loss,
34 or lack of, is determined by the local agency to pose a direct,
35 immediate threat to the physical health or safety of the
36 applicant or participant.

1 Subp. 13. **Budget month.** "Budget month" means the calendar
2 month which the local agency uses to determine the income or
3 circumstances of an assistance unit to calculate the amount of
4 the assistance payment in the payment month.

5 Subp. 14. **Caregiver.** "Caregiver" has the meaning given it
6 in Minnesota Statutes, section 256.032, subdivision 2.

7 Subp. 15. **Case management.** "Case management" has the
8 meaning given it in Minnesota Statutes, section 256.032,
9 subdivision 3.

10 Subp. 16. **Child support pass-through.** "Child support
11 pass-through" means the first \$50 of any support payment made by
12 an absent parent in the month when due that is disregarded in
13 determining the eligibility and amount of the assistance payment
14 for a participant.

15 Subp. 17. **Client error.** "Client error" means an error
16 that results in an overpayment or underpayment and is due to an
17 applicant's or participant's failure to provide adequate,
18 correct, or timely information concerning income, property,
19 household composition, or other circumstances.

20 Subp. 18. **Collateral contacts.** "Collateral contacts"
21 means confirmation of an assistance unit's circumstances by a
22 person outside the assistance unit.

23 Subp. 19. **Commissioner.** "Commissioner" means the
24 commissioner of the Department of Human Services or the
25 commissioner's designated representative.

26 Subp. 20. **Conciliation conference.** "Conciliation
27 conference" means a meeting conducted by a mediator that seeks
28 to achieve mutual agreement between the caregiver and the case
29 manager.

30 Subp. 21. **Corrective payment.** "Corrective payment" means
31 an assistance payment that is made to correct an underpayment.

32 Subp. 22. **Countable income.** "Countable income" means
33 earned and unearned income that is not excluded under part
34 9500.4080 or disregarded under part 9500.4150.

35 Subp. 23. **Counted earnings.** "Counted earnings" means the
36 earned income that remains after applicable disregards under

1 part 9500.4150 have been subtracted from gross earned income.

2 Subp. 24. **County board.** "County board" has the meaning
3 given it in Minnesota Statutes, section 256.032, subdivision 5b.

4 Subp. 25. **County of financial responsibility.** "County of
5 financial responsibility" means the county that has financial
6 responsibility for providing public assistance as specified in
7 Minnesota Statutes, chapter 256G.

8 Subp. 26. **County of residence.** "County of residence"
9 means the county where the caregiver has established a home.

10 Subp. 27. **Date of application.** "Date of application"
11 means the date on which the local agency receives an applicant's
12 signed application.

13 Subp. 28. **Deem.** "Deem" means to treat all or part of the
14 income of an individual who is not in the assistance unit, but
15 who is financially responsible for members of the assistance
16 unit, as if it were income available to the assistance unit.

17 Subp. 29. **Department.** "Department" means the Minnesota
18 Department of Human Services.

19 Subp. 30. **Disregard.** "Disregard" means earned income that
20 is not counted when determining initial eligibility or ongoing
21 eligibility and calculating the amount of the assistance payment
22 for participants.

23 Subp. 31. **Documentation.** "Documentation" means a written
24 statement or record that substantiates or validates an assertion
25 made by a person or an action taken by a person, agency, or
26 entity.

27 Subp. 32. **Earned income.** "Earned income" means cash or
28 in-kind income earned through the receipt of wages, salary,
29 commissions, profit from employment activities, net profit from
30 self-employment activities, payments made by an employer for
31 regularly accrued vacation or sick leave, and any other profit
32 from activity earned through effort or labor.

33 Subp. 33. **Earned income credit.** "Earned income credit"
34 means the payment which can be obtained by a qualified person
35 from an employer or from the Internal Revenue Service as
36 provided by United States Code, title 26, subtitle A, chapter 1,

1 subchapter A, part 4, section 32, and Minnesota Statutes,
2 section 290.0671.

3 Subp. 34. **Emergency.** "Emergency" means a situation that
4 causes or threatens to cause a lack of a basic need item when
5 there are insufficient resources to provide for that need.

6 Subp. 35. **Employability plan.** "Employability plan" has
7 the meaning given it in Minnesota Statutes, section 256.032,
8 subdivision 6a.

9 Subp. 36. **Encumbrance.** "Encumbrance" means a legal claim
10 against real or personal property that is payable upon the sale
11 of that property.

12 Subp. 37. **Equity value.** "Equity value" means the amount
13 of equity in real or personal property owned by a person and is
14 determined by subtracting any outstanding encumbrances from the
15 fair market value.

16 Subp. 38. **Excluded time.** "Excluded time" has the meaning
17 given it in Minnesota Statutes, section 256G.02, subdivision 6.

18 Subp. 39. **Excluded time facility.** "Excluded time facility"
19 means any hospital, sanitarium, nursing home, shelter, halfway
20 house, foster home, semi-independent living domicile or services
21 program, residential facility offering care, board and lodging
22 facility, or other institution for the hospitalization or care
23 of human beings, as defined in Minnesota Statutes, sections
24 144.50, 144A.01, or 245A.02, subdivision 14; or a maternity
25 home, battered women's shelter, or correctional facility.

26 Subp. 40. **Expedited issuance of food stamps assistance.**
27 "Expedited issuance of food stamps assistance" means the
28 issuance of food stamps assistance to eligible assistance units
29 on the day of application as provided in Minnesota Statutes,
30 section 393.07, subdivision 10a.

31 Subp. 41. **Fair hearing or hearing.** "Fair hearing" or
32 "hearing" means the evidentiary hearing conducted by the
33 department appeals referee to resolve disputes as specified in
34 Minnesota Statutes, section 256.045.

35 Subp. 42. **Fair market value.** "Fair market value" means
36 the price that an item of a particular make, model, size,

1 material, or condition would sell for on the open market in the
2 particular geographic area.

3 Subp. 43. **Family.** "Family" has the meaning given it in
4 Minnesota Statutes, section 256.032, subdivision 7.

5 Subp. 44. **Family support agreement.** "Family support
6 agreement" has the meaning given it in Minnesota Statutes,
7 section 256.032, subdivision 7a.

8 Subp. 45. **Family wage level.** "Family wage level" has the
9 meaning given it in Minnesota Statutes, section 256.032,
10 subdivision 8.

11 Subp. 46. **Federal Insurance Contribution Act or FICA.**
12 "Federal Insurance Contribution Act" or "FICA" means the federal
13 law under United States Code, title 26, subtitle C, chapter 21,
14 subchapter A, sections 3101 to 3126, that requires withholding
15 or direct payment from earned income.

16 Subp. 47. **Financial case record.** "Financial case record"
17 means an assistance unit's financial eligibility file.

18 Subp. 48. **Financially responsible household members.**
19 "Financially responsible household members" means spouses,
20 parents of minor children and minor caregivers, and stepparents
21 of minor children to the extent authorized by federal and state
22 law.

23 Subp. 49. **Full-time student.** "Full-time student" means a
24 person who is enrolled in a graded or ungraded primary,
25 intermediate, secondary, GED preparatory, trade, technical,
26 vocational, or postsecondary school, and who meets the school's
27 standard for full-time attendance.

28 Subp. 50. **General educational development or GED.**
29 "General educational development" or "GED" means the general
30 educational development certification issued by the Minnesota
31 Board of Education as an equivalent to a secondary school
32 diploma under part 3500.3100, subpart 4.

33 Subp. 51. **Gross earned income.** "Gross earned income"
34 means earned income from employment before mandatory and
35 voluntary payroll deductions. Gross earned income includes
36 salaries, wages, tips, gratuities, commissions, incentive

1 payments from work or training programs, payments made by an
2 employer for regularly accrued vacation or sick leave, and
3 profits from other activity earned by an individual's effort or
4 labor. Gross earned income includes uniform and meal allowances
5 if federal income tax is deducted from the allowance. Gross
6 earned income includes flexible work benefits received from an
7 employer if the employee has the option of receiving the benefit
8 or benefits in cash.

9 Subp. 52. **Gross income.** "Gross income" is the sum of
10 gross earned income and unearned income.

11 Subp. 53. **Gross receipts.** "Gross receipts" means the
12 money received by a business before the expenses of the business
13 are deducted.

14 Subp. 54. **Half-time student.** "Half-time student" means a
15 person who is enrolled in a graded or ungraded primary,
16 intermediate, secondary, GED preparatory, trade, technical,
17 vocational, or postsecondary school, and who meets the school's
18 standard of half-time attendance.

19 Subp. 55. **Home.** "Home" means the primary place of
20 residence used by a person as the base for day to day living and
21 does not include locations used as mail drops.

22 Subp. 56. **Homeless individual.** "Homeless individual"
23 means an individual who lacks a fixed and regular nighttime
24 residence or an individual whose primary nighttime residence is:

25 A. a supervised shelter designed to provide temporary
26 accommodations such as a welfare hotel or congregate shelter;

27 B. a halfway house or similar institution that
28 provides temporary residence for individuals intended to be
29 institutionalized;

30 C. a temporary accommodation in the residence of
31 another individual; or

32 D. a place not designed for, or ordinarily used as, a
33 regular sleeping accommodation for human beings such as a
34 hallway, lobby, bus station, or under highway bridges and
35 overpasses.

36 Subp. 57. **Homestead.** "Homestead" means the home that is

1 owned by, and is the usual residence of, the assistance unit
2 together with the surrounding property which is not separated
3 from the home by intervening property owned by others. Public
4 rights-of-way, such as roads which run through the surrounding
5 property and separate it from the home, do not affect the
6 exemption of the property. Homestead includes an asset that is
7 not real property that the assistance unit uses as a home, such
8 as a vehicle.

9 Subp. 58. **Household.** "Household" means a group of persons
10 who live together.

11 Subp. 59. **Income.** "Income" means cash or in-kind benefit,
12 whether earned or unearned, received by or available to an
13 applicant or participant that is not an asset under part
14 9500.4070.

15 Subp. 60. **Initial eligibility.** "Initial eligibility"
16 means the determination of eligibility for an applicant who has
17 been randomly selected to participate in MFIP.

18 Subp. 61. **Initial income test.** "Initial income test"
19 means the test used to determine initial eligibility which
20 compares countable income to the transitional standard as
21 specified in part 9500.4080, subpart 3.

22 Subp. 62. **In-kind income.** "In-kind income" means income,
23 benefits, or payments which are provided in a form other than
24 money or liquid assets, including the forms of goods, produce,
25 services, privileges, or payments made on behalf of an applicant
26 or participant by a third party.

27 Subp. 63. **Inquiry.** "Inquiry" means a communication to a
28 local agency through mail, telephone, or in person, by which a
29 person or authorized representative requests information about
30 public assistance. The local agency shall also treat as an
31 inquiry any communication in which a person requesting
32 assistance offers information about the person's family
33 circumstances that indicates that eligibility for public
34 assistance may exist.

35 Subp. 64. **Legally available.** "Legally available" means a
36 person's right under the law to secure, possess, dispose of, or

1 control income or property.

2 Subp. 65. **Local agency.** "Local agency" means a county or
3 multicounty agency that is authorized under Minnesota Statutes,
4 sections 393.01, subdivision 7, and 393.07, subdivision 2, to
5 administer MFIP.

6 Subp. 66. **Low-income home energy assistance program or**
7 **LIHEAP.** "Low-income home energy assistance program" or "LIHEAP"
8 means the program authorized under United States Code, title 42,
9 chapter 94, subchapter II, sections 8621 to 8629, and
10 administered by the Minnesota Department of Jobs and Training.

11 Subp. 67. **Lump sum.** "Lump sum" means nonrecurring income
12 that is not excluded in part 9500.4080.

13 Subp. 68. **Maximum shelter deduction.** "Maximum shelter
14 deduction" means the amount designated by the United States
15 Department of Agriculture under Code of Federal Regulations,
16 title 7, subtitle B, chapter II, subchapter C, part 273, section
17 273.9, paragraph (d)(8), as the maximum deduction from income
18 allowed for shelter costs when calculating food stamp benefits.

19 Subp. 69. **Medical assistance.** "Medical assistance" means
20 the program established under title XIX of the Social Security
21 Act and Minnesota Statutes, chapter 256B.

22 Subp. 70. **MFIP household report form.** "MFIP household
23 report form" means a form prescribed by the commissioner that a
24 participant uses to report information to a local agency about
25 income and other circumstances as specified in part 9500.4280.

26 Subp. 71. **Minnesota family investment plan or Minnesota**
27 **family investment program or MFIP.** "Minnesota family investment
28 plan" or "Minnesota family investment program" or "MFIP" means
29 the assistance program authorized in Minnesota Statutes,
30 sections 256.031 to 256.0361.

31 Subp. 72. **Minnesota supplemental aid or MSA.** "Minnesota
32 supplemental aid" or "MSA" means the program established under
33 Minnesota Statutes, sections 256D.35 to 256D.54.

34 Subp. 73. **Minor caregiver.** "Minor caregiver" means a
35 person who:

36 A. is under the age of 18; and

1 B. has applied or receives assistance for himself or
2 herself and his or her minor child.

3 Subp. 74. **Minor child.** "Minor child" has the meaning
4 given it in Minnesota Statutes, section 256.032, subdivision 8a.

5 Subp. 75. **Monthly income test.** "Monthly income test"
6 means the test used to determine ongoing eligibility and the
7 assistance payment amount as specified in part 9500.4080,
8 subpart 4.

9 Subp. 76. **Nonrecurring income.** "Nonrecurring income"
10 means a form of income which:

11 A. is received only one time or is not of a
12 continuous nature; or

13 B. is received in a prospective payment month but is
14 no longer received in the corresponding retrospective payment
15 month.

16 Subp. 77. **Overpayment.** "Overpayment" means the portion of
17 an assistance payment issued by the local agency that is greater
18 than the amount for which the assistance unit is eligible.

19 Subp. 78. **Parent.** "Parent" means a child's biological or
20 adoptive parent who is legally obligated to support that child.

21 Subp. 79. **Participant.** "Participant" means a person
22 receiving benefits through MFIP, and includes the caregiver and
23 all members of the assistance unit.

24 Subp. 80. **Payee.** "Payee" means a person to whom an
25 assistance payment is made payable.

26 Subp. 81. **Payment month.** "Payment month" means the
27 calendar month for which the assistance payment is paid.

28 Subp. 82. **Personal property.** "Personal property" means an
29 item of value that is not real property, including the value of
30 a contract for deed held by a seller, assets held in trust on
31 behalf of members of an assistance unit, cash surrender value of
32 life insurance, value of a prepaid burial, savings account,
33 value of stocks and bonds, and value of retirement accounts.

34 Subp. 83. **Probable fraud.** "Probable fraud" means the
35 level of evidence that, if proven as fact, would establish that
36 assistance has been wrongfully obtained.

1 Subp. 84. **Project STRIDE.** "Project STRIDE" means the AFDC
2 employment and training program under Minnesota Statutes,
3 section 256.736.

4 Subp. 85. **Prospective budgeting.** "Prospective budgeting"
5 means a method of determining the amount of the assistance
6 payment in which the budget month and payment month are the same.

7 Subp. 86. **Protective payee.** "Protective payee" means a
8 person other than the caregiver of an assistance unit who
9 receives the monthly assistance payment on behalf of an
10 assistance unit and is responsible to provide for the basic
11 needs of the assistance unit to the extent of that payment.

12 Subp. 87. **Real property.** "Real property" means land and
13 all buildings, structures, and improvements, or other fixtures
14 on the land, belonging or appertaining to the land, and all
15 mines, minerals, fossils, and trees on or under the land.

16 Subp. 88. **Reasonable compensation.** "Reasonable
17 compensation" means the value received in exchange for property
18 transferred to another owner that is consistent with fair market
19 value and equals or exceeds the seller's equity in the property,
20 reduced by costs incurred in the sale.

21 Subp. 89. **Recertification.** "Recertification" means the
22 periodic review of eligibility factors to determine an
23 assistance unit's continued eligibility.

24 Subp. 90. **Recoupment.** "Recoupment" means the action of
25 the local agency to reduce a family's monthly assistance payment
26 to recover overpayments caused by client error and overpayments
27 received while an appeal is pending.

28 Subp. 91. **Recovery.** "Recovery" means actions taken by a
29 local agency to reclaim the value of overpayments through
30 voluntary repayment, recoupment from the assistance payment, or
31 court action.

32 Subp. 92. **Recurring income.** "Recurring income" means a
33 form of income which is:

34 A. received periodically, and may be received
35 irregularly when receipt can be anticipated even though the date
36 of receipt cannot be predicted; and

1 B. from the same source or of the same type that is
2 received and budgeted in a prospective month and is received in
3 one or both of the first two retrospective months.

4 Subp. 93. **Retrospective budgeting.** "Retrospective
5 budgeting" means a method of determining the amount of the
6 assistance payment in which the payment month is the second
7 month after the budget month.

8 Subp. 94. **Sanction.** "Sanction" means the reduction of a
9 family's assistance payment by ten percent of the applicable
10 transitional standard because the nonexempt parental caregiver
11 fails to develop or comply with the terms of the family support
12 agreement or to cooperate with child support enforcement, cost
13 effective insurance, or tort liability.

14 Subp. 95. **Secondary school.** "Secondary school" means a
15 school that is accredited by the Minnesota Department of
16 Education as a secondary school under Minnesota Statutes,
17 section 120.05, subdivision 2, or equivalent level technical
18 institute or an educational program that provides a GED.

19 Subp. 96. **Significant change.** "Significant change" has
20 the meaning given it in Minnesota Statutes, section 256.032,
21 subdivision 11.

22 Subp. 97. **Suitable employment.** "Suitable employment" has
23 the meaning given it in Minnesota Statutes, section 256.736,
24 subdivision 1a, paragraph (h).

25 Subp. 98. **Supplemental Security Income or SSI.**
26 "Supplemental Security Income" or "SSI" means the program
27 authorized under title XVI of the Social Security Act.

28 Subp. 99. **Title IV-A of the Social Security Act.** "Title
29 IV-A of the Social Security Act" means United States Code, title
30 42, chapter 7, subchapter IV, part A, sections 601 to 617.

31 Subp. 100. **Title IV-D of the Social Security Act.** "Title
32 IV-D of the Social Security Act" means United States Code, title
33 42, chapter 7, subchapter IV, part D, sections 651 to 669.

34 Subp. 101. **Title IV-E of the Social Security Act.** "Title
35 IV-E of the Social Security Act" means United States Code, title
36 42, chapter 7, subchapter IV, part E, sections 670 to 679a.

1 Subp. 102. **Title XVI of the Social Security Act.** "Title
2 XVI of the Social Security Act" means United States Code, title
3 42, chapter 7, subchapter XVI, sections 1381 to 1383d.

4 Subp. 103. **Title XIX of the Social Security Act.** "Title
5 XIX of the Social Security Act" means United States Code, title
6 42, chapter 7, subchapter XIX, sections 1396 to 1396u.

7 Subp. 104. **Title XX of the Social Security Act.** "Title XX
8 of the Social Security Act" means United States Code, title 42,
9 chapter 7, subchapter XX, sections 1397 to 1397f.

10 Subp. 105. **Transitional standard.** "Transitional standard"
11 has the meaning given it in Minnesota Statutes, section 256.032,
12 subdivision 13.

13 Subp. 106. **Transitional status.** "Transitional status" has
14 the meaning given it in Minnesota Statutes, section 256.032,
15 subdivision 12.

16 Subp. 107. **Unearned income.** "Unearned income" means
17 income received by a person that does not meet the definition of
18 earned income. Unearned income includes income from a contract
19 for deed, interest, dividends, unemployment compensation,
20 disability insurance payments, veterans benefits, pension
21 payments, return on capital investment, insurance payments or
22 settlements, severance payments, and payments for illness or
23 disability whether the premium payments are made in whole or in
24 part by an employer or participant.

25 Subp. 108. **Unemployment compensation.** "Unemployment
26 compensation" means the insurance benefit paid to an unemployed
27 worker under Minnesota Statutes, sections 268.03 to 268.231.

28 Subp. 109. **Vendor.** "Vendor" means a provider of goods or
29 services.

30 Subp. 110. **Vendor payment.** "Vendor payment" means a
31 payment made by a local agency directly to a vendor.

32 Subp. 111. **Verification.** "Verification" means the process
33 a local agency uses to establish the accuracy or completeness of
34 information from an applicant, participant, third party, or
35 other source as that information relates to program eligibility
36 or an assistance payment.

1 Subp. 112. **Wrongfully obtaining assistance.** "Wrongfully
2 obtaining assistance" means:

3 A. to obtain or attempt to obtain assistance by means
4 of a willfully false statement or representation;

5 B. to conceal a material fact, to impersonate an
6 applicant or participant, or to use another fraudulent device
7 that results in receiving assistance to which a person is not
8 entitled; or

9 C. to knowingly aid or abet in buying or in any way
10 disposing of the property of an applicant or participant in an
11 attempt to defeat the purposes of Minnesota Statutes, sections
12 256.031 to 256.0361.

13 9500.4030 APPLICATION FOR ASSISTANCE.

14 Subpart 1. **Where to apply.** A person must apply for
15 assistance at the local agency in the county where that person
16 lives.

17 Subp. 2. **Local agency responsibility to provide**
18 **information.** A local agency must inform a person who inquires
19 about assistance about eligibility requirements for assistance
20 and how to apply for assistance. A local agency must offer the
21 person brochures developed or approved by the commissioner that
22 describe how to apply for assistance.

23 Subp. 3. **Application form and accompanying advisory.** A
24 local agency must offer, in person or by mail, the application
25 forms prescribed by the commissioner as soon as a person makes a
26 written or oral inquiry. At that time, the local agency must
27 inform the person that, if the person is found eligible,
28 assistance begins with the date the signed application is
29 received by the local agency and that any delay in submitting
30 the application will reduce the amount of assistance paid for
31 the month of application. A local agency must inform a person
32 that the person may submit the application before an interview
33 appointment.

34 To apply for assistance, a person must submit a signed
35 application to the local agency. Upon receipt of a signed

1 application, the local agency must stamp the date of receipt on
2 the face of the application. The local agency must process the
3 application within the time period required under subpart 8.

4 An applicant may withdraw the application at any time by
5 giving written or oral notice to the local agency. The local
6 agency must issue a written notice confirming the withdrawal.
7 The notice must inform the applicant of the local agency's
8 understanding that the applicant has withdrawn the application
9 and no longer wants to pursue it. When, within ten days of the
10 date of the agency's notice, an applicant informs a local agency
11 in writing that the applicant does not wish to withdraw the
12 application, the local agency must reinstate the application and
13 finish processing the application.

14 Subp. 4. Assessment of and issuance for initial needs.
15 When a person inquires about assistance, a local agency must ask
16 the person if immediate or emergency needs exist. When a person
17 has emergency needs, the local agency must determine that
18 person's eligibility for AFDC emergency assistance or emergency
19 general assistance unless the person's needs can be met through
20 other sources or by promptly processing an application for
21 monthly assistance.

22 The local agency must also assess eligibility for expedited
23 issuance of food stamp assistance which requires priority
24 processing of applications as specified in subpart 5 to assure
25 that expedited benefits are made available to applicants with
26 emergency needs.

27 Subp. 5. Expedited issuance of food stamp assistance. The
28 following households are entitled to expedited issuance of food
29 stamp assistance:

30 A. households with less than \$150 in monthly gross
31 income provided their cash on hand, checking or savings
32 accounts, saving certificates, and lump sum payments do not
33 exceed \$100;

34 B. migrant or seasonal farm worker households who are
35 destitute as defined in Code of Federal Regulations, title 7,
36 subtitle B, chapter II, subchapter C, part 273, section 273.10,

1 paragraph (e)(3), provided their cash on hand, checking or
2 savings accounts, savings certificates, and lump sum payments do
3 not exceed \$100;

4 C. eligible households in which all members are
5 homeless individuals; and

6 D. eligible households whose combined monthly gross
7 income and liquid resources are less than the household's
8 monthly rent or mortgage and utilities.

9 When all verifications have been provided, the benefits
10 issued through expedited issuance of food stamp assistance must
11 be deducted from the amount of the full monthly MFIP assistance
12 payment and a supplemental payment for the difference must be
13 issued.

14 Subp. 6. **Verification of information on application.** A
15 local agency must verify information provided by an applicant as
16 specified in part 9500.4090.

17 Subp. 7. **Participation in MFIP field trial.** A person who
18 applies for assistance in a field trial county and is randomly
19 selected to participate in MFIP must meet the eligibility
20 requirements in parts 9500.4050 to 9500.4080. A person who is
21 not selected to participate in MFIP will have the application
22 for assistance processed to determine eligibility for AFDC,
23 family general assistance, and food stamps and, if eligible,
24 will receive benefits and services through those programs.

25 Subp. 8. **Processing application.** Upon receiving an
26 application, a local agency must determine the applicant's
27 eligibility, approve or deny the application, inform the
28 applicant of its decision according to part 9500.4290, subpart
29 3, and issue the assistance payment when the applicant is
30 eligible. When a local agency is unable to process an
31 application within 30 days, the local agency must inform the
32 applicant of the reason in writing. When an applicant
33 establishes the inability to provide required verification
34 within the 30 day processing period, the local agency may not
35 use the expiration of that period as the basis for denial.

36 Subp. 9. **Invalid reason for delay.** A local agency must

1 not delay a decision on eligibility or delay issuing the
2 assistance payment by:

3 A. treating the 30-day processing period as a waiting
4 period;

5 B. delaying approval or issuance of the assistance
6 payment pending the decision of the county board; or

7 C. awaiting the result of a referral to a local
8 agency in another county when the county receiving the
9 application does not believe it is the county of financial
10 responsibility.

11 **Subp. 10. Changes in residence during application.** The
12 requirements in subparts 8 and 9 apply without regard to the
13 length of time that an applicant remains, or intends to remain,
14 a resident of the county in which the application is made. When
15 an applicant leaves the county where application was made but
16 remains in the state, part 9500.4330 applies and the local
17 agency may request additional information from the applicant
18 about changes in circumstances related to the move. If an
19 applicant in an MFIP county is selected to participate in MFIP
20 and moves to another MFIP county, the applicant remains an MFIP
21 applicant. If an applicant in an MFIP county is selected to
22 participate in MFIP and moves to a non-MFIP county, the
23 applicant is no longer an MFIP applicant and must be considered
24 an applicant for aid to families with dependent children, family
25 general assistance, and food stamps. If an applicant who is
26 originally selected to participate in MFIP moves from a non-MFIP
27 county to an MFIP county, the applicant must be considered for
28 MFIP.

29 **Subp. 11. Additional applications.** Until a local agency
30 issues notice of approval or denial, additional applications
31 submitted by an applicant are void. However, an application for
32 monthly assistance and an application for AFDC emergency
33 assistance or emergency general assistance may exist
34 concurrently. More than one application for monthly assistance,
35 AFDC emergency assistance, or emergency general assistance may
36 exist concurrently when the local agency decisions on one or

1 more earlier applications have been appealed to the
2 commissioner, and the applicant asserts that a change in
3 circumstances has occurred that would allow eligibility.

4 A local agency must require additional application forms or
5 supplemental forms as prescribed by the commissioner when a
6 payee's name changes, or when a caregiver requests the addition
7 of another person to the assistance unit.

8 Subp. 12. **Addendum to an existing application.** An
9 addendum to an existing application may be used to add persons
10 to an assistance unit regardless of whether the persons being
11 added are required to be in the assistance unit. When a person
12 is added by addendum to an assistance unit, eligibility for that
13 person begins on the first of the month the addendum was filed
14 except as provided in part 9500.4320, subpart 6, item B.

15 Subp. 13. **Applicants who do not meet eligibility**
16 **requirements for MFIP.** When an applicant randomly assigned to
17 MFIP is not eligible for MFIP because the applicant does not
18 meet eligibility requirements, the local agency must determine
19 whether the applicant is eligible for food stamps. If the
20 applicant is eligible for food stamps, food stamps must be
21 issued to the assistance unit as authorized under the food stamp
22 program.

23 Subp. 14. **Notice to applicant when not eligible for**
24 **assistance.** When an applicant is not eligible for assistance,
25 the local agency must deny the application and provide the
26 applicant with notice as required in part 9500.4290, subpart 3.

27 9500.4040 CONVERSION OF AFDC, FAMILY GENERAL ASSISTANCE, AND
28 FOOD STAMP RECIPIENTS TO MFIP.

29 Recipients of AFDC, family general assistance, and food
30 stamps who are assigned to participate in MFIP must be randomly
31 selected. The conversion to MFIP must be made at a time
32 determined by the department. Recipients selected to
33 participate in MFIP must be notified in writing of the change in
34 programs, the advantages of MFIP over other assistance programs,
35 the opportunity to attend an orientation meeting under part

1 9500.4210, and the date of conversion.

2 9500.4050 MFIP ELIGIBILITY REQUIREMENTS.

3 To be eligible for MFIP, applicants must meet the general
4 eligibility requirements in part 9500.4060, the property
5 limitations in part 9500.4070, and the income limitations in
6 part 9500.4080.

7 9500.4060 GENERAL ELIGIBILITY REQUIREMENTS.

8 Subpart 1. **Citizenship.** To be eligible for MFIP, a member
9 of the assistance unit must be a citizen of the United States, a
10 noncitizen lawfully admitted to the United States for permanent
11 residence, or a noncitizen otherwise permanently residing in the
12 United States under color of law.

13 Subp. 2. **Minnesota residence.** To be eligible for MFIP,
14 members of the assistance unit must be Minnesota residents. A
15 person who enters Minnesota from another state and receives
16 assistance from that state must not be considered a Minnesota
17 resident until the last month in which that state issues an
18 assistance payment. Minnesota residence is established
19 according to items A to E.

20 A. A person who lives in Minnesota and who entered
21 Minnesota with a job commitment or to seek employment in
22 Minnesota, whether or not that person is currently employed, is
23 considered a resident of Minnesota. Neither a length of prior
24 residence nor an intent to remain in Minnesota is required.

25 B. A person who voluntarily enters Minnesota for a
26 reason other than seeking employment, and who intends to remain
27 in Minnesota, is a resident of Minnesota. No length of prior
28 residence is required.

29 C. A person who lives in vehicles or other temporary
30 places, including transient facilities, is a resident of
31 Minnesota when that person is physically present in Minnesota on
32 an ongoing basis and meets the requirements of item A or B.

33 D. A child placed in Minnesota by another state under
34 Minnesota Statutes, section 257.40, or a juvenile who enters
35 Minnesota from another state under Minnesota Statutes, section

1 260.51, shall not be considered a resident of Minnesota. A
2 child placed in another state by Minnesota pursuant to Minnesota
3 Statutes, section 257.40, or a juvenile who enters another state
4 from Minnesota pursuant to Minnesota Statutes, section 260.51,
5 shall maintain Minnesota residence.

6 E. Subitems (1) to (3) constitute loss of Minnesota
7 residence for purposes of MFIP:

8 (1) an absence from Minnesota for more than one
9 month, except as allowed under subpart 4;

10 (2) an absence involving either the establishment
11 of a residence outside Minnesota or the abandonment of the
12 Minnesota home; or

13 (3) an assertion of residence in another state in
14 order to receive assistance.

15 Subp. 3. **Minor child in assistance unit.** To be eligible
16 for MFIP, an assistance unit must include at least one minor
17 child or a pregnant woman in the third trimester of pregnancy.
18 If a minor child is a recipient of SSI or MSA, the assistance
19 unit is eligible for MFIP but the needs of the minor child
20 receiving SSI or MSA must not be taken into account when the
21 local agency determines the amount of the assistance payment to
22 be paid to the assistance unit.

23 Subp. 4. **Physical presence.** To be eligible for MFIP, a
24 minor child and a caregiver must live together except as
25 provided in items A to C.

26 A. The physical presence requirement is met when a
27 minor child is required to live away from the caregiver's home
28 to meet the need for educational curricula that cannot be met
29 by, but is approved by, the local public school district, the
30 home is maintained for the minor child's return during periodic
31 school vacations, and the caregiver continues to maintain
32 responsibility for the support and care of the minor child.

33 B. The physical presence requirement is met when an
34 applicant caregiver or applicant minor child is away from the
35 home due to illness or hospitalization when the home is
36 maintained for the return of the absent family member, the

1 absence is not expected to last more than six months beyond the
2 month of departure, and the conditions of subitem (1), (2), or
3 (3) apply:

4 (1) when the minor child and caregiver lived
5 together immediately prior to the absence, the caregiver
6 continues to maintain responsibility for the support and care of
7 the minor child, and the absence is reported at the time of
8 application;

9 (2) when the pregnant mother is hospitalized or
10 out of the home due to the pregnancy; or

11 (3) when the newborn child and mother are
12 hospitalized at the time of birth.

13 C. The absence of a caregiver or minor child does not
14 affect eligibility for the month of departure when the caregiver
15 or minor child received assistance for that month and lived
16 together immediately prior to the absence. Eligibility also
17 exists in the following month when the absence ends on or before
18 the tenth day of that month. A temporary absence of a caregiver
19 or a minor child which continues beyond the month of departure
20 must not affect eligibility when the home is maintained for the
21 return of the absent family member, the caregiver continues to
22 maintain responsibility for the support and care of the minor
23 child, and one of subitems (1) to (7) applies:

24 (1) a participant caregiver or participant child
25 is absent due to illness or hospitalization, and the absence is
26 expected to last no more than six months beyond the month of
27 departure;

28 (2) a participant child is out of the home due to
29 placement in foster care as defined in Minnesota Statutes,
30 section 260.015, subdivision 7, when the placement will not be
31 paid under title IV-E of the Social Security Act, and when the
32 absence is expected to last no more than six months beyond the
33 month of departure;

34 (3) a participant minor child is out of the home
35 for a vacation, the vacation is not with an absent parent, and
36 the absence is expected to last no more than two months beyond

1 the month of departure;

2 (4) a participant minor child is out of the home
3 due to a visit or vacation with an absent parent, the home of
4 the minor child remains with the caregiver, the absence meets
5 the conditions of subpart 5, item C, and the absence is expected
6 to last no more than two months beyond the month of departure;

7 (5) a participant caregiver is out of the home
8 due to a death or illness of a relative, incarceration,
9 training, or employment search and suitable arrangements have
10 been made for the care of the minor child, or a participant
11 minor child is out of the home due to incarceration, and the
12 absence is expected to last no more than two months beyond the
13 month of departure;

14 (6) a participant caregiver and a participant
15 minor child are both absent from Minnesota due to a situation
16 described in subitem (5) or vacation, and the absence is
17 expected to last no more than one month beyond the month of the
18 departure; or

19 (7) a participant minor child has run away from
20 home, and another person has not made application for that minor
21 child, assistance must continue for no more than two months
22 following the month of departure.

23 **Subp. 5. Shared, court ordered, and other custody**
24 **arrangements.** The language of a court order that specifies
25 joint legal or physical custody does not preclude a
26 determination that a parent is absent. Absence must be
27 determined based on the actual facts of the absence and
28 according to items A to C.

29 A. When a minor child spends time in each of the
30 parents' homes within a payment month, the minor child's home
31 shall be considered the home in which the majority of the minor
32 child's time is spent. When this time is exactly equal within a
33 payment month, or when the parents alternately live in the minor
34 child's home within a payment month, the minor child's home
35 shall be with that parent who is applying for MFIP, unless the
36 minor child's needs for the full payment month have already been

1 met through the provision of assistance to the other parent for
2 that month.

3 B. When the physical custody of a minor child
4 alternates between parents for periods of at least one payment
5 month, each parent shall be eligible for assistance for any full
6 payment months the minor child's home is with that parent,
7 except under the conditions in item C.

8 C. When a minor child's home is with one parent for
9 the majority of time in each month for at least nine consecutive
10 calendar months, and that minor child visits or vacations with
11 the other parent under the provisions of subpart 4, item C,
12 subitem (4), the minor child's home shall remain with the first
13 parent even when the stay with the second parent is for all or
14 the majority of the months in the period of the temporary
15 absence.

16 Subp. 6. **Eligibility during labor disputes.** To be
17 eligible for MFIP, an assistance unit with a member on strike
18 must:

19 A. be a participant on the day before the strike; or
20 B. have been eligible for MFIP on the day before the
21 strike.

22 The local agency must count the striker's pre-strike
23 earnings as current earnings. When a member of an assistance
24 unit who is not in the bargaining unit that voted for the strike
25 does not cross the picket line for fear of personal injury, the
26 assistance unit member is not a striker. Except for a member of
27 an assistance unit who is not in the bargaining unit that voted
28 for the strike and who does not cross the picket line for fear
29 of personal injury, a significant change cannot be invoked as a
30 result of a labor dispute.

31 Subp. 7. **Assignment of support.** To be eligible for MFIP,
32 the caregiver must assign all rights to child support, private
33 health care benefits, and spousal maintenance benefits to the
34 local agency.

35 Subp. 8. **Requirement to provide social security numbers.**
36 To be eligible for MFIP, each member of the assistance unit must

1 provide the member's social security number to the local agency.
2 When a social security number is not provided to the local
3 agency for verification, this requirement is satisfied when each
4 member of the assistance unit cooperates with the procedures for
5 verification of numbers, issuance of duplicate cards, and
6 issuance of new numbers which have been established jointly
7 between the Social Security Administration and the commissioner.

8 9500.4070 PROPERTY LIMITATIONS.

9 Subpart 1. Property ownership provisions. The local
10 agency must apply items A to D to real and personal property.
11 The local agency must use the equity value of legally available
12 real and personal property, except property excluded in subparts
13 2 and 3, to determine whether an applicant or participant is
14 eligible for assistance.

15 A. When real or personal property is jointly owned by
16 two or more persons, the local agency shall assume that each
17 person owns an equal share, except that either person owns the
18 entire sum of a joint personal checking or savings account.
19 When an applicant or participant documents greater or lesser
20 ownership, the local agency must use that greater or lesser
21 share to determine the equity value held by the applicant or
22 participant. Other types of ownership must be evaluated
23 according to law.

24 B. Real or personal property owned by the applicant
25 or participant must be presumed legally available to the
26 applicant or participant unless the applicant or participant
27 documents that the property is not legally available to the
28 applicant or participant. When real or personal property is not
29 legally available, its equity value must not be applied against
30 the limits of subparts 2 and 3.

31 C. An applicant must disclose whether the applicant
32 has transferred real or personal property valued in excess of
33 the property limits in subparts 2 and 3 for which reasonable
34 compensation was not received within one year prior to
35 application. A participant must disclose all transfers of

1 property valued in excess of these limits, according to the
2 reporting requirements in part 9500.4280, subpart 9. When a
3 transfer of real or personal property without reasonable
4 compensation has occurred, subitems (1) and (2) apply.

5 (1) The person who transferred the property must
6 provide the property's description, information needed to
7 determine the property's equity value, the names of persons who
8 received the property, and the circumstances of and reasons for
9 the transfer.

10 (2) When the transferred property can be
11 reasonably reacquired, or when reasonable compensation can be
12 secured, the property is presumed legally available to the
13 applicant or participant.

14 D. A participant may build the equity value of real
15 and personal property to the limits in subparts 2 and 3.

16 Subp. 2. **Real property limitations.** Ownership of real
17 property by an applicant or participant is subject to the
18 limitations in items A and B.

19 A. A local agency shall exclude the homestead of an
20 applicant or participant according to subitems (1) to (3).

21 (1) An applicant or participant who is purchasing
22 real property through a contract for deed and using that
23 property as a home is considered the owner of real property.

24 (2) The total amount of land that can be excluded
25 under this subpart is limited to surrounding property which is
26 not separated from the home by intervening property owned by
27 others. Additional property must be assessed as to its legal
28 and actual availability according to subpart 1.

29 (3) When real property that has been used as a
30 home by a participant is sold, the local agency must treat the
31 cash proceeds from the sale as excluded property for six months
32 when the participant intends to reinvest the proceeds in another
33 home and maintains those proceeds, unused for other purposes, in
34 a separate account.

35 B. The equity value of real property that is not
36 excluded under item A and which is legally available must be

1 applied against the limits in subpart 3. When the equity value
2 of the real property exceeds the limits under subpart 3, the
3 applicant or participant may qualify to receive assistance for a
4 consecutive nine-month period when the applicant or participant
5 makes a good faith effort to sell the property and signs a
6 legally binding agreement to repay the amount of assistance
7 issued during that nine months less child support collected by
8 the agency. When the property is sold during the nine-month
9 period, repayment must be made within five working days after
10 the property is sold. Repayment to the local agency must be in
11 the amount of assistance received or the proceeds of the sale,
12 whichever is less. If the property is not sold during the
13 nine-month period, the local agency must terminate MFIP
14 assistance. When the property is sold, the former participant
15 must repay the local agency within five working days after the
16 property is sold. Repayment to the local agency must be in the
17 amount of the assistance received or the proceeds of the sale,
18 whichever is less.

19 Subp. 3. Other property limitations. To be eligible for
20 MFIP, the equity value of all nonexcluded real and personal
21 property of the assistance unit must not exceed \$2,000. The
22 value of items A to R must be excluded when determining the
23 equity value of real and personal property.

24 A. The value of licensed automobiles, trucks, or vans
25 up to a total equity value of \$4,500, exclusive of the value of
26 special equipment for a handicapped member of the assistance
27 unit. To establish the equity value of vehicles, a local agency
28 must subtract any outstanding encumbrances from the loan value
29 listed in the N.A.D.A. Official Used Car Guide, Midwest Edition,
30 for newer model cars. The N.A.D.A. Official Used Car Guide,
31 Midwest Edition, is incorporated by reference. It is published
32 monthly by the National Automobile Dealers Used Car Guide
33 Company and is available through the Minitex interlibrary loan
34 system. It is subject to frequent change. When a vehicle is
35 not listed in the guidebook, or when the applicant or
36 participant disputes the value listed in the guidebook as

1 unreasonable given the condition of the particular vehicle, the
2 local agency may require the applicant or participant to
3 document the value by securing a written statement from a motor
4 vehicle dealer licensed under Minnesota Statutes, section
5 168.27, stating the amount that the dealer would pay to purchase
6 the vehicle. The local agency shall reimburse the applicant or
7 participant for the cost of a written statement that documents a
8 lower value.

9 B. The value of a prepaid burial account, burial
10 plan, or burial trust up to \$1,500 for each member of the
11 assistance unit.

12 C. One burial plot per member of an assistance unit.

13 D. The value of personal property needed to produce
14 earned income, including tools, implements, farm animals,
15 inventory, business loans, business checking and savings
16 accounts used exclusively for the operation of a self-employment
17 business, and any motor vehicles if the vehicles are essential
18 for the self-employment business.

19 E. The value of real and personal property owned by a
20 parent of a minor caregiver or a stepparent when those persons
21 are not applying for MFIP and are not required to be included in
22 the MFIP assistance unit under part 9500.4100, subpart 2.

23 F. The value of personal property not otherwise
24 specified which is commonly used by household members in
25 day-to-day living such as clothing, necessary household
26 furniture, equipment, and other basic maintenance items
27 essential for daily living.

28 G. The value of real and personal property owned by a
29 recipient of SSI or MSA.

30 H. The value of corrective payments and the AFDC
31 housing allowance, but only for the month in which the payment
32 is received and for the following month.

33 I. A mobile home used by an applicant or participant
34 as the applicant's or participant's home.

35 J. Money escrowed in a separate account that is
36 needed to pay real estate taxes or insurance and that is used

1 for this purpose at least semiannually.

2 K. Money held in escrow to cover employee FICA,
3 employee tax withholding, sales tax withholding, employee worker
4 compensation, business insurance, property rental, property
5 taxes, and other costs that are paid at least annually, but less
6 often than monthly.

7 L. Monthly assistance and emergency assistance
8 payments for the current month's needs.

9 M. The value of school loans, grants, or scholarships
10 for the period they are intended to cover.

11 N. Payments listed in part 9500.4080, subpart 2, item
12 I, which are held in escrow for a period not to exceed three
13 months to replace or repair personal or real property.

14 O. Income received in a budget month through the end
15 of the budget month.

16 P. The earned income credit and Minnesota working
17 family credit in the month received and the following month.

18 Q. Payments excluded under federal law as long as
19 those payments are held in a separate account from any
20 nonexcluded funds.

21 9500.4080 INCOME LIMITATIONS.

22 Subpart 1. **Evaluation of income.** To determine MFIP
23 eligibility, the local agency must evaluate income received by
24 members of an assistance unit, or by other persons whose income
25 is considered available to the assistance unit. All payments,
26 unless specifically excluded in subpart 2, must be counted as
27 income.

28 Subp. 2. **Excluded income.** The following items must be
29 excluded from countable income:

30 A. payments for basic care, difficulty of care, and
31 clothing allowances received for providing family foster care to
32 children or adults under parts 9545.0010 to 9545.0260 and
33 9555.5050 to 9555.6265 and payments received and used for care
34 and maintenance of a third party beneficiary who is not a
35 household member;

1 B. reimbursements for employment training received
2 through the Job Training Partnership Act, United States Code,
3 title 29, chapter 19, sections 1501 to 1792b;

4 C. reimbursement for out-of-pocket expenses incurred
5 while performing volunteer services, jury duty, or employment;

6 D. all educational grants and loans, including income
7 from work-study programs;

8 E. loans, regardless of purpose, from public or
9 private lending institutions, governmental lending institutions,
10 or governmental agencies;

11 F. loans from private individuals, regardless of
12 purpose, provided an applicant or participant documents that the
13 lender expects repayment;

14 G. state and federal income tax refunds;

15 H. state and federal earned income credits;

16 I. funds received for reimbursement, replacement, or
17 rebate of personal or real property when these payments are made
18 by public agencies, awarded by a court, solicited through public
19 appeal, or made as a grant by a federal agency, state or local
20 government, or disaster assistance organizations, subsequent to
21 a presidential declaration of disaster;

22 J. the portion of an insurance settlement that is
23 used to pay medical, funeral, and burial expenses, or to repair
24 or replace insured property;

25 K. reimbursements for medical expenses which cannot
26 be paid by medical assistance;

27 L. payments by a vocational rehabilitation program
28 administered by the state under Minnesota Statutes, chapter
29 268A, except those payments that are for current living
30 expenses;

31 M. in-kind income, including any payments directly
32 made by a third party to a provider of goods and services;

33 N. assistance payments to correct underpayments, but
34 only for the month in which the payment is received;

35 O. AFDC emergency assistance payments issued under
36 part 9500.2800, subpart 2, emergency general assistance issued

1 under part 9500.1261, or AFDC special needs payments issued
2 under part 9500.2800, subparts 6 to 8;

3 P. supplemental housing allowance payments as
4 provided by Minnesota Statutes, section 256.879;

5 Q. funeral and cemetery payments as provided by
6 Minnesota Statutes, section 256.935;

7 R. nonrecurring cash gifts of \$30 or less, not
8 exceeding \$30 per participant in a calendar month;

9 S. any form of energy assistance payment made by
10 LIHEAP, payments made directly to energy providers by other
11 public and private agencies, benefits issued by energy providers
12 when the Minnesota Department of Jobs and Training determines
13 that those payments qualify under Code of Federal Regulations,
14 title 45, subtitle B, chapter II, part 233, section 233.53, and
15 any form of credit or rebate payment issued by energy providers;

16 T. the first \$50 of child support paid under Code of
17 Federal Regulations, title 45, subtitle B, chapter III, part
18 302, section 302.51, paragraph (b)(1);

19 U. SSI, including retroactive payments;

20 V. MSA, including retroactive payments;

21 W. proceeds from the sale of real or personal
22 property;

23 X. payments for subsidized adoptions as provided by
24 Minnesota Statutes, section 259.40;

25 Y. state-funded family subsidy program payments made
26 under Minnesota Statutes, section 252.32, to help families care
27 for children with mental retardation or related conditions;

28 Z. interest payments and dividends from property that
29 is not excluded from and that does not exceed the \$2,000 asset
30 limit;

31 AA. income that is otherwise specifically excluded
32 from AFDC program consideration in federal law, state law, or
33 federal regulation;

34 BB. rent rebates;

35 CC. income earned by a minor child who is at least a
36 half-time student;

- 1 DD. MFIP child care payments;
- 2 EE. all other payments made through MFIP to support a
3 caregiver's pursuit of greater self support;
- 4 FF. income a participant receives related to shared
5 living expenses;
- 6 GG. reverse mortgages;
- 7 HH. benefits provided by the Child Nutrition Act of
8 1966, United States Code, title 42, chapter 13A, sections 1771
9 to 1790;
- 10 II. benefits provided by the women, infants, and
11 children (WIC) nutrition program, United States Code, title 42,
12 chapter 13A, section 1786;
- 13 JJ. benefits from the National School Lunch Act,
14 United States Code, title 42, chapter 13, sections 1751 to
15 1769e;
- 16 KK. relocation assistance for displaced persons under
17 the Uniform Relocation Assistance and Real Property Acquisition
18 Policies Act of 1970, United States Code, title 42, chapter 61,
19 subchapter II, section 4636, or the National Housing Act, United
20 States Code, title 12, chapter 13, sections 1701 to 1750jj;
- 21 LL. benefits from the Trade Act of 1974, United
22 States Code, title 19, chapter 12, part 2, sections 2271 to
23 2322;
- 24 MM. war reparations payments to Japanese Americans
25 and Aleuts under United States Code, title 50, sections 1989 to
26 1989d;
- 27 NN. payments to veterans or their dependents as a
28 result of legal settlements regarding Agent Orange or other
29 chemical exposure under Public Law Number 101-239, section
30 10405, paragraph (a)(2)(E);
- 31 OO. security and utility deposit refunds; and
- 32 PP. American Indian tribal land settlements excluded
33 under Public Law Numbers 98-123, 98-124, and 99-377 to the
34 Mississippi Band Chippewa Indians of White Earth, Leech Lake,
35 and Mille Lacs reservations and payments to members of the White
36 Earth Band, under United States Code, title 25, chapters 9,

1 section 331; and 16, section 1407.

2 Subp. 3. **Initial income test.** The local agency shall
3 determine initial eligibility by considering all earned and
4 unearned income that is not excluded under subpart 2. To be
5 eligible for MFIP, the assistance unit's countable income minus
6 the disregards in items A to C must be below the transitional
7 standard of assistance specified in part 9500.4100, subpart 7,
8 for that size assistance unit.

9 A. When determining initial eligibility and when
10 determining income deemed from members who do not elect to be
11 included in the assistance unit, the employment disregard is 18
12 percent of the gross earned income whether or not the member is
13 working full time or part time.

14 B. When determining initial eligibility, dependent
15 care costs must be deducted from gross earned income for the
16 actual amount paid for dependent care up to the maximum
17 disregard allowed under United States Code, title 42, chapter 7,
18 section 602, subsection (a), paragraph (8), subparagraph
19 (A)(iii).

20 C. Notwithstanding item A, when determining initial
21 eligibility for participants who have received AFDC, family
22 general assistance, or MFIP in Minnesota within four months of
23 the most recent application for MFIP, the employment disregard
24 is 38 percent of the gross earned income.

25 After initial eligibility is established, the assistance
26 payment calculation is based on the monthly income test.

27 Subp. 4. **Monthly income test and determination of**
28 **assistance payment.** The local agency shall determine ongoing
29 eligibility and the assistance payment amount according to the
30 monthly income test. To be eligible for MFIP, the result of the
31 computations in items A to D must be at least one dollar.

32 A. For earned income, a 38 percent income disregard
33 is applied and counted earnings are subtracted from the family
34 wage level. If the difference is equal to or greater than the
35 transitional standard, the assistance payment is equal to the
36 transitional standard. If the difference is less than the

1 transitional standard, the assistance payment is equal to the
2 difference. The employment disregard in this item must be
3 deducted every month there is earned income.

4 B. For unearned income, there is no income
5 disregard. Unearned income is subtracted dollar for dollar from
6 the transitional standard to determine assistance payment amount.

7 C. If income is both earned and unearned, the amount
8 of the assistance payment must be determined by first treating
9 gross earned income as specified in item A. After determining
10 the amount of the assistance payment under item A, unearned
11 income must be subtracted from that amount dollar for dollar to
12 determine the assistance payment amount.

13 D. When the monthly income is greater than the
14 transitional or family wage level standard after applicable
15 deductions and the income will only exceed the standard for one
16 month, the local agency must suspend the assistance payment for
17 the payment month.

18 Subp. 5. Distribution of income. The income of all
19 members of the assistance unit must be counted. Income must be
20 attributed to the person who earns it or to the assistance unit
21 according to items A to G.

22 A. Income may be allocated from spouse to spouse and
23 from parents to children under age 21 according to part
24 9500.4140 when the person to whom the income is allocated is in
25 financial need according to the MFIP standard and when that
26 person lives with the minor child who is applying for or
27 receiving assistance.

28 B. For stepparents who do not elect to be part of the
29 assistance unit, the local agency must not count the
30 stepparent's income if it is less than or equal to 275 percent
31 of federal poverty guidelines for a family of one. For
32 stepparents whose income is more than 275 percent of the federal
33 poverty guidelines for a family of one and parents of minor
34 caregivers who do not elect to be part of the assistance unit,
35 the local agency must count the income that remains after
36 disregarding:

1 (1) the first 18 percent of the excluded family
2 member's gross earned income;

3 (2) amounts the stepparent or parent of the minor
4 caregiver actually paid to individuals not living in the same
5 household but whom the stepparent or parent claims as dependents
6 for determining federal personal income tax liability;

7 (3) child or spousal support paid to a person who
8 lives outside of the household;

9 (4) an amount for the needs of one parent of a
10 minor caretaker or a stepparent at the first adult standard; and

11 (5) an amount for the needs of other persons who
12 live in the household but are not included in the assistance
13 unit and are or could be claimed by a parent of a minor
14 caretaker or stepparent as dependents for determining federal
15 personal income tax liability. This amount must equal the MFIP
16 family allowance for a family group of the same composition as
17 the dependent persons described in this subitem.

18 C. Funds distributed from a trust, whether from the
19 principal holdings or sale of trust property or from the
20 interest and other earnings of the trust holdings, must be
21 considered income when the income is legally available to an
22 applicant or participant. Trusts are presumed legally available
23 unless an applicant or participant can document that the trust
24 is not legally available.

25 D. Income from jointly owned property must be divided
26 equally among property owners unless the terms of ownership
27 provide for a different distribution.

28 E. Income of the sponsors of noncitizens must be
29 deemed to the noncitizens as provided by Code of Federal
30 Regulations, title 45, subtitle B, chapter II, part 233, section
31 233.51.

32 F. Except as provided under items B and E, deductions
33 are not allowed from the gross income of a financially
34 responsible household member or by the members of an assistance
35 unit to meet a current or prior debt.

36 G. For persons who have been disqualified from

1 receiving MFIP, the local agency must count the disqualified
2 member's income according to subitems (1) and (2).

3 (1) For stepparents and parents of minor
4 caregivers, the local agency must count the income remaining
5 after disregarding income according to item B, except income
6 must not be allocated to meet the needs of the disqualified
7 person.

8 (2) For mandatory unit members, the local agency
9 must count the income as though the member was included in the
10 unit, but income must not be allocated to meet the needs of the
11 disqualified person.

12 Subp. 6. **Earned income of wage and salary employees.** The
13 local agency must include gross earned income less any
14 disregards in the initial and monthly income test. Gross earned
15 income received by persons employed on a contractual basis must
16 be prorated over the period covered by the contract even when
17 payments are received over a lesser period of time.

18 Subp. 7. **Self-employment, general.** The local agency must
19 include the income from self-employed individuals in the initial
20 and monthly income test. Self-employed individuals are
21 individuals who:

- 22 A. work for themselves rather than an employer;
- 23 B. do not have federal or state income taxes or FICA
24 withheld from payments made to them;
- 25 C. are responsible for their own work schedule; and
- 26 D. do not have coverage under employers' liability
27 insurance or workers' compensation.

28 Self-employed individuals may own a business singularly or
29 in partnership. Individuals operating more than one
30 self-employment business may use the loss from one business to
31 offset self-employment income from another business. A loss
32 from a self-employment business may not offset income earned
33 under subpart 6.

34 Subp. 8. **Self-employment earnings.** The local agency must
35 determine self-employment income according to items A and B.

36 A. The local agency must subtract allowable business

1 expenses from total gross receipts. Allowable business expenses
2 include:

- 3 (1) interest on mortgages and loans;
- 4 (2) employee wages, except for persons who are
5 part of the assistance unit or whose income is deemed to the
6 participant;
- 7 (3) FICA funds paid on employees' wages, payment
8 of employee workers' compensation, and unemployment insurance;
- 9 (4) livestock and veterinary or breeding fees;
- 10 (5) raw material;
- 11 (6) seed and fertilizer;
- 12 (7) maintenance and repairs which are not capital
13 expenditures;
- 14 (8) tax return preparation fees;
- 15 (9) license fees, professional fees, franchise
16 fees, and professional dues;
- 17 (10) tools and supplies that are not capital
18 expenditures;
- 19 (11) fuel and transportation expenses other than
20 fuel costs covered by the flat rate transportation rate
21 deduction;
- 22 (12) advertising costs;
- 23 (13) meals eaten when required to be away from
24 the local work site;
- 25 (14) property expenses such as rent, insurance,
26 taxes, and utilities;
- 27 (15) postage;
- 28 (16) purchase cost of inventory at time of sale;
- 29 (17) loss from another self-employment business;
- 30 (18) attorney fees allowed by the Internal
31 Revenue Service; and
- 32 (19) tuition for classes necessary to maintain or
33 improve job skills or required by law to maintain job status or
34 salary as allowed by the Internal Revenue Service.

35 B. The local agency may not allow a deduction for the
36 following expenses:

- 1 (1) purchases of capital assets;
- 2 (2) payments on the principals of loans for
3 capital assets;
- 4 (3) depreciation;
- 5 (4) amortization;
- 6 (5) the wholesale costs of items purchased,
7 processed, or manufactured which are unsold inventory;
- 8 (6) transportation costs that exceed the maximum
9 standard mileage rate allowed for use of a personal car in the
10 Internal Revenue Code;
- 11 (7) costs, in any amount, for mileage between an
12 applicant's or participant's home and place of employment;
- 13 (8) salaries and other employment deductions made
14 for members of an assistance unit or persons who live in the
15 household for whom an employer is legally responsible;
- 16 (9) monthly expenses in excess of \$71 for each
17 roomer;
- 18 (10) monthly expenses in excess of the Thrifty
19 Food Plan amount for one person for each boarder. For purposes
20 of this subitem and subitem (11), "Thrifty Food Plan" has the
21 meaning given it in Code of Federal Regulations, title 7,
22 subtitle B, chapter II, subchapter C, part 271, section 271.2;
- 23 (11) monthly expenses in excess of the roomer
24 rate plus the Thrifty Food Plan amount for one person for each
25 roomer-boarder. If there is more than one boarder or
26 roomer-boarder use the total number of boarders as the unit size
27 to determine the Thrifty Food Plan amount;
- 28 (12) an amount greater than actual expenses or
29 two percent of the estimated market value on a county tax
30 assessment form, whichever is greater, as a deduction for upkeep
31 and repair against rental income;
- 32 (13) expenses not allowed by the Internal Revenue
33 Code; and
- 34 (14) expenses in excess of 60 percent of gross
35 receipts for in-home child care unless a higher amount can be
36 documented. Funds that are received from the Minnesota child

1 care food program as authorized under the National School Lunch
2 Act, United States Code, title 42, chapter 13, sections 1751 to
3 1769e, are excluded from gross receipts and the expenses covered
4 by the funds must not be claimed as a deduction.

5 Subp. 9. **Self-employment budget period.** The
6 self-employment budget period begins in the month of application
7 or in the first month of self-employment. Gross receipts must
8 be budgeted in the month received. Expenses must be budgeted
9 against gross receipts in the month the expenses are paid,
10 except for items A to C.

11 A. The purchase cost of inventory items, including
12 materials which are processed or manufactured, must be deducted
13 as an expense at the time payment is received for the sale of
14 the inventory items.

15 B. A 12-month rolling average based on subitems (1)
16 to (3) must be used to budget monthly income.

17 (1) If a business has been in operation for at
18 least 12 months, the local agency must use the average monthly
19 self-employment income from the most current income tax report
20 for the 12 months before the month of application. Each month,
21 the local agency must determine a new monthly average by adding
22 in the actual self-employment income and expenses from the
23 previous month and dropping the first month from the averaging
24 period.

25 (2) If a business has been in operation for less
26 than 12 months, the local agency must compute the average for
27 the number of months the business has been in operation to
28 determine a monthly average. When data are available for 12 or
29 more months, average monthly self-employment income is
30 determined under subitem (1).

31 (3) If the business undergoes a major change, the
32 local agency must compute a new rolling average beginning with
33 the first month of the major change. For the purpose of this
34 subitem, "major change" means a change that affects the nature
35 and scale of the business and is not merely the result of normal
36 business fluctuations.

1 C. For seasonal self-employment, the caregiver may
2 choose whether to use actual income in the month of receipt and
3 expenses in the month incurred or the rolling average method of
4 computation. The choice must be made once per year at the time
5 of application or recertification. For the purpose of this
6 item, "seasonal" means working six or less months per year.

7 Subp. 10. **Farm income.** Farm income is the difference
8 between gross receipts and operating expenses, subject to
9 subpart 8, item B. Gross receipts include sales, rents,
10 subsidies, soil conservation payments, production derived from
11 livestock, and income from home produced food.

12 Subp. 11. **Rental income.** The local agency must treat
13 income from rental property as earned or unearned income.
14 Income from rental property is unearned income unless the
15 assistance unit spends an average of ten hours per week on
16 maintenance or management of the property. When the owner
17 spends more than ten hours per week on maintenance or repairs,
18 the earnings are considered self-employment earnings. An amount
19 must be deducted for upkeep and repairs as specified in subpart
20 8, item B, subitem (12), for real estate taxes, insurance,
21 utilities, and interest on principal payments. When the
22 applicant or participant lives on the rental property, expenses
23 for upkeep, taxes, insurance, utilities, and interest must be
24 divided by the number of rooms to determine expense per room and
25 expenses deducted must be deducted only for the number of rooms
26 rented.

27 Subp. 12. **Unearned income.** The local agency must apply
28 unearned income to the transitional standard. When determining
29 the amount of unearned income, the local agency must deduct the
30 costs necessary to secure payments of unearned income. These
31 costs include legal fees, medical fees, and mandatory deductions
32 such as federal and state income taxes.

33 Subp. 13. **Treatment of lump sums.** The local agency must
34 treat lump sum payments as earned or unearned income. If the
35 lump sum payment is included in the category of income
36 identified in subpart 12, it must be treated as unearned

1 income. A lump sum is counted as income in the month received
2 and budgeted either prospectively or retrospectively depending
3 on the budget cycle at the time of receipt. When an individual
4 receives a lump sum payment, that lump sum must be combined with
5 all other earned and unearned income received in the same budget
6 month, and it must be applied according to items A to C. There
7 is no carryover into subsequent months. Any funds that remain
8 in the third month after the month of receipt are counted in the
9 asset limit.

10 A. For a lump sum received by an applicant during the
11 first two months, prospective budgeting is used to determine the
12 payment and the lump sum must be combined with other earned or
13 unearned income received and budgeted in that prospective month.

14 B. For a lump sum received by a participant after the
15 first two months of MFIP eligibility, the lump sum must be
16 combined with other income received in that budget month, and
17 the combined amount must be applied retrospectively against the
18 applicable payment month.

19 C. When a lump sum, combined with other income
20 according to items A and B, is less than the transitional
21 standard for the applicable payment month, the assistance
22 payment is reduced according to the amount of the countable
23 income. When the countable income is greater than the
24 transitional standard or the family wage standard, the
25 assistance payment is suspended for the payment month.

26 9500.4090 DOCUMENTING, VERIFYING, AND RECERTIFYING ELIGIBILITY.

27 Subpart 1. **Verification of information.** A local agency
28 must only require verification of information necessary to
29 determine MFIP eligibility and the amount of the assistance
30 payment.

31 Subp. 2. **Sufficiency of documentation.** The applicant or
32 participant must document the information in subparts 4 and 5 or
33 authorize the local agency to verify it. The applicant or
34 participant has the burden of providing documentary evidence to
35 verify eligibility. The local agency shall assist the applicant

1 or participant in obtaining required documents when the
2 applicant or participant is unable to do so. When an applicant
3 or participant and the local agency are unable to obtain
4 documents needed to verify information, the local agency may
5 accept an affidavit from an applicant or participant as
6 sufficient documentation.

7 Subp. 3. **Contacting third parties.** A local agency must
8 not request information about an applicant or participant which
9 is not of public record from a source other than local agencies,
10 the department, or the United States Department of Health and
11 Human Services without the person's prior written consent. An
12 applicant's signature on an application form shall constitute
13 this consent for contact with the sources specified on that
14 form. A local agency may use a single consent form to contact a
15 group of similar sources, such as banks or insurance agencies,
16 but the sources to be contacted must be identified by the local
17 agency prior to requesting an applicant's consent.

18 Subp. 4. **Factors to be verified.** The local agency must
19 verify the following at application:

- 20 A. identity of adults;
- 21 B. presence of the minor child in the home, if
22 questionable;
- 23 C. relationship of a minor child to caregivers in the
24 assistance unit;
- 25 D. age, if necessary to determine MFIP eligibility;
- 26 E. immigration status;
- 27 F. social security number;
- 28 G. income;
- 29 H. self-employment expenses used as a deduction;
- 30 I. source and purpose of deposits and withdrawals
31 from business accounts;
- 32 J. spousal support and child support payments to
33 persons outside the household;
- 34 K. real property;
- 35 L. vehicles;
- 36 M. checking and savings accounts;

- 1 N. savings certificates, savings bonds, stocks, and
 2 individual retirement accounts;
- 3 O. cash surrender value of life insurance;
- 4 P. inconsistent information, if related to
 5 eligibility;
- 6 Q. medical insurance;
- 7 R. the first day of the third trimester for a
 8 pregnant woman;
- 9 S. the anticipated graduation date of an 18-year-old;
- 10 T. burial accounts; and
- 11 U. school attendance, if related to eligibility.

12 An applicant's written authorization is required before the
 13 local agency contacts the Immigration and Naturalization Service
 14 to verify immigration status under item E. However, refusal to
 15 provide such authorization is grounds for a finding of
 16 ineligibility if the applicant fails to produce proof of
 17 eligible immigration status.

18 When the local agency verifies inconsistent information
 19 under item P, the reason for verifying the information must be
 20 documented in the financial case record.

21 Subp. 5. Items that must be verified at recertification.
 22 The local agency must verify the following at recertification:

- 23 A. presence of the minor child in the home, if
 24 questionable;
- 25 B. income;
- 26 C. self-employment expenses used as a deduction;
- 27 D. checking and savings accounts;
- 28 E. source and purpose of deposits and withdrawals
 29 from business accounts;
- 30 F. burial accounts, individual retirement accounts,
 31 cash surrender value of life insurance, savings certificates,
 32 stocks, bonds, real property, and vehicles when their value is
 33 within \$200 of the asset limit; and
- 34 G. inconsistent information, if related to
 35 eligibility.

36 Subp. 6. Recertification of eligibility. The local agency

1 must recertify eligibility at least annually in a face-to-face
2 interview with the participant.

3 9500.4100 FAMILY COMPOSITION AND ASSISTANCE STANDARDS.

4 Subpart 1. **MFIP assistance unit.** An MFIP assistance unit
5 is either a group of individuals with at least one minor child
6 who live together whose needs, assets, and income are considered
7 together and who receive assistance from MFIP, or a pregnant
8 woman in the third trimester of pregnancy with no other children
9 who receives assistance from MFIP. Individuals identified in
10 subpart 2 must be included in the MFIP assistance unit.
11 Individuals identified in subpart 3 must be excluded from the
12 assistance unit. Individuals identified in subpart 4 may be
13 included in the assistance unit at their option. Individuals
14 not included in the assistance unit who are identified in part
15 9500.4080, subpart 5, item B, must have their income considered
16 when determining eligibility and benefits for an MFIP assistance
17 unit. All assistance unit members, whether mandatory or
18 elective, who live together and for whom one caregiver or two
19 married caregivers apply must be included in a single assistance
20 unit.

21 Subp. 2. **Mandatory assistance unit composition.** When the
22 following individuals live together, they must be included in
23 the assistance unit:

- 24 A. a minor child;
- 25 B. the minor child's siblings and half-siblings; and
- 26 C. the minor child's natural or adoptive parents.

27 Subp. 3. **Individuals who must be excluded from an**
28 **assistance unit.** The following individuals must be excluded
29 from an assistance unit:

- 30 A. individuals receiving SSI or MSA;
- 31 B. individuals living at home while performing
32 court-imposed, unpaid community service work due to a criminal
33 conviction;
- 34 C. individuals disqualified from the food stamp
35 program or AFDC due to noncompliance with quality control

1 requirements or who are under a fraud disqualification until the
2 period of disqualification ends; and

3 D. individuals disqualified from MFIP, until the
4 disqualification ends.

5 Subp. 4. Individuals who may elect to be included in the
6 assistance unit. When the following individuals live with
7 mandatory members of the assistance unit identified in subpart
8 2, the individuals may elect to be included in the assistance
9 unit:

10 A. the minor child's eligible relative caregiver, but
11 only one eligible relative caregiver may elect to be included in
12 the assistance unit;

13 B. the minor child's stepparent;

14 C. the minor child's stepsiblings; and

15 D. the parents of a minor parent caregiver.

16 Subp. 5. MFIP family allowance table. The following table
17 represents the MFIP family allowance table.

| | Children Standard | | Adult Standard | |
|----|---------------------------------------|----------|-----------------------|----------|
| | Number of | Monthly | Eligible | Monthly |
| | Eligible | Standard | Adults | Standard |
| | Children | of Need | | of Need |
| 23 | 1 | \$250 | first adult standard | \$187 |
| 24 | 2 | \$345 | second adult standard | \$ 73 |
| 25 | 3 | \$434 | | |
| 26 | 4 | \$510 | | |
| 27 | 5 | \$586 | | |
| 28 | 6 | \$663 | | |
| 29 | 7 | \$729 | | |
| 30 | 8 | \$793 | | |
| 31 | 9 | \$848 | | |
| 32 | 10 | \$902 | | |
| 33 | over 10 add \$53 per additional child | | | |
| 35 | Special Standard | | Special Standard | |
| 36 | for one child | \$337 | for one adult | \$250 |

38 Subp. 6. Application of assistance standards. The
39 standards that apply to an assistance unit are set forth in
40 items A to F.

41 A. The children standard must be used for the minor
42 child or a minor caregiver who lives with either or both parents.

43 B. The first adult standard must be used for the
44 first eligible adult caregiver in the unit and the first
45 eligible minor caregiver who is emancipated or who lives apart
46 from both parents.

1 C. The second adult standard must be used for an
2 additional parent caregiver when one parent caregiver is
3 eligible for the first adult standard.

4 D. The special child standard must be used whenever
5 the only adult or adults in the household receive SSI or MSA or
6 both. When an assistance unit includes more than one minor
7 child, the special child standard must be determined by
8 substituting the first adult standard for the needs of the last
9 minor child in the assistance unit and combining that amount
10 with the children standard for the remaining minor children.

11 E. The assistance standard for a family consisting of
12 a pregnant woman in the third trimester of pregnancy must be
13 equal to the assistance standard paid to one adult and one child.

14 F. The special adult standard must be used whenever
15 the only child or children in the household receive SSI.

16 Subp. 7. **Transitional standard.** The transitional standard
17 for the assistance units identified in subpart 6 is the MFIP
18 allowance under subpart 5 plus the full cash value of food
19 stamps for an assistance unit of the same size and composition.
20 For the purpose of this subpart, "full cash value of food
21 stamps" means the amount of the cash value of food stamps to
22 which an assistance unit of a given size would be entitled for a
23 month, determined by assuming unearned income equal to the AFDC
24 standard for a family of that size and composition and
25 subtracting the standard deduction and maximum shelter deduction
26 from gross family income, as allowed under the Food Stamp Act of
27 1977, United States Code, title 7, section 2031, and the Hunger
28 Prevention Act of 1988, Public Law Number 100-435.

29 Subp. 8. **Family wage level standard.** The family wage
30 level standard is 120 percent of the transitional standard under
31 subpart 7 and is the standard used when there is earned income
32 in the assistance unit. Earned income is subtracted from the
33 family wage level as specified in part 9500.4080, subpart 4,
34 item A, to determine the amount of the assistance payment.
35 Assistance payments may not exceed the transitional standard for
36 the assistance unit.

1 Subp. 9. **Publication of transitional standard.** The
2 Department of Human Services shall annually publish in the State
3 Register the transitional standard for an assistance unit size 1
4 to 10.

5 9500.4110 DETERMINATION OF MFIP ELIGIBILITY AND ASSISTANCE
6 PAYMENT.

7 A local agency must determine MFIP eligibility
8 prospectively for a payment month based on retrospectively
9 assessing income and the local agency's best estimate of the
10 circumstances that will exist in the payment month.

11 Except as described in part 9500.4130, subpart 1, when
12 prospective eligibility exists, a local agency must calculate
13 the amount of the assistance payment using retrospective
14 budgeting. To determine MFIP eligibility and the assistance
15 payment amount, a local agency must apply countable income,
16 described in part 9500.4080, subparts 6 to 13, received by
17 members of an assistance unit or by other persons whose income
18 is counted for the assistance unit, described under part
19 9500.4080, subpart 5.

20 This income must be applied to the transitional standard or
21 family wage standard described in part 9500.4100, subparts 7 and
22 8, subject to parts 9500.4120 to 9500.4160. Income received in
23 a calendar month and not otherwise excluded under part
24 9500.4080, subpart 2, must be applied to the needs of an
25 assistance unit.

26 9500.4120 MFIP ELIGIBILITY TESTS.

27 Subpart 1. **Prospective eligibility.** A local agency must
28 determine whether the eligibility requirements that pertain to
29 an assistance unit, including those in parts 9500.4060 and
30 9500.4070, will be met prospectively for the payment month.
31 Except for the provisions in part 9500.4130, subpart 1, the
32 income test will be applied retrospectively.

33 Subp. 2. **Retrospective eligibility.** After the first two
34 months of MFIP eligibility, a local agency must continue to
35 determine whether an assistance unit is prospectively eligible

1 for the payment month by looking at all factors other than
2 income and then determine whether the assistance unit is
3 retrospectively income eligible by applying the monthly income
4 test to the income from the budget month. When the monthly
5 income test is not satisfied, the assistance payment must be
6 suspended when ineligibility exists for one month or ended when
7 ineligibility exists for more than one month.

8 Subp. 3. **Monthly income test.** A local agency must apply
9 the monthly income test retrospectively for each month of MFIP
10 eligibility. An assistance unit is not eligible when the
11 countable income equals or exceeds the transitional standard or
12 the family wage level for the assistance unit. The income
13 applied against the monthly income test must include:

14 A. gross earned income from employment, prior to
15 mandatory payroll deductions, voluntary payroll deductions, wage
16 authorizations, and after the disregards in part 9500.4150, and
17 the allocations in part 9500.4140, unless the employment income
18 is specifically excluded under part 9500.4080, subpart 2;

19 B. gross earned income from self-employment less
20 deductions for self-employment expenses in part 9500.4080,
21 subpart 8, but prior to any reductions for personal or business
22 state and federal income taxes, personal FICA, personal health
23 and life insurance, and after the disregards in part 9500.4150,
24 and the allocations in part 9500.4140;

25 C. unearned income after deductions for allowable
26 expenses in part 9500.4080, subpart 12, and allocations in part
27 9500.4140, unless the income has been specifically excluded in
28 part 9500.4080, subpart 2;

29 D. gross earned income from employment as determined
30 under item A which is received by a member of an assistance unit
31 who is a minor child and less than a half-time student;

32 E. child support and spousal support received or
33 anticipated to be received by an assistance unit less the first
34 \$50 of current child support;

35 F. the income of a parent even when that parent has
36 opted not to be included in the assistance unit;

1 G. the income of a stepparent whose income must be
2 counted according to part 9500.4080, subpart 5, item B;

3 H. the income of an eligible relative who seeks to be
4 included in the assistance unit; and

5 I. the unearned income of a minor child included in
6 the assistance unit.

7 Subp. 4. **When to terminate.** When an assistance unit is
8 ineligible for MFIP assistance for two consecutive months, the
9 local agency must terminate MFIP assistance.

10 9500.4130 CALCULATING PAYMENTS.

11 Subpart 1. **Prospective budgeting.** A local agency must use
12 prospective budgeting to calculate the assistance payment amount
13 for the first two months for an applicant who has not received
14 assistance in Minnesota for at least one payment month preceding
15 the first month of payment under a current application.
16 Prospective budgeting is not subject to overpayments or
17 underpayments.

18 A. The local agency must apply the income received or
19 anticipated in the first month of MFIP eligibility against the
20 need of the first month. The local agency must apply the income
21 received or anticipated in the second month against the need of
22 the second month.

23 B. When the assistance payment for any part of the
24 first two months is based on anticipated income, the local
25 agency must base the initial assistance payment amount on the
26 information available at the time the initial assistance payment
27 is made.

28 C. The local agency must determine the assistance
29 payment amount for the first two months of MFIP eligibility by
30 budgeting both recurring and nonrecurring income for those two
31 months.

32 D. The local agency must budget child support income
33 received or anticipated to be received by an assistance unit to
34 determine the assistance payment amount from the month of
35 application through the month in which MFIP eligibility is

1 determined and assistance is authorized. Child support income
2 which has been budgeted to determine the assistance payment in
3 the initial two months is considered nonrecurring income. An
4 assistance unit must forward the payment of child support to the
5 child support enforcement unit of the local agency for the
6 months which follow the month in which assistance is authorized.

7 Subp. 2. **Retrospective budgeting.** The local agency must
8 use retrospective budgeting to calculate the monthly assistance
9 payment amount after the payment for the first two months has
10 been made under subpart 1.

11 Subp. 3. **Additional uses of retrospective budgeting.**
12 Notwithstanding subpart 1, the local agency must use
13 retrospective budgeting to calculate the monthly assistance
14 payment amount for the first two months under items A and B.

15 A. The local agency must use retrospective budgeting
16 to determine the amount of the assistance payment in the first
17 two months of MFIP eligibility:

18 (1) when an assistance unit applies for
19 assistance for the same month for which assistance has been
20 interrupted, the interruption in eligibility is less than one
21 payment month, the assistance payment for the preceding month
22 was issued in Minnesota, and the assistance payment for the
23 immediately preceding month was determined retrospectively; or

24 (2) when a person applies to be added to an
25 assistance unit, that assistance unit has received assistance in
26 Minnesota for at least the two preceding months, and that person
27 has been living with and has been financially responsible for
28 one or more members of that assistance unit for at least the two
29 preceding months.

30 B. Except as provided in subitems (1) to (4), the
31 local agency must use retrospective budgeting and apply income
32 received in the budget month by an assistance unit and by a
33 financially responsible household member who is not included in
34 the assistance unit against the appropriate transitional or
35 family wage level standard to determine the assistance payment
36 to be issued for the payment month.

1 (1) When a source of income ends prior to the
2 third payment month, that income is not considered in
3 calculating the assistance payment for that month. When a
4 source of income ends prior to the fourth payment month, that
5 income is not considered when determining the assistance payment
6 for that month.

7 (2) When a member of an assistance unit or a
8 financially responsible household member leaves the household of
9 the assistance unit, the income of that departed household
10 member is not budgeted retrospectively for any full payment
11 month in which that household member does not live with that
12 household and is not included in the assistance unit.

13 (3) When an individual is removed from an
14 assistance unit because the individual is no longer a minor
15 child, the income of that individual is not budgeted
16 retrospectively for payment months in which that individual is
17 not a member of the assistance unit, except that income of an
18 ineligible child in the household must continue to be budgeted
19 retrospectively against his or her own needs when the parent or
20 parents of that child request allocation of their income against
21 any unmet needs of that ineligible child.

22 (4) When a person ceases to have financial
23 responsibility for one or more members of an assistance unit,
24 the income of that person is not budgeted retrospectively for
25 the payment months which follow the month in which financial
26 responsibility ends.

27 Subp. 4. **Significant change in gross income.** The local
28 agency must recalculate the assistance payment when an
29 assistance unit experiences a significant change resulting in a
30 reduction in the gross income received in the payment month from
31 the gross income received in the budget month. The local agency
32 must issue a supplemental assistance payment based on the local
33 agency's best estimate of the assistance unit's income and
34 circumstances for the payment month.

35 Subp. 5. **Income averaging for participants paid weekly or**
36 **biweekly.** For the purposes of stabilizing assistance payments,

1 the local agency may average income for participants paid weekly
2 or biweekly. Monthly income may be computed by adding income
3 from all paychecks, dividing the sum by the number of paychecks,
4 and multiplying the result by 4.3 if paychecks are weekly or
5 2.16 if paychecks are biweekly. The local agency may not use
6 income averaging unless discussed with the participant and
7 requested by the participant.

8 9500.4140 ALLOCATION FOR UNMET NEED OF OTHER HOUSEHOLD MEMBERS.

9 Except as prohibited in items A and B, an allocation of
10 income is allowed to meet the unmet need of an ineligible spouse
11 or an ineligible child under the age of 21 for whom the
12 caregiver is financially responsible who also lives with the
13 caregiver. An allocation from the caregiver's income to meet
14 the need of an ineligible or excluded spouse is allowed up to
15 the amount of the second adult standard. An allocation is
16 allowed from the caregiver's income to meet the need of an
17 ineligible or excluded child. That allocation is allowed in an
18 amount up to the difference between the MFIP family allowance
19 for the assistance unit when that excluded or ineligible child
20 is included in the assistance unit and the MFIP family allowance
21 for the assistance unit when the excluded or ineligible child is
22 not included in the assistance unit. These allocations must be
23 deducted from the caregiver's counted earnings and from unearned
24 income subject to items A and B.

25 A. Income of a minor child in the assistance unit
26 must not be allocated to meet the need of a person who is not a
27 member of the assistance unit, including the child's parent,
28 even when that parent is the payee of the child's income.

29 B. Income of an assistance unit must not be allocated
30 to meet the needs of a person ineligible for failure to
31 cooperate with program requirements including child support
32 requirements under part 9500.4280, subpart 10, a person
33 ineligible due to fraud, or a person who opts out of the
34 assistance unit.

35 9500.4150 EMPLOYMENT DISREGARDS.

1 The employment disregards in items A to D apply to MFIP.

2 A. When determining initial eligibility and when
3 determining income deemed from members who do not elect to be
4 included in the assistance unit, the employment disregard is 18
5 percent of the gross earned income whether or not the member is
6 working full time or part time.

7 B. When determining initial eligibility, dependent
8 care costs must be deducted from gross earned income for the
9 actual amount paid for dependent care up to the maximum
10 disregard allowed under United States Code, title 42, chapter 7,
11 section 602, subsection (a), paragraph (8), subparagraph
12 (A)(iii).

13 C. When determining initial eligibility for
14 participants who have received AFDC, family general assistance,
15 or MFIP in Minnesota within four months of the most recent
16 application for MFIP, the employment disregard is 38 percent of
17 the gross earned income.

18 D. When determining ongoing eligibility and payment
19 amount, the employment disregard is 38 percent of the gross
20 earned income. The employment disregard in this item is applied
21 every month there is earned income.

22 9500.4160 AMOUNT OF ASSISTANCE PAYMENT.

23 Except as provided in items A to C, the amount of an
24 assistance payment is equal to the difference between the
25 transitional standard in part 9500.4100, subpart 7, or the
26 family wage level in part 9500.4100, subpart 8, and countable
27 income.

28 A. When MFIP eligibility exists for the month of
29 application, the amount of the assistance payment for the month
30 of application must be prorated from the date of application or
31 the date all other eligibility factors are met for that
32 applicant, whichever is later. This provision applies when an
33 applicant loses at least one day of MFIP eligibility.

34 B. AFDC or MFIP overpayments to an assistance unit
35 must be recouped according to part 9500.4170, subpart 4.

1 C. An initial assistance payment must not be made to
2 an applicant who is not eligible on the date payment is made.

3 9500.4170 CORRECTION OF OVERPAYMENTS AND UNDERPAYMENTS.

4 Subpart 1. **Scope of overpayment.** When a participant or
5 former participant receives an overpayment due to client error
6 or due to assistance received while an appeal is pending and the
7 participant or former participant is determined ineligible for
8 assistance, the local agency must recoup or recover the
9 overpayment under the conditions of this part.

10 Subp. 2. **Notice of overpayment.** When a local agency
11 discovers that a participant or former participant has received
12 an overpayment for one or more months, the local agency must
13 notify the participant or former participant of the overpayment
14 in writing. A notice of overpayment must specify the reason for
15 the overpayment, the authority for citing the overpayment, the
16 time period in which the overpayment occurred, the amount of the
17 overpayment, and the participant's or former participant's right
18 to appeal. No limit applies to the period in which the local
19 agency is required to recoup or recover the overpayment. A
20 local agency must recoup or recover an overpayment according to
21 subparts 3 and 4.

22 Subp. 3. **Recovering overpayments from former**
23 **participants.** A local agency must initiate efforts to recover
24 overpayments paid to a former participant. Adults and minor
25 caregivers of an assistance unit at the time an overpayment
26 occurs are jointly and individually liable for repayment of the
27 overpayment. The local agency must request repayment from the
28 former participants. When an agreement for repayment is not
29 completed within six months of the date of discovery or when
30 there is a default on an agreement for repayment after six
31 months, the local agency must initiate recovery consistent with
32 Minnesota Statutes, chapter 270A or section 541.05. When a
33 person has been convicted of fraud under Minnesota Statutes,
34 section 256.98, recovery must be sought regardless of the amount
35 of overpayment. When an overpayment is less than \$35, and is

1 not the result of a fraud conviction under Minnesota Statutes,
2 section 256.98, the local agency must not seek recovery under
3 this subpart. The local agency must retain information about
4 all overpayments regardless of the amount. When an adult or
5 minor caregiver reapplies for assistance, the overpayment must
6 be recouped under subpart 4.

7 **Subp. 4. Recouping overpayments from participants.** A
8 participant may voluntarily repay, in part or in full, an
9 overpayment even if assistance is reduced under this subpart,
10 until the total amount of the overpayment is repaid. The local
11 agency must recoup an overpayment to a participant by reducing
12 one or more monthly assistance payments until the overpayment is
13 repaid. When an overpayment occurs due to client error, the
14 local agency must recover three percent of the transitional
15 standard or the amount of the monthly assistance payment,
16 whichever is less. When an overpayment occurs due to fraud, the
17 local agency must recover ten percent of the transitional
18 standard or the amount of the monthly assistance payment,
19 whichever is less. When an overpayment occurs due to agency
20 error, the local agency must not recoup the overpayment.

21 **Subp. 5. Scope of underpayments.** A local agency must
22 issue a corrective payment for underpayments made to a
23 participant or to a person who would be a participant if an
24 agency or client error causing the underpayment had not
25 occurred. The local agency must issue the corrective payment
26 according to subpart 7.

27 **Subp. 6. Identifying the underpayment.** An underpayment
28 may be identified by a local agency, by a participant, by a
29 former participant, or by a person who would be a participant
30 except for agency or client error.

31 **Subp. 7. Issuing corrective payments.** A local agency must
32 correct an underpayment within seven calendar days after the
33 underpayment has been identified, by adding the corrective
34 payment amount to the monthly assistance payment of the
35 participant or by issuing a separate payment to a participant or
36 former participant, or by reducing an existing overpayment

1 balance. When an underpayment occurs in a payment month and is
2 not identified until the next payment month or later, the local
3 agency must first subtract the underpayment from any overpayment
4 balance before issuing the corrective payment. The local agency
5 must not apply an underpayment in a current payment month
6 against an overpayment balance. When an underpayment in the
7 current payment month is identified, the corrective payment must
8 be issued within seven calendar days after the underpayment is
9 identified.

10 Subp. 8. **Appeals.** A participant may appeal an
11 underpayment, an overpayment, and a reduction in an assistance
12 payment made to recoup the overpayment under subpart 4. The
13 participant's appeal of each issue must be timely under
14 Minnesota Statutes, section 256.045. When an appeal based on
15 the notice issued under subpart 2 is not timely, the fact or the
16 amount of that overpayment must not be considered as a part of a
17 later appeal, including an appeal of a reduction in an
18 assistance payment to recoup that overpayment.

19 9500.4180 PAYMENT PROVISIONS.

20 Subpart 1. **Payments.** This subpart applies to monthly
21 assistance payments and corrective payments.

22 A. The department must mail assistance payment checks
23 to the address where a caretaker lives unless the local agency
24 approves an alternate arrangement.

25 B. The department must mail monthly assistance
26 payment checks within time to allow postal service delivery to
27 occur no later than the first day of each month. Monthly
28 assistance payment checks must be dated the first day of the
29 month.

30 C. The department must issue replacement checks
31 promptly, but no later than seven calendar days after the
32 provisions of Minnesota Statutes, sections 16A.46; 256.01,
33 subdivision 11; and 471.415, have been met.

34 D. When a payment is made by means other than by
35 check, the time limits in items B and C apply.

1 E. When the department issues payments in the form of
2 food coupons, the payments will be issued on a staggered basis
3 through the first ten mailing days of the month. Sundays and
4 federal holidays are not mailing days.

5 Subp. 2. **Protective and vendor payments; when allowed.**
6 Alternatives to paying assistance directly to a participant may
7 be used only:

8 A. when a local agency determines that a vendor
9 payment is the most effective way to resolve an emergency
10 situation pertaining to basic needs;

11 B. when a caregiver makes a written request to the
12 local agency asking that part or all of the assistance payment
13 be issued by protective or vendor payments. The caregiver may
14 withdraw this request in writing at any time; or

15 C. when a caregiver has exhibited a continuing
16 pattern of mismanaging funds under the conditions specified in
17 Code of Federal Regulations, title 45, subtitle B, chapter II,
18 part 234, section 234.60, paragraph (a)(2).

19 (1) The director of a local agency must approve a
20 proposal for protective or vendor payment for money
21 mismanagement. During the time a protective or vendor payment
22 is being made, the local agency must provide services designed
23 to alleviate the causes of the mismanagement according to Code
24 of Federal Regulations, title 45, subtitle B, chapter II, part
25 234, section 234.60, paragraph (a)(8).

26 (2) The continuing need for and method of payment
27 must be documented and reviewed every 12 months. The director
28 of a local agency must approve the continuation of protective or
29 vendor payments.

30 (3) When it appears that the need for protective
31 or vendor payments will continue or is likely to continue beyond
32 two years because the local agency's efforts have not resulted
33 in sufficiently improved use of assistance on behalf of the
34 minor child, judicial appointment of a legal guardian or other
35 legal representative must be sought by the local agency.

36 Subp. 3. **Choosing payees for protective or vendor**

1 **payments.** A local agency must consult with a caregiver
2 regarding the selection of the form of payment, the selection of
3 a protective payee, and the distribution of the assistance
4 payment to meet the various costs incurred by the assistance
5 unit. When choosing a protective payee, the local agency must
6 notify the caregiver of a consultation date. If the caregiver
7 fails to respond to the local agency's request for consultation
8 by the effective date on the notice, the local agency must
9 choose a protective payee for that payment month and subsequent
10 payment months until the caregiver responds to the agency's
11 request for consultation. The local agency must notify the
12 caregiver of the right to appeal the determination that a
13 protective or vendor payment should be made or continued and to
14 appeal the selection of the payee.

15 When a local agency is not able to find another protective
16 payee, a local agency staff member may serve as a protective
17 payee. The following persons may not serve as protective
18 payees: a member of the county board of commissioners; the
19 local agency staff member determining financial eligibility for
20 the family; special investigative or resource staff; the staff
21 member handling accounting or fiscal processes related to the
22 participant; or a landlord, grocer, or other vendor dealing
23 directly with the participant.

24 **Subp. 4. Discontinuing protective or vendor payments.** A
25 local agency must discontinue protective or vendor payments in
26 two years or in the month following the local agency's failure
27 to grant six-month approval to a money management plan,
28 whichever occurs first. At least once every 12 months, a local
29 agency must review the performance of a protective payee acting
30 under subpart 2, item C, to determine whether a new payee should
31 be selected. When a participant complains about the performance
32 of a protective payee, a review must occur within 30 calendar
33 days.

34 9500.4190 SPECIAL POLICIES.

35 **Subpart 1. General.** The special policies in subparts 2 to

1 6 apply to MFIP counties.

2 Subp. 2. **Medical assistance.** As authorized by Congress
3 under United States Code, title 42, chapter 7, subchapter IV,
4 part A, section 602, note on Demonstration of Effectiveness of
5 Minnesota Family Investment Plan, paragraph (b), subparagraph
6 (7), families receiving assistance through MFIP are
7 automatically eligible for and entitled to medical assistance
8 under Minnesota Statutes, chapter 256B. A family that leaves
9 MFIP due to increased earnings from employment is eligible for
10 extended medical assistance as provided under United States
11 Code, title 42, chapter 7, subchapter XIX, section 1396 and
12 subchapter IV, part A, section 602, note on Demonstration of
13 Effectiveness of Minnesota Family Investment Plan, paragraph
14 (b), subparagraph (7).

15 Subp. 3. **Hold harmless.** No family may receive less
16 assistance in aggregate under MFIP than they would have received
17 in the absence of MFIP, unless the family's assistance has been
18 reduced because of sanction or fraud disqualification. The
19 procedures in items A to C must be followed to protect families
20 at risk of receiving less assistance under MFIP.

21 A. The department must identify characteristics of
22 families who may be at risk of receiving less assistance on an
23 ongoing basis.

24 B. When a family that fits the profile identified by
25 the department in item A files an application for assistance,
26 the local agency must calculate the level of assistance the
27 family would have received under current programs and compare it
28 with the level of assistance provided under MFIP.

29 C. The local agency must provide assistance to the
30 family at the higher of the two levels calculated under item B.
31 MFIP rules apply to the assistance issued and the applicants are
32 treated as participants if found eligible.

33 Subp. 4. **Food stamps for household members not in the**
34 **assistance unit.** For household members who purchase and prepare
35 food with the MFIP assistance unit but are not part of the
36 assistance unit, the local agency must calculate food stamp

1 benefits according to items A and B.

2 A. The local agency must determine food stamp
3 benefits for the household without regard to MFIP assistance
4 unit members, using maximum shelter deductions.

5 B. The local agency must provide food stamp benefits
6 equal to 75 percent of the amount calculated in item A or \$10,
7 whichever is greater, rounded to the nearest lower whole dollar.

8 This subpart does not apply to optional members who have
9 chosen not to be in the assistance unit.

10 Fair hearing requirements for persons who receive food
11 stamps under this subpart are governed by Minnesota Statutes,
12 section 256.045, and Code of Federal Regulations, title 7,
13 subtitle B, chapter II, part 273, section 273.15.

14 Subp. 5. **Income disregard for certain programs, food**
15 **assistance portion of assistance payment.** The portion of the
16 MFIP assistance payment that is designated by the commissioner
17 as the food assistance portion of the assistance payment must be
18 disregarded as income in the following programs:

19 A. housing subsidy programs;

20 B. low-income home energy assistance program;

21 C. SSI, when determining interim assistance amount;

22 and

23 D. other programs that do not count food stamps as
24 income.

25 For the purpose of this subpart, the "food assistance
26 portion of the assistance payment" means a predetermined portion
27 of the MFIP assistance payment that may be received in cash or
28 food stamps. The predetermined portion of the assistance
29 payment will vary by family profile, which is based on family
30 size.

31 Subp. 6. **Retention of case records.** The local agency must
32 retain financial case records and case management records for
33 MFIP and comparison group members for six years. Information in
34 the case records must be maintained according to Minnesota
35 Statutes, chapter 13.

36 Subp. 7. **Surveys.** Participants and comparison group

1 assistance units may be requested to complete surveys for data
2 collection purposes. Participant and comparison group
3 participation in the survey process is voluntary.

4 9500.4200 OPTION TO RECEIVE FOOD ASSISTANCE IN THE FORM OF FOOD
5 COUPONS.

6 The local agency must offer participants the option to
7 receive food coupons in place of the food portion of assistance
8 identified in part 9500.4190, subpart 5, at application and at
9 every recertification. Participants may change methods of
10 receiving food assistance at any time upon request.

11 9500.4210 MFIP ORIENTATION TO FINANCIAL SERVICES.

12 Subpart 1. Local agency to provide orientation. Local
13 agencies in MFIP counties must provide MFIP orientation to
14 financial assistance and the caregiver must be given an
15 opportunity for face-to-face interaction with staff of the local
16 agency or the entity providing the orientation. The local
17 agency may not require caregivers to attend an MFIP
18 orientation. If a caregiver does not attend an orientation, the
19 local agency must provide written information to the caregiver
20 about MFIP.

21 Subp. 2. General information. The MFIP orientation must
22 consist of a presentation that informs caregivers of:

- 23 A. work incentives under MFIP;
- 24 B. the types and locations of child care services
25 available through the local agency that are accessible to enable
26 a caregiver to participate in employment, preemployment, and
27 training or educational programs;
- 28 C. the child care resource and referral program
29 designated by the commissioner to provide education and
30 assistance to select child care services and a referral to the
31 child care resource and referral when assistance is requested;
- 32 D. the rights, responsibilities, and obligations of
33 participants;
- 34 E. the consequences for failure to meet requirements;
- 35 F. the expectation that the caregiver will

1 independently seek self-support and explain the obligation,
2 based on time on assistance, to develop a family support
3 agreement under part 9500.4220, subpart 6;

4 G. the method of entering educational programs or
5 employment and training services available through the county;

6 H. the availability and the benefits of the early
7 childhood health and developmental screening under Minnesota
8 Statutes, sections 123.701 to 123.744.

9 I. the caregiver's eligibility for transition year
10 child care assistance when the caregiver loses eligibility for
11 MFIP due to increased earnings; and

12 J. the caregiver's eligibility for extended medical
13 assistance when the caregiver loses eligibility for MFIP due to
14 increased earnings or increased child or spousal support.

15 Subp. 3. **Support services to attend orientation.** Upon a
16 caregiver's request, the local agency must arrange for
17 transportation and child care or reimburse caregivers for
18 transportation and child care expenses necessary to enable
19 caregivers to attend orientation scheduled on a day other than
20 when the caregiver makes application for assistance.

21 9500.4220 CASE MANAGEMENT.

22 Subpart 1. **Mission statement.** The goal of MFIP case
23 management is to help caregivers increase their family income in
24 a timely manner through paid employment. While the ultimate
25 objective is employment leading to maximum family support, case
26 management services vary depending upon the family's
27 circumstances.

28 Subp. 2. **Service providing agencies.** Case management
29 services must be offered by providers certified by the
30 commissioner of jobs and training who meet the standards in
31 Minnesota Statutes, section 268.871, subdivision 1. Local
32 agencies must assure that all services, including contracted
33 services, meet the requirements of case management in this part
34 and Minnesota Statutes, section 256.035.

35 Subp. 3. **Staffing.** Local agencies may hire case managers

1 or a combination of staff to provide case management and
2 employment and preemployment services described in subpart 4,
3 and coordinate social and support services. Local agencies are
4 expected to ensure that staff providing case management services
5 have the necessary training and experience to perform the
6 specific aspects of case management which they are assigned to
7 do.

8 Subp. 4. **Case management.** The local agency must provide
9 case management services identified in items A to I. Specific
10 case management services provided to a caregiver depend on the
11 family's needs and circumstances. Case management services
12 include:

13 A. a review of the information presented at an
14 earlier MFIP orientation pursuant to part 9500.4210, subpart 2,
15 and an overview of services available under case management;

16 B. an MFIP assessment that meets the requirements of
17 Minnesota Statutes, section 256.736, subdivision 10, paragraph
18 (a), clause (14), and addresses caregivers' skills, abilities,
19 interests, and needs;

20 C. development of, together with the caregiver, an
21 employability plan and family support agreement according to
22 Minnesota Statutes, section 256.035, subdivisions 6b and 6c;

23 D. assistance in accessing and coordination of social
24 services including chemical dependency treatment, mental health
25 services, self-esteem enhancement, motivation training, and
26 parenting education and specific support services such as child
27 care and transportation needed by the caregiver to fulfill the
28 terms of the employability plan and family support agreement;

29 E. provision of services in support of employment
30 which includes basic skills testing, interest and aptitude
31 testing, career exploration, life skills training, and
32 budgeting;

33 F. provision of a broad range of employment and
34 training services including job seeking and keeping skills, job
35 development, job club, job search, and either community work
36 experience program under Minnesota Statutes, section 256.737, or

1 on-the-job training under Minnesota Statutes, section 256.738;

2 G. evaluation and support of the caregiver's progress
3 and compliance with the employability plan and family support
4 agreement;

5 H. provision of postemployment case management
6 services for up to six months after caregivers become exempt or
7 exit MFIP due to employment if requested by the caregiver; and

8 I. coordination of education and training program
9 activities.

10 Subp. 5. **Timing of case management.** The requirement for a
11 caregiver to meet with a case manager and begin development of a
12 family support agreement is tied to the structure of the family
13 and the length of time on assistance according to item A, B, or
14 C.

15 A. In a family headed by a single adult parental
16 caregiver who has received AFDC, family general assistance,
17 MFIP, or a combination of AFDC, family general assistance, and
18 MFIP assistance for 24 or more months within the preceding 36
19 months, the parental caregiver must be developing and complying
20 with the terms of the family support agreement commencing with
21 the 25th month of assistance.

22 B. For a family with a minor parental caregiver or a
23 family whose parental caregiver is 18 or 19 years of age and
24 does not have a high school diploma or its equivalent, the
25 parental caregiver must be developing and complying with a
26 family support agreement concurrent with the receipt of
27 assistance. The terms of the family support agreement must
28 include compliance with Minnesota Statutes, section 256.736,
29 subdivision 3b. If the parental caregiver fails to comply with
30 the terms of the family support agreement, the sanctions in
31 Minnesota Statutes, section 256.035, subdivision 3, apply. When
32 the requirements in Minnesota Statutes, section 256.736,
33 subdivision 3b, have been met, a caregiver has fulfilled the
34 caregiver's obligation. Local agencies must continue to offer
35 case management services if the caregiver wants to continue with
36 an employability plan. The timing of the requirement to develop

1 a family support agreement under items A and C still apply.

2 C. In a family with two adult parental caregivers at
3 least one of whom has received AFDC, family general assistance,
4 MFIP, or a combination of AFDC, family general assistance, and
5 MFIP assistance for six or more months within the preceding 12
6 months, one parental caregiver must be developing and complying
7 with the terms of the family support agreement commencing with
8 the seventh month of assistance. The family and the case
9 manager will designate the parental caregiver who will develop
10 the family support agreement based on which parent has the
11 greater potential to increase family income or to support the
12 family's transition to financial independence.

13 Subp. 6. **Employability plan and family support agreement.**
14 The case manager shall develop, together with the caregiver, an
15 employability plan and family support agreement. The
16 employability plan includes the caregiver's overall employment
17 goal, activities necessary to reach that goal, a timeline for
18 each activity, and the social and support services provided by
19 the agency. All activities in the employability plan must
20 contribute to the caregiver's overall employment goal.

21 The family support agreement is the enforceable subsection
22 of an employability plan for mandatory caregivers. The family
23 support agreement must be limited to those steps outlined in
24 Minnesota Statutes, section 256.035, subdivision 6c, that
25 involve employment, education, or employment and training
26 services, and scheduled meetings with the case manager. The
27 family support agreement must be signed by both the case manager
28 and parental caregiver.

29 A. In developing an employability plan and family
30 support agreement, the case manager must discuss with the
31 caregiver the economic benefit under MFIP of taking available
32 employment on family income. The case manager must provide
33 examples of how different levels of earnings increase available
34 income.

35 B. Activities in the family support agreement must
36 enhance the family's opportunities to increase its income in a

1 timely manner through paid employment or to support the family's
2 transition to financial independence.

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

6 D. The employability plan and family support
7 agreement must be individualized and designed to meet the
8 specific needs of the caregiver and the caregiver's family.

9 If the employability plan consists solely of social and
10 health services, the family support agreement must specify
11 required meetings with the case manager at least semiannually.
12 Caregivers with an employability plan from Project STRIDE or
13 other programs must develop a mutually acceptable MFIP
14 employability plan and, if applicable, a family support
15 agreement.

16 Subp. 7. Education and training activities. The case
17 manager and the caregiver must consider the criteria in items A
18 to E before including education and training activities in the
19 employability plan.

20 A. The caregiver and case manager must agree:

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

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

27 (3) the caregiver ~~has-the-academic-ability-to~~
28 ~~successfully-complete~~ can meet the requirements for admission
29 into the program; and

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

35 B. ~~The-caregiver-and-case-manager-must-consider~~
36 ~~family-income-that-could-be-earned-by-immediate-entry-into-paid~~

1 ~~employment-which-will-be-foregone-during-pursuit-of-education-or~~
2 ~~training.~~ A comparison must be made between income foregone
3 during by delaying immediate entry into paid employment while in
4 pursuit of education or training and the probable income which
5 will be earned following the education or training. The
6 advantages and disadvantages to the family must be discussed
7 with respect to both options.

8 C. When considering part-time education and training
9 under item A, the case manager and caregiver must assess the
10 advantages of combining part-time education or training with
11 part-time employment.

12 D. Activities under this subpart are limited to
13 education up to a baccalaureate degree, with the exception of
14 limited coursework necessary for licensure or certification.

15 E. Caregivers in education or training programs must
16 maintain satisfactory progress. "Satisfactory progress" in an
17 education or training program means the caregiver remains in
18 good standing as defined by the education or training
19 institution and meets the requirements of the caregiver's MFIP
20 employability plan. The case manager may withdraw approval of
21 the caregiver's employability plan when the caregiver does not
22 maintain satisfactory progress in the education or training
23 program.

24 Subp. 8. **Good cause for failure to comply.** Caregivers may
25 claim the following reasons as good cause for failure to comply
26 with the expectations of MFIP case management:

27 A. needed child care is not available;

28 B. the job does not meet the definition of suitable
29 employment;

30 C. the parental caregiver is ill, incapacitated, or
31 injured;

32 D. a family member is ill and needs care by the
33 parental caregiver;

34 E. the parental caregiver is unable to secure the
35 necessary transportation;

36 F. the parental caregiver is in an emergency

1 situation;

2 G. the schedule of compliance with the family support
3 agreement conflicts with judicial proceedings;

4 H. the parental caregiver is already participating in
5 acceptable activities;

6 I. the family support agreement requires an
7 educational program for a parent under the age of 20, but the
8 educational program is not offered in the school district;

9 J. activities identified in the family support
10 agreement are not available;

11 K. the parental caregiver is willing to accept
12 suitable employment but employment is not available;

13 L. the parental caregiver documents other verifiable
14 impediments to compliance with the family support agreement
15 beyond the parental caregiver's control; or

16 M. the family support agreement requires an
17 educational program for a parent under the age of 20, but the
18 only available school program requires round trip commuting time
19 from the custodial parent's residence of more than two hours by
20 available means of transportation, excluding the time necessary
21 to transport children to and from child care.

22 Subp. 9. **Revisions to the family support agreement.** The
23 caregiver may revise the family support agreement with the case
24 manager when good cause, as provided in subpart 8, indicates
25 revision is warranted. Revisions for reasons other than good
26 cause to employment goals or steps toward self-support may be
27 made in the first six months after the initial signing of the
28 family support agreement with the agreement of the case
29 manager. After that, the revision must be approved by the case
30 management supervisor or other persons responsible for review of
31 case management decisions.

32 Subp. 10. **Exemptions from expectations.** A caregiver is
33 exempt from expectations as provided in items A and B.

34 A. Except for subitem (4), which applies only for a
35 single-parent family, a caregiver in a single parent or
36 two-parent family is exempt from the expectations of MFIP case

1 management if the caregiver is:

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

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

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

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

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

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

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

27 B. In a two-parent household, only one parent may be
28 exempt under item A, subitem (2) or (3). If item A, subitem
29 (5), applies to either parent in a two-parent family, the other
30 parent is exempt. In a two-parent household, if the parent
31 designated to develop a family support agreement becomes exempt
32 and the exemption is expected to last longer than six months,
33 then the second parent is required to develop a family support
34 agreement unless otherwise exempt under item A.

35 Subp. 11. **Volunteers for case management.** Upon request,
36 local agencies must continue to offer case management services

1 to caregivers with a signed family support agreement who become
2 exempt under subpart 10 and caregivers randomly assigned to MFIP
3 during the conversion period who have a Project STRIDE or ACCESS
4 employability plan and who have not reached the timing
5 requirement for case management under subpart 5. Local agencies
6 may also serve other volunteers for case management according to
7 the following priority:

8 A. caregivers who have reached the time for case
9 management under subpart 5 but are exempt under subpart 10; and

10 B. caregivers who have not reached the time for case
11 management under subpart 5.

12 Caregivers identified in this subpart are voluntary
13 participants for case management and may not be sanctioned for
14 failure to cooperate with case management until they reach the
15 timing of case management services under subpart 5 or are no
16 longer exempt under subpart 10.

17 Subp. 12. Length of job search. When the family support
18 agreement specifies that a caregiver should seek employment, the
19 caregiver will have three months to find a job which is
20 consistent with the employment goal in the family support
21 agreement. Caregivers may request a three-month extension. If
22 an extension is requested, the case manager must meet with the
23 caregiver to reassess job search methods and make adjustments as
24 necessary. If the caregiver does not request an extension or
25 has not found a job after the full six months, the family
26 support agreement shall be reevaluated. If no revisions are
27 made to the agreement, the caregiver must accept any suitable
28 employment.

29 Subp. 13. Cessation of employment. Nonexempt caregivers
30 who quit a job, are laid off, or are terminated must contact the
31 case manager within ten calendar days and must schedule a
32 meeting to revise the family support agreement to incorporate
33 activities to replace the job. A caregiver who fails to contact
34 the case manager within ten calendar days or fails to attend a
35 scheduled meeting to revise the family support agreement is
36 subject to sanction under part 9500.4250. If the substitute

1 activity is to seek employment, the search is limited to three
2 months to find a job related to the caregiver's employment
3 goal. After three months, the caregiver must take any suitable
4 employment. Caregivers who fail to comply with this subpart are
5 subject to sanction under part 9500.4250.

6 9500.4230 REDUCTION OR DISCONTINUATION OF SUPPORT SERVICES.

7 Support services such as transportation and child care
8 assistance will be reduced or discontinued for the time allotted
9 for activities in which the caregiver is not participating or
10 ~~making-satisfactory-progress-consistent-with-the-terms-of-the~~
11 ~~family-support-agreement-or-employability-plan.~~ For issues of
12 satisfactory progress, when timely request for conciliation
13 conference or appeal was made, support services shall continue
14 until conciliation is complete or a fair hearing decision is
15 rendered.

16 9500.4240 CONCILIATION CONFERENCE.

17 Subpart 1. **Conciliation conference option.** The local
18 agency must inform mandatory parental caregivers of the option
19 of a conciliation conference when the mandatory parental
20 caregivers cannot reach agreement with the case manager about
21 the contents or interpretation of the family support agreement.
22 Parental caregivers who have received a notice of intent to
23 sanction, as required under Minnesota Statutes, section 256.035,
24 subdivision 3, shall also be informed of the conciliation
25 conference option. A caregiver may make a request for a
26 conciliation conference by telephone, mail, or in person.
27 Verbal requests must be followed by a request in writing to the
28 local agency. A caregiver's request for a conciliation
29 conference following a notice of intent to sanction must be
30 postmarked or hand delivered within ten calendar days of the
31 mailing of the notice of intent to sanction. Upon receiving a
32 notice of intent to sanction, a caregiver may request a hearing
33 under Minnesota Statutes, section 256.045, without exercising
34 the option of a conciliation conference.

35 Subp. 2. **Goal of conciliation conference.** The goal of the

1 conciliation conference is to achieve mutual agreement between
2 the parental caregiver and the case manager.

3 Subp. 3. Conference facilitated by a mediator, mediator's
4 duties. The conciliation conference must be facilitated by a
5 mediator. The mediator must help the parental caregiver and the
6 case manager reach a compromise agreement and resolve the
7 dispute, if possible. The mediator shall provide a written
8 statement summarizing the outcome of the conference to be signed
9 by the caregiver and case manager.

10 The mediator may hold a conciliation conference by
11 telephone when the distance or time required to travel to a
12 local agency will cause a delay in resolving the conflict, or to
13 promote efficiency, or at the mutual request of the caregiver
14 and case manager. A conciliation conference may not be
15 conducted by telephone if the caregiver objects.

16 Subp. 4. Conciliation conference record, use not permitted
17 in fair hearing. No record of the conciliation conference may
18 be used in the fair hearing.

19 9500.4250 SANCTION.

20 The local agency must reduce an assistance unit's
21 assistance payment by ten percent of the transitional standard
22 for the applicable family size when a caregiver who is not
23 exempt from the expectations in part 9500.4220, subpart 5, fails
24 to develop or comply with the terms of the caregiver's family
25 support agreement. A caregiver's failure to attend scheduled
26 meetings with the case manager means that the family support
27 agreement cannot be developed and will also result in a ten
28 percent sanction.

29 Case managers must send caregivers a notice of intent to
30 sanction and inform the caregiver of an opportunity to request a
31 conciliation conference at least ten days before the date the
32 case manager notifies the local agency. If the caregiver does
33 not request a conciliation conference within ten calendar days
34 of the mailing of the notice of intent to sanction, the case
35 manager must notify the local agency that the assistance payment

1 should be reduced.

2 Upon notification from the case manager that an assistance
3 payment should be reduced, the local agency must send a notice
4 of adverse action to the caregiver stating that the assistance
5 payment will be reduced in the next month following the ten-day
6 notice requirement and state the reason for the action. The
7 caregiver may request a fair hearing under Minnesota Statutes,
8 section 256.045, upon notice of intent to sanction or notice of
9 adverse action, but the conciliation conference is available
10 only upon notice of intent to sanction. If a caregiver requests
11 a conciliation conference, the local agency must postpone
12 implementation of the sanction pending completion of the
13 conciliation conference. For the purpose of this part, "notice
14 of intent to sanction" means a case manager must provide written
15 notification to the caregiver that the caregiver is not
16 fulfilling the requirement to develop or comply with the family
17 support agreement. This notification must inform the caregiver
18 of the right to request a conciliation conference within ten
19 days of the mailing of the notice of intent to sanction or the
20 right to request a fair hearing under part 9500.4260.

21 For the purpose of this part, "notice of adverse action"
22 means the local agency must send a notice of sanction,
23 reduction, suspension, denial, or termination of benefits before
24 taking any of those actions.

25 9500.4260 FAIR HEARINGS.

26 Caregivers receiving a notice of intent to sanction or a
27 notice of adverse action that includes a sanction, reduction in
28 benefits, suspension of benefits, denial of benefits, or
29 termination of benefits may request a fair hearing. A request
30 for a fair hearing must be submitted in writing to the local
31 agency or to the department and must be mailed within 30 days
32 after a participant or former participant receives written
33 notice of the agency's action or within 90 days when a
34 participant or former participant shows good cause for not
35 submitting the request within 30 days. A former participant who

1 receives a notice of adverse action due to an overpayment may
2 appeal the adverse action according to the requirements in this
3 part. Issues that may be appealed are:

4 A. the amount of the assistance payment;

5 B. a suspension, reduction, denial, or termination of
6 assistance;

7 C. the basis for an overpayment, the calculated
8 amount of an overpayment, and the level of recoupment;

9 D. the eligibility for an assistance payment; and

10 E. the use of protective or vendor payments.

11 A local agency must not reduce, suspend, or terminate
12 payment when an aggrieved participant requests a fair hearing
13 prior to the effective date of the adverse action or within ten
14 days of the mailing of the notice of adverse action, whichever
15 is later, unless the participant requests in writing not to
16 receive continued assistance pending a hearing decision.

17 Assistance issued pending a fair hearing is subject to recovery
18 under part 9500.4170 when as a result of the fair hearing
19 decision the participant is determined ineligible for assistance
20 or the amount of the assistance received. A local agency may
21 increase or reduce an assistance payment while an appeal is
22 pending when the circumstances of the participant change and are
23 not related to the issue on appeal. The commissioner's order is
24 binding on a local agency. No additional notice is required to
25 enforce the commissioner's order.

26 A local agency shall reimburse appellants for reasonable
27 and necessary expenses of attendance at the hearing, such as
28 child care and transportation costs and for the transportation
29 expenses of the appellant's witnesses and representatives to and
30 from the hearing. Reasonable and necessary expenses do not
31 include legal fees. Fair hearings must be conducted at a
32 reasonable time and date by an impartial referee employed by the
33 department. The hearing may be conducted by telephone or at a
34 site that is readily accessible to persons with disabilities.
35 The appellant may introduce new or additional evidence relevant
36 to the issues on appeal. Recommendations of the appeals referee

1 and decisions of the commissioner must be based on evidence in
2 the hearing record and are not limited to a review of the local
3 agency action.

4 9500.4270 MFIP CHILD CARE.

5 Subpart 1. **Definitions.** As used in this part, the
6 following terms have the meanings given them.

7 A. "Child care" means the care of a dependent child
8 in or out of the child's own home for gain or otherwise, on a
9 regular basis, for any part of a 24-hour day, by someone other
10 than a parent, stepparent, legal guardian, eligible caregiver,
11 or spouse of a parent, stepparent, legal guardian, or eligible
12 caregiver.

13 B. "Child care assistance" means financial assistance
14 for child care expenses which are paid or reimbursed under MFIP.

15 C. "Dependent child" means a child in the assistance
16 unit who is 12 years of age or younger, or a person 13 or 14
17 years of age who is handicapped as defined in Minnesota
18 Statutes, section 120.03, or a child under the age of 15 who is
19 on SSI who would have been a member of the assistance unit
20 except for receipt of SSI.

21 D. "Education program" means remedial or basic
22 education or English as a second language instruction, a program
23 leading to a GED or high school diploma, postsecondary programs
24 excluding postbaccalaureate programs, and other education and
25 training needs as documented in an employability plan.

26 E. "Full-day basis" means child care provided by a
27 provider for more than five hours per day.

28 F. "Half-day basis" means child care provided by a
29 provider for between one and five hours per day.

30 G. "Legal nonlicensed provider" means a provider
31 exempt from licensing under Minnesota Statutes, section 245A.03.

32 H. "Provider" means a child care license holder who
33 operates a family day care home, a group family day care home, a
34 day care center, a nursery school, a day nursery, an extended
35 day school age child care program; a person exempt from

1 licensure who meets child care standards established by the
2 state board of education; or a legal nonlicensed provider who is
3 at least 18 years of age and who is not a member of the
4 assistance unit.

5 I. "Provider rate" means the amount the provider
6 charges for child care.

7 J. "Transition year child care" means the child care
8 assistance guaranteed under United States Code, title 42,
9 chapter 7, subchapter IV, part A, section 602, paragraph (g).

10 K. "Vendor payment" means a payment made by a local
11 agency directly to a provider on behalf of a caregiver.

12 L. "Weekly basis" means child care provided by a
13 provider for more than 35 hours per week.

14 Subp. 2. **Application for child care assistance.**

15 Caregivers must apply for child care assistance with the local
16 agency.

17 Subp. 3. **Caregivers entitled to child care assistance.** A
18 caregiver with dependent children is entitled to child care
19 assistance if the caregiver is working and child care is needed
20 to permit the caregiver to work or the caregiver is required to
21 develop an employability plan under Minnesota Statutes, section
22 256.035, subdivision 1, child care is needed to permit the
23 caregiver to comply with the requirements in the employability
24 plan, and the caregiver is complying with the requirements of
25 the employability plan. Payment of child care assistance for
26 activities in the employability plan is effective the date of
27 application for child care. Payment of child care assistance
28 for employed caregivers is effective the date of employment or
29 the date of MFIP eligibility, whichever is later.

30 Subp. 4. **Child care for caregivers who volunteer for MFIP**
31 **services.** A caregiver who volunteers for MFIP case management
32 under part 9500.4220, subpart 11, may receive child care
33 assistance for nonemployment activities to the extent of
34 available resources for volunteers for case management and child
35 care. Child care assistance must be authorized in the
36 caregiver's employability plan and shall continue as long as the

1 caregiver complies with the requirements of the employability
2 plan. Payment for child care assistance for activities in the
3 employability plan is effective the date of application for
4 child care assistance or the date the caregiver begins the
5 activities in the employability plan, whichever is later.

6 Subp. 5. **Child care assistance in a two-parent assistance**
7 **unit.** A local agency may authorize child care assistance in a
8 two-parent assistance unit when the assistance unit is eligible
9 for child care under subpart 3 or 4, and:

10 A. both caregivers have an employability plan, child
11 care is needed to comply with the employability plans, and the
12 caregivers are in compliance with the requirements in their
13 employability plans;

14 B. one caregiver is working or has an employability
15 plan and is in compliance with the requirements in the
16 employability plan and the other caregiver is unable to care for
17 a dependent child as determined by a medical doctor or by an
18 assessment by the local social services agency; or

19 C. both caregivers are working and the terms of
20 employment make both caregivers unavailable to care for the
21 dependent child during the hours child care is requested; or

22 D. one caregiver is working and one caregiver has an
23 employability plan and is in compliance with the requirements of
24 the employability plan and neither caregiver is available to
25 care for the dependent child during the hours child care is
26 requested.

27 Subp. 6. **Maximum child care assistance in a two-week**
28 **period.** The maximum amount of child care assistance a local
29 agency may authorize in a two-week period is 120 hours per child.

30 Subp. 7. **Child care assistance for nonpostsecondary**
31 **programs.** The local agency must authorize child care assistance
32 necessary to permit a caregiver with an approved employability
33 plan to complete remedial or basic education or English as a
34 second language instruction, or a program leading to a GED or
35 high school diploma. Child care assistance authorized under
36 this subpart shall be excluded from the time limit under subpart

1 8 unless the basic or remedial program or English as a second
2 language instruction is taken concurrently with a postsecondary
3 program.

4 Subp. 8. **Maximum child care assistance for a postsecondary**
5 **education program.** A caregiver with an approved employability
6 plan is eligible for a maximum of 48 months of child care
7 assistance for education or training. A caregiver with a
8 baccalaureate degree may obtain child care assistance for
9 continuing education units or certification or coursework
10 necessary to update credentials to obtain or retain employment.

11 Subp. 9. **Child care during employment.** Subject to the
12 child care limitation in subpart 6, the local agency shall
13 authorize child care assistance during employment as provided in
14 items A and B.

15 A. When the caregiver works for an hourly wage and
16 the hourly wage is equal to or greater than the applicable
17 minimum wage, child care assistance shall be provided for the
18 actual hours of employment, break and meal time during
19 employment, and travel time up to two hours per day.

20 B. When the caregiver does not work for an hourly
21 wage, child care assistance shall be provided for the lesser of:

22 (1) an amount of child care determined by
23 dividing gross earned income by the applicable minimum wage,
24 plus one hour every eight hours for meal and break time, plus up
25 to two hours per day for travel time; or

26 (2) an amount of child care equal to the actual
27 amount of child care used during employment, including break and
28 meal time during employment, and travel time up to two hours per
29 day.

30 Subp. 10. **Child care in support of employment.** The local
31 agency may authorize child care assistance in support of
32 employment for nonwork hours when all of the following
33 conditions exist:

34 A. child care assistance is not provided during
35 employment under subpart 9;

36 B. the caregiver is complying with the caregiver's

1 employability plan, if applicable;

2 C. the caregiver cannot reasonably modify the
3 caregiver's nonwork schedule to provide child care; and

4 D. the child care assistance does not exceed the
5 amount of assistance that would be granted under subpart 9
6 during employment.

7 Subp. 11. **Sick child care, child absence, or medical**
8 **leave.** The local agency may authorize child care assistance for
9 sick child care, child absence, or medical leaves of absence
10 based on policies the local agency has established under part
11 9565.5080, subparts 4 to 6.

12 Subp. 12. **Local agency approval of child care.** Child care
13 assistance must be approved by the local agency before payments
14 are made under MFIP. The local agency may authorize child care
15 under subparts 7 to 11 on an hourly, half-day, full-day, or
16 weekly basis. Combinations of hourly, half-day, or full-day
17 child care may be paid when 11 or more hours of child care are
18 authorized in a 24-hour period or when multiple providers are
19 used.

20 Subp. 13. **Standard for converting authorized care into**
21 **hours used.** For purposes of converting child care assistance
22 authorized on a half-day, full-day, or weekly basis, the local
23 agency shall use the standards in items A to C.

24 A. When a local agency authorizes child care
25 assistance on a half-day basis, one half day is equal to five
26 hours of child care.

27 B. When a local agency authorizes child care
28 assistance on a full-day basis, one full day is equal to ten
29 hours of child care.

30 C. When a local agency authorizes child care
31 assistance on a weekly basis, one week is equal to 50 hours of
32 child care.

33 Subp. 14. **Selection of provider.** Caregivers may choose
34 providers who best meet the needs of the caregiver's family
35 subject to the limitation in Minnesota Statutes, section
36 256H.10, subdivision 5, governing unsafe providers.

1 Subp. 15. **Registration of legal nonlicensed provider.**
2 Before a local agency makes a child care payment to a legal
3 nonlicensed provider, the legal nonlicensed provider must be
4 registered with the local agency under part 9565.5110, subpart
5 2c. After the registration requirement for a legal nonlicensed
6 provider is satisfied, payment shall be made retroactive to the
7 beginning date of authorized child care for employment,
8 education, or training; the date the child care application was
9 signed; or the date the family began using the legal nonlicensed
10 provider, whichever is later.

11 Subp. 16. **Payment option.** The local agency may make child
12 care payments for allowable child care expenditures to a
13 provider or caregiver. The local agency must establish
14 appropriate documentation procedures to ensure that child care
15 expenses were incurred.

16 Subp. 17. **Vendor payment.** If the method of child care
17 payment is vendor payment, the local agency must inform both the
18 caregiver and the provider of the payment amount and how and
19 when payment will be made. When a local agency sends a
20 caregiver a notice that child care assistance will be
21 terminated, the local agency must inform the vendor that unless
22 the caregiver requests to continue to receive child care
23 assistance pending an appeal, child care payments will no longer
24 be made. The notice to a vendor must not contain any private
25 data on the caregiver or information on why payments will no
26 longer be made, except that the notice must identify the
27 caregiver and the date that MFIP payment will terminate.

28 Subp. 18. **Maximum child care payments.** Child care
29 assistance payments may not exceed the 75th percentile rate for
30 like care arrangements in the county as determined under part
31 9565.5100. Payment of provider rates that exceed the 75th
32 percentile is the responsibility of the caregiver. If the
33 caregiver selects a provider who charges for child care on a
34 basis greater than the amount of child care authorized by the
35 local agency, the caregiver is responsible for the cost of the
36 child care that exceeds the amount authorized by the local

1 agency. When a provider's rate is less than the 75th
2 percentile, the local agency must pay the provider's rate.
3 Payment of registration and activities fees are governed by the
4 standards in part 9565.5100.

5 Subp. 19. **Caregiver reporting requirements.** A caregiver
6 must notify the local agency responsible for the payment of
7 child care assistance of a change in:

8 A. marital or household status;

9 B. address;

10 C. employment, education, or training status; or

11 D. provider.

12 A change in provider is subject to local agency approval
13 before payment of child care assistance. A change must be
14 reported within ten calendar days after the change. A
15 caregiver's failure to report a change under items A to D is
16 just cause for the local agency to terminate child care
17 assistance.

18 Subp. 20. **Overpayment of child care assistance due to**
19 **caregiver error or failure to report.** When an overpayment of
20 child care assistance occurs due to caregiver error or failure
21 to report a change, the child care assistance is subject to
22 recovery. The local agency must recover overpayments that
23 occurred up to 12 months before the month the overpayment is
24 discovered according to part 9565.5110, subpart 11, items A to
25 C. A local agency may pursue recovery of an overpayment that
26 extends beyond the 12-month period through means of collection
27 other than recoupment.

28 Subp. 21. **Transition year child care.** A family that
29 leaves MFIP due to increased earnings is eligible for transition
30 year child care under part 9565.5065. For purposes of
31 transition year child care, the terms AFDC and MFIP have the
32 same meaning. For purposes of determining transition year child
33 care eligibility, part 9565.5065, subpart 2, item D, does not
34 apply to former MFIP participants.

35 Subp. 22. **Basic sliding fee program.** When a family loses
36 MFIP eligibility or leaves an MFIP county and the family is not

1 eligible for AFDC child care or transition year child care, the
2 local agency must inform the family of the basic sliding fee
3 program under parts 9565.5000 to 9565.5200. A former MFIP
4 family that applies for child care assistance under the basic
5 sliding fee program must meet basic sliding fee program
6 requirements under parts 9565.5000 to 9565.5200.

7 Subp. 23. **Waiting list, transfer of transition year**
8 **families to the basic sliding fee program.** The local agency
9 shall place MFIP transition year families on the county's basic
10 sliding fee program waiting list according to the priority in
11 Minnesota Statutes, section 256H.03, subdivision 2b, effective
12 the earliest of the following dates:

13 A. the date the family became eligible for transition
14 year child care assistance;

15 B. the date the family began using MFIP child care
16 for the purpose of employment;

17 C. the date the family began using MFIP child care to
18 comply with activities in an employability plan;

19 D. the date the family began participating in the
20 ACCESS program; or

21 E. the date the family enrolled in Project STRIDE.

22 If an MFIP transition year family moves to a new county,
23 the waiting list date established under items A to E transfers
24 with the family. If an MFIP transition year family comes to the
25 top of a county's basic sliding fee program waiting list before
26 the MFIP transition year ends, the county must encumber basic
27 sliding fee program funds for those months remaining in the
28 state fiscal year after the MFIP transition year ends. When the
29 MFIP transition year ends, the county must move the transition
30 year family into the basic sliding fee program. An MFIP
31 transition year family that does not come to the top of a
32 county's basic sliding fee program waiting list before
33 completion of the MFIP transition year shall be moved into the
34 basic sliding fee program as funding becomes available according
35 to the priority under Minnesota Statutes, section 256H.03,
36 subdivision 2b.

1 Subp. 24. **Federal funding.** Local agencies shall claim, in
2 the manner prescribed by the commissioner, federal funding for
3 child care expenditures for all eligible MFIP caregivers who are
4 in employment, education, training, or other preemployment
5 activities allowed under federal grant and reimbursement
6 programs.

7 Subp. 25. **Termination of child care assistance if MFIP is**
8 **terminated.** Notwithstanding subparts 3 and 4, if MFIP is
9 terminated by the state or federal government during the field
10 trial, child care assistance authorized under this part is also
11 terminated effective the date of MFIP termination. If the MFIP
12 caregiver is eligible for child care assistance under another
13 child care program and funding is available, the local agency
14 must transfer the caregiver to another child care assistance
15 program.

16 9500.4280 APPLICANT AND PARTICIPANT RESPONSIBILITIES.

17 Subpart 1. **Applicant reporting requirements.** An applicant
18 must provide information on an application form and supplemental
19 forms about the applicant's circumstances which affect MFIP
20 eligibility or the assistance payment. An applicant must report
21 changes identified in subpart 9 while the application is
22 pending. When an applicant does not accurately report
23 information on an application, both an overpayment and a
24 referral for a fraud investigation may result. When an
25 applicant does not provide information or documentation, the
26 receipt of the assistance payment may be delayed or the
27 application may be denied depending on the type of information
28 required and its effect on eligibility.

29 Subp. 2. **Requirement to apply for other benefits.** An
30 applicant or participant must apply for benefits from other
31 programs for which the applicant or participant is potentially
32 eligible and which would, if received, offset assistance
33 payments. An applicant's or participant's failure to complete
34 application for these benefits without good cause results in
35 denial or termination of assistance. Good cause for failure to

1 apply for these benefits is allowed when circumstances beyond
2 the control of the applicant or participant prevent the
3 applicant or participant from making an application.

4 Subp. 3. **Responsibility to inquire.** An applicant or
5 participant who does not know or is unsure whether a given
6 change in circumstances will affect the applicant's or
7 participant's MFIP eligibility or assistance payment must
8 contact the local agency for information.

9 Subp. 4. **Participant's completion of recertification of**
10 **eligibility form.** A participant must complete forms prescribed
11 by the commissioner which are required for recertification of
12 eligibility according to part 9500.4090, subpart 6.

13 Subp. 5. **Monthly MFIP household reports.** Each assistance
14 unit with a member who has earned income or a recent work
15 history, and each assistance unit that has income allocated to
16 it from a financially responsible person living with that unit
17 who has earned income or a recent work history, must complete a
18 monthly MFIP household report form. "Recent work history" means
19 the individual received earned income in the report month or any
20 of the previous three calendar months even if the earnings are
21 excluded. To be complete, the MFIP household report form must
22 be signed and dated by the caregiver no earlier than the last
23 day of the reporting period. All questions required to
24 determine assistance payment eligibility must be answered, and
25 documentation of earned income must be included.

26 Subp. 6. **Six-month MFIP household report.** Assistance
27 units that are not required to report monthly under subpart 5
28 must complete an MFIP household report form every six months.
29 To be complete, the MFIP household report form must be signed
30 and dated by the caregiver no earlier than the last day of the
31 reporting period. All questions required to determine
32 assistance payment eligibility must be answered and
33 documentation of earned income must be included.

34 Subp. 7. **Due date of MFIP household report.** The caregiver
35 must submit the MFIP household report form in time for the local
36 agency to receive it by the eighth calendar day of the month

1 following the reporting period covered by the form. When the
2 eighth calendar day of the month falls on a weekend or holiday,
3 the caregiver must submit the MFIP household report form in time
4 for the local agency to receive it by the first working day that
5 follows the eighth calendar day. When the MFIP household report
6 form is late without good cause, the local agency must send a
7 notice of termination because of a late or incomplete MFIP
8 household report form.

9 Subp. 8. Late MFIP household report forms. Items A to C
10 apply to the reporting requirements in subpart 7.

11 A. When a caregiver submits an incomplete MFIP
12 household report form before the last working day of the month
13 on which a ten-day notice of termination of assistance can be
14 issued for failure to provide a complete MFIP household report
15 form, the local agency must return the incomplete form on or
16 before the ten-day notice deadline, or any ten-day notice of
17 termination which is issued due to the incomplete MFIP household
18 report form is invalid.

19 B. When a complete MFIP household report form is not
20 received by a local agency before the last ten days of the month
21 in which the form is due, the local agency must send a notice of
22 proposed termination of assistance. When a caregiver submits an
23 incomplete form on or after the date a notice of proposed
24 termination has been sent, the termination is valid unless the
25 caregiver submits a complete form before the end of the month.
26 However, an assistance unit required to submit an MFIP household
27 report form is considered to have continued its application for
28 assistance if a complete MFIP household report form is received
29 within a calendar month after the month in which assistance was
30 received and assistance shall be paid for the period beginning
31 with the first day of the month in which the report was due.

32 C. A local agency must allow good cause exemptions
33 from the reporting requirements under subparts 5 and 6 when any
34 of the following factors cause a caregiver to fail to provide
35 the local agency with a completed MFIP household report form
36 before the end of the month in which the form is due:

1 (1) an employer delays completion of employment
2 verification;

3 (2) a local agency does not help a caregiver
4 complete the MFIP household report form when the caregiver asks
5 for help;

6 (3) a caregiver does not receive an MFIP
7 household report form due to mistake on the part of the
8 department or the local agency or due to a reported change in
9 address;

10 (4) a caregiver is ill, or physically or mentally
11 incapacitated; or

12 (5) some other circumstance occurs that a
13 caregiver could not avoid with reasonable care which prevents
14 the caregiver from providing a completed MFIP household report
15 form before the end of the month in which the form is due.

16 Subp. 9. **Changes that must be reported.** A caregiver must
17 report the changes or anticipated changes specified in items A
18 to P within ten days of the date they occur, within ten days of
19 the date the caregiver learns that the change will occur, at the
20 time of the periodic recertification of eligibility under part
21 9500.4090, subpart 6, or within eight calendar days of a
22 reporting period as in subpart 5 or 6, whichever occurs first.
23 A caregiver must report other changes at the time of the
24 periodic recertification of eligibility under part 9500.4090,
25 subpart 6, or at the end of a reporting period under subpart 5
26 or 6, as applicable. A caregiver must make these reports in
27 writing or in person to the local agency. When a local agency
28 could have reduced or terminated assistance for one or more
29 payment months if a delay in reporting a change specified under
30 items A to P had not occurred, the local agency must determine
31 whether a timely notice under part 9500.4290, subpart 4, could
32 have been issued on the day that the change occurred. When a
33 timely notice could have been issued, each month's overpayment
34 subsequent to that notice must be considered a client error
35 overpayment under part 9500.4170. Changes in circumstances
36 which must be reported within ten days must also be reported on

1 the MFIP household report form for the reporting period in which
2 those changes occurred. Within ten days, a caregiver must
3 report:

4 A. a change in initial employment;

5 B. a change in initial receipt of unearned income;

6 C. a recurring change in unearned income;

7 D. a nonrecurring change of unearned income that
8 exceeds \$30;

9 E. the receipt of a lump sum;

10 F. an increase in resources which may cause the
11 assistance unit to exceed resource limits;

12 G. a change in the physical or mental status of an
13 incapacitated adult if the physical or mental status is the
14 basis of exemption from a MFIP work and training program;

15 H. a change in employment status;

16 I. a change in household composition, including
17 births, returns to and departures from the home of assistance
18 unit members and financially responsible persons, or a change in
19 the custody of a minor child;

20 J. a change in health insurance coverage;

21 K. the marriage or divorce of an assistance unit
22 member;

23 L. the death of a parent, minor child, or financially
24 responsible person;

25 M. a change in address or living quarters of the
26 assistance unit;

27 N. the sale, purchase, or other transfer of property;

28 O. a change in school attendance of a custodial
29 parent or an employed child; and

30 P. filing a lawsuit, a workers' compensation claim,
31 or a monetary claim against a third party.

32 **Subp. 10. Cooperation with child support enforcement.** The
33 caregiver of a minor child must cooperate with the efforts of
34 the local agency to collect child and spousal support.

35 A. A caregiver must assign the right to collect past
36 due, current, and future support to the local agency. Signing

1 an application form satisfies this requirement under Minnesota
2 Statutes, section 256.74, subdivision 5. The assignment of
3 support ends with the last day of the last month in which a
4 minor child receives assistance. When assistance ends, a local
5 agency has the right to any unpaid support for the period in
6 which assistance was received.

7 B. A caregiver must provide information known to the
8 caregiver about an absent parent and requested by either the
9 local agency or the child support enforcement unit, that is
10 required to establish paternity or secure support and available
11 health care benefits for the minor child, unless the caregiver
12 has good cause for refusing to cooperate under subpart 12.

13 C. When the paternity of a minor child is not
14 established under law, a caregiver must cooperate with the child
15 support enforcement unit to determine and establish the child's
16 paternity unless the caregiver has good cause for refusing to
17 cooperate under subpart 12.

18 D. A caregiver must forward to the local agency all
19 support the caregiver receives during the period the assignment
20 of support is in effect according to item A. Support received
21 by a caregiver, and not forwarded to the local agency, must be
22 repaid to the child support enforcement unit for any month
23 following the month in which initial eligibility is determined,
24 except as provided under subpart 11, item B, subitem (4).

25 Subp. 11. **Refusal to cooperate with support requirements.**
26 Failure by a caregiver to satisfy any of the requirements of
27 subpart 10 constitutes refusal to cooperate, and the sanctions
28 under item B apply.

29 A. The local agency must determine whether a
30 caregiver has refused to cooperate within the meaning of subpart
31 12. Before making this determination, the local agency must:

32 (1) allow the child support enforcement unit to
33 review and comment on the findings and basis for the proposed
34 determination of noncooperation;

35 (2) consider any recommendations from the child
36 support enforcement unit; and

1 (3) allow the child support enforcement unit to
2 appear at a hearing under part 9500.4260 that results from an
3 appeal of a local agency action involving cooperation with child
4 support enforcement under subpart 12.

5 B. Determinations of refusal to cooperate shall have
6 the effects listed in subitems (1) to (4).

7 (1) A parent caregiver who refuses to cooperate
8 must be sanctioned as provided in part 9500.4250.

9 (2) A caregiver who is not a parent of a minor
10 child in an assistance unit may choose to remove that child from
11 the assistance unit unless otherwise required by federal or
12 state law.

13 (3) A parental caregiver who refuses to cooperate
14 is ineligible for medical assistance.

15 (4) Direct support retained by a caregiver must
16 be counted as unearned income when determining the amount of the
17 assistance payment.

18 Subp. 12. **Good cause exemption from cooperating with**
19 **support requirements.** Before requiring a caregiver to
20 cooperate, a local agency must notify the caregiver that the
21 caregiver may claim a good cause exemption from cooperating with
22 the requirements in items B to D, under the conditions specified
23 in Code of Federal Regulations, title 45, subtitle B, chapter
24 II, part 232, sections 232.12 and 232.40 to 232.49, at the time
25 of application or at any subsequent time. When a caregiver
26 submits a good cause claim in writing, action related to child
27 support enforcement must stop. The caregiver must submit
28 evidence of a good cause claim to the local agency within 20
29 days of submitting the claim.

30 A. Good cause exists when a caregiver documents that:

31 (1) a minor child for whom child support
32 enforcement is sought was conceived as the result of incest or
33 rape;

34 (2) legal proceedings for the adoption of a minor
35 child are pending before a court of competent jurisdiction; or

36 (3) a parent caregiver is receiving services from

1 a licensed adoption agency to determine whether to keep the
2 child or relinquish the child for adoption, and the services
3 have not been provided for longer than three months.

4 B. Good cause exists when a caregiver documents that
5 the caregiver's cooperation would not be in the best interest of
6 the minor child because the cooperation could result in:

7 (1) physical harm to the child;

8 (2) emotional impairment of the child which would
9 substantially affect the child's functioning; or

10 (3) physical harm to or emotional impairment of
11 the caregiver which would substantially affect the caregiver's
12 functioning and reduce the caregiver's ability to adequately
13 care for the child.

14 C. When a caregiver has difficulty obtaining evidence
15 of a good cause claim, the local agency must help the caregiver
16 obtain it. When a local agency requires additional evidence to
17 make a determination on the claim for good cause, the local
18 agency must notify the caregiver that additional evidence is
19 required, explain why the additional evidence is required,
20 identify what form this evidence might take, and specify an
21 additional period that will be allowed to obtain it.

22 D. A local agency must determine whether good cause
23 exists based on the weight of the evidence.

24 E. Once a local agency determines that good cause
25 exists for a caregiver, the exemption from cooperating under
26 subpart 10, items B and C, must remain in effect for the period
27 the minor child remains eligible under that application, except
28 for subitems (1) to (4).

29 (1) A good cause exemption allowed because a
30 child was conceived as the result of incest or rape must
31 continue until a subsequent acknowledgment of paternity or an
32 application for adoption by a second parent is submitted for
33 that child.

34 (2) A good cause exemption allowed because of
35 adoption proceedings must be issued for a fixed period of time
36 based on the expected time required to complete adoption

1 proceedings. The exemption must be extended when the required
2 time is longer than was anticipated and must stop when adoption
3 proceedings are discontinued or completed.

4 (3) A good cause exemption allowed because of
5 adoption counseling must last no more than three months from the
6 time the counseling began.

7 (4) A good cause exemption must be allowed under
8 subsequent applications and recertifications of eligibility
9 without additional evidence when the factors that led to the
10 exemption continue to exist. A good cause exemption allowed
11 under item B must end when the factors that led to allowing the
12 exemption have changed.

13 F. A good cause exemption which has been allowed by a
14 local agency for a caregiver must be honored by the local agency
15 in the new county of residence when the caregiver moves into
16 that county until the factors that led to allowing the exemption
17 change.

18 G. When a local agency denies a claim for a good
19 cause exemption, the local agency shall require the caregiver to
20 submit additional evidence in support of a later claim for a
21 good cause exemption before the local agency terminates actions
22 to enforce child support under this subpart.

23 H. Following a determination that a caregiver has
24 good cause for refusing to cooperate, a local agency shall take
25 no further action to enforce child support until the good cause
26 exemption ends according to item E.

27 Subp. 13. Cooperation with health care benefits. The
28 caregiver of a minor child must cooperate with the local agency
29 to identify and provide information to assist the local agency
30 in pursuing third-party liability for medical services.

31 A. A caregiver must assign to the department any
32 rights to health insurance policy benefits the caregiver has
33 during the period of MFIP eligibility.

34 B. A caregiver must identify any third party who may
35 be liable for care and services available under the medical
36 assistance program on behalf of the applicant or participant and

1 all other assistance unit members.

2 C. When a participant refuses to assign the rights to
3 the department, or when a participant refuses to identify any
4 third party who may be liable for care and services, the
5 caregiver's MFIP assistance payment is subject to a ten percent
6 sanction and the caregiver is ineligible for medical assistance.

7 9500.4290 APPLICANT AND PARTICIPANT RIGHTS AND LOCAL AGENCY
8 RESPONSIBILITIES.

9 Subpart 1. Right to information. An applicant or
10 participant has the right to obtain from the local agency
11 information about the benefits, requirements, restrictions, and
12 appeal provisions of public assistance programs.

13 Subp. 2. Right to authorized representative. An applicant
14 or participant has the right to designate an authorized
15 representative to act on the applicant's or participant's
16 behalf. An applicant or participant has the right to be
17 assisted or represented by an authorized representative in
18 eligibility determinations, recertification, conciliation
19 conferences, the fair hearing process, and any other contacts
20 with the local agency or the department.

21 When a local agency determines that it is necessary for a
22 person to assist an applicant or participant, the local agency
23 must designate a staff member to assist the applicant or
24 participant.

25 Upon a request from an applicant or participant, a local
26 agency must provide addresses and telephone numbers of
27 organizations that provide legal services at low cost or no cost
28 to low-income persons.

29 Subp. 3. Right of applicant to notice. A local agency
30 must notify an applicant of the disposition of the applicant's
31 application. The notice must be in writing and on forms
32 prescribed by the commissioner. The local agency must mail the
33 notice to the last known mailing address provided by the
34 applicant. When an application is denied, the local agency must
35 notify the applicant in writing of the reasons for the denial,

1 of the right to appeal, and of the right to reapply for
2 assistance.

3 Subp. 4. Participant's right to notice. A local agency
4 must give a participant written notice of all adverse actions
5 affecting the participant including payment reductions,
6 suspensions, terminations, and use of protective, vendor, or
7 two-party payments. The notice of adverse action must be on a
8 form prescribed or approved by the commissioner and must be
9 mailed to the last known mailing address provided by the
10 participant. The local agency must state on the notice of
11 adverse action the action it intends to take, the reasons for
12 the action, the participant's right to appeal the action, the
13 conditions under which assistance can be continued pending an
14 appeal decision, and the related consequences of the action.

15 Subp. 5. Mailing of notice. The notice of adverse action
16 must be issued according to items A to C.

17 A. A local agency must mail a notice of adverse
18 action at least ten days before the effective date of the
19 adverse action, except as provided in items B and C.

20 B. A local agency must mail a notice of adverse
21 action at least five days before the effective date of the
22 adverse action when the local agency has factual information
23 that requires an action to reduce, suspend, or terminate
24 assistance based on probable fraud.

25 C. A local agency must mail a notice of adverse
26 action before or on the effective date of the adverse action
27 when:

28 (1) the local agency receives the caregiver's
29 monthly MFIP household report form that includes information
30 that requires payment reduction, suspension, or termination and
31 that contains the caregiver's signed acknowledgment that the
32 caregiver understands that this information will be used to
33 determine MFIP eligibility or the assistance payment amount;

34 (2) the local agency is informed of the death of
35 a participant or the payee. The local agency must verify the
36 death if it is reported by someone other than the payee;

1 (3) the local agency receives a signed statement
2 from the caregiver that assistance is no longer wanted;

3 (4) the local agency receives a signed statement
4 from the caregiver that provides information that requires the
5 termination or reduction of assistance, and the caregiver shows
6 in that statement that the caregiver understands the
7 consequences of providing that information;

8 (5) the local agency verifies that a member of
9 the assistance unit is hospitalized and does not qualify under
10 part 9500.4060, subpart 4, item C, subitem (1);

11 (6) the local agency verifies that a member of
12 the assistance unit has entered a state hospital or a licensed
13 residential facility for medical or psychological treatment or
14 rehabilitation;

15 (7) the local agency verifies that a member of an
16 assistance unit has been approved to receive assistance by
17 another county or state;

18 (8) the local agency verifies that a member of an
19 assistance unit has been placed in foster care; or

20 (9) the local agency cannot locate a caregiver's
21 whereabouts and mail from the local agency has been returned by
22 the post office showing that the post office has no forwarding
23 address.

24 Subp. 6. **Conciliation conferences.** A participant has a
25 right to a conciliation conference as set forth in part
26 9500.4240.

27 Subp. 7. **Appeal rights.** An applicant, participant, or
28 former participant has the right to request a fair hearing when
29 aggrieved by an action or inaction of a local agency. A request
30 for a fair hearing and rights pending a fair hearing are set
31 forth in part 9500.4260.

32 Subp. 8. **Case records available.** A local agency must make
33 financial case records available to the participant or former
34 participant as soon as possible, but no later than the fifth
35 business day following the date of the request. When the
36 participant or former participant asks for photocopies of

1 material from the financial case record, the local agency must
2 provide one copy of each page at no cost.

3 Subp. 9. **Right to manage affairs.** Except for protective
4 payment provisions authorized under part 9500.4180, subpart 2,
5 participants have the right to manage their own affairs.

6 Subp. 10. **Right to protection.** Minor caregivers have the
7 right to protection. The local agency must refer a minor
8 caregiver to the social service unit within 30 days of the date
9 the application is approved. The social service unit must
10 assist the minor caregiver to develop a social service plan as
11 specified in Minnesota Statutes, section 257.33, subdivision 2.
12 The social service plan must take into consideration:

13 A. the age of the minor caregiver;

14 B. the involvement of the minor caregiver's parents
15 or other adults who provide active, ongoing guidance, support,
16 and supervision;

17 C. the involvement of the noncustodial parent,
18 including steps being taken to establish paternity, if
19 appropriate;

20 D. completion of high school or a GED;

21 E. parenting skills of the minor caregiver;

22 F. the living arrangement of the minor caregiver and
23 child;

24 G. child care and transportation needed for
25 education, training, or employment;

26 H. ongoing health care; and

27 I. other services needed to address personal and
28 family problems and to facilitate the personal growth and
29 development and economic self-sufficiency of the minor caregiver
30 and the child.

31 9500.4300 SUPPORT FROM PARENTS OF MINOR CAREGIVERS LIVING APART.

32 Subpart 1. **General provisions.** A parent who lives outside
33 the home of a minor child who is an unemancipated minor
34 caregiver of an assistance unit is financially responsible for
35 that minor caregiver unless the parent is a recipient of public

1 assistance, SSI, MSA, medical assistance, general assistance, or
2 general assistance medical care, and a court order does not
3 otherwise provide a support obligation.

4 Subp. 2. **Amount of support payment.** The amount of support
5 to be paid by a parent, except a parent specified in subpart 4,
6 must be determined according to items A to F.

7 A. A minor caregiver must provide information
8 required by the local agency to identify the whereabouts of the
9 minor caregiver's absent parent or parents.

10 B. A local agency must notify an absent parent of the
11 parent's legal responsibility to support a minor caregiver and
12 shall request that the absent parent provide the following:

13 (1) the amount of the parent's earned and
14 unearned income for the previous tax year;

15 (2) the amount of the parent's earned and
16 unearned income for the current month;

17 (3) the number and names of dependents who are
18 claimed or could be claimed by the parent on federal income tax
19 forms;

20 (4) the amount of annual medical bills paid by
21 the parent;

22 (5) the amount of annual housing costs paid by
23 the parent;

24 (6) the costs for utilities and repairs to the
25 home which are paid by the parent; and

26 (7) the amount of annual educational costs for
27 family members paid by the parent.

28 C. When a parent of a minor caregiver does not
29 provide the information requested under item B, the local agency
30 must refer the matter to the county attorney. Assistance to the
31 minor caregiver must not be denied, delayed, reduced, or ended
32 because of the lack of cooperation of the minor caregiver's
33 parent.

34 D. When the information requested under item B is
35 received by a local agency, the local agency must compare the
36 parent's income against the scale set forth in part 9500.2760,

1 subpart 2, item D, using the conditions and procedures specified
2 in item E.

3 E. The parent's income is the parent's gross earned
4 income plus unearned income, determined by the methods in part
5 9500.4080. To determine family size, each person claimed or who
6 could be claimed by a parent as a dependent on federal income
7 tax forms, exclusive of the minor caregiver, must be included.
8 A deduction from income must be allowed for the amount that
9 medical, educational, and housing costs together exceed 30
10 percent of the parent's income. When the amount of income,
11 after the allowable deduction, exceeds the annual income level
12 in item D, a parent is liable to pay one-third of the excess for
13 the annual support of the minor caregiver. These payments must
14 be paid monthly to the minor caregiver or to the local agency on
15 behalf of the minor caregiver.

16 F. A local agency must notify the parents of the
17 minor caregiver that they are liable for the amount of support
18 determined by the local agency as specified in item E. When the
19 support payment is received by the minor caregiver, it must be
20 treated as unearned income of the assistance unit. When the
21 support payment is not received, or a lesser amount is received
22 in any payment month, the local agency must refer the matter to
23 the county attorney.

24 Subp. 3. **Reviews.** A local agency must review financial
25 responsibility every 12 months until minor caregivers reach the
26 age of 18 or are otherwise emancipated. When a parent reports a
27 change in circumstances, the local agency must review the
28 required amount of payment within ten calendar days.

29 Subp. 4. **Parents under court order for support.** A parent
30 who is required under an existing court order issued under some
31 other authority in state or federal law to pay child support for
32 a minor caregiver is subject to the conditions of that order in
33 lieu of the requirements and contribution levels in subpart 2.

34 9500.4310 WRONGFULLY OBTAINED ASSISTANCE.

35 Subpart 1. **Applicability to other laws.** This part

1 outlines procedures that apply to assistance that is wrongfully
2 obtained under MFIP. The procedures in this part may be used in
3 combination with other established civil and criminal procedures
4 and law.

5 **Subp. 2. Responsibility of local agency to act.** In
6 response to welfare fraud allegations received by a local
7 agency, the local agency shall take any or all of the actions in
8 items A to C.

9 A. A local agency must refer cases of suspected
10 welfare fraud to the person or unit designated by the county
11 board for investigation of welfare fraud.

12 B. A local agency must issue notice under part
13 9500.4290, subpart 4, to reduce or end assistance when the local
14 agency receives facts which show that an assistance unit is not
15 eligible for assistance or for the amount of assistance
16 currently being received.

17 C. A local agency must refer cases of probable
18 welfare fraud to the county attorney.

19 **Subp. 3. Continued MFIP eligibility during fraud**
20 **investigation.** A local agency must issue assistance for the
21 remaining members of the assistance unit with the exception of
22 the person who was found guilty through court action or through
23 an administrative disqualification hearing to have committed
24 welfare fraud in an earlier period. If MFIP eligible, the local
25 agency must issue assistance to the assistance unit currently
26 under fraud investigation, subject to subpart 2.

27 **Subp. 4. Recoupment and recovery of wrongfully obtained**
28 **assistance.** A local agency must recoup or attempt recovery of
29 wrongfully obtained assistance. The amount recouped or
30 recovered must not be more than the amount wrongfully obtained
31 unless it is based on a court judgment. A local agency may seek
32 voluntary repayment or recoup wrongfully obtained assistance
33 according to the procedures in part 9500.4170, subpart 3 or 4,
34 until the full amount of wrongfully obtained assistance is
35 repaid. If the local agency is unable to obtain voluntary
36 repayment or recoup the assistance according to part 9500.4170,

1 the local agency must initiate civil court proceedings to
2 recover any unpaid balance of the wrongfully obtained assistance.

3 Subp. 5. **Reporting requirement.** A local agency shall
4 gather and report statistical data required by the commissioner
5 on local agency activities to prevent welfare fraud.

6 9500.4320 RELATIONSHIP TO OTHER PROGRAMS.

7 Subpart 1. **Medical assistance; applicants.** An applicant
8 may qualify to receive retroactive medical assistance benefits
9 for up to three months before the month of application. An
10 applicant must provide information about health insurance and
11 other medical coverage held by or available to the applicant,
12 including pending lawsuits or claims for medical costs. An
13 applicant who is a policyholder of health insurance must assign
14 to the department any rights to policy benefits the applicant
15 has during the period of medical assistance eligibility. When
16 an applicant refuses to assign the rights to the department, the
17 caregiver's MFIP assistance payment must be reduced resulting in
18 a ten percent sanction and the caregiver is ineligible for
19 medical assistance. An application is used to determine
20 retroactive medical assistance eligibility and to establish
21 current eligibility for medical assistance according to items A
22 and B.

23 A. When a person applies for MFIP, the local agency
24 must inform the applicant of the existence of retroactive
25 medical assistance and must determine eligibility for
26 retroactive medical assistance when the applicant requests it.

27 B. When a local agency approves an application for
28 assistance, the effective date of medical assistance eligibility
29 must be the first day of the month in which MFIP eligibility
30 begins, unless eligibility exists for medical assistance under
31 item A. When a local agency denies cash assistance and medical
32 assistance is requested, the local agency must accept a medical
33 assistance application. The local agency must use the date of
34 application for cash assistance as the date of application for
35 medical assistance or general assistance medical care.

1 Subp. 2. **Medical assistance; participants.** A participant
2 shall receive medical assistance according to items A to F.

3 A. A local agency must reimburse or issue direct
4 payment to a participant for transportation costs for medical
5 care from medical assistance administrative funds.

6 B. A local agency must not recover amounts for
7 ineligible medical assistance claims or payments from the
8 monthly assistance payment.

9 C. A participant must inform the state and local
10 agency pursuant to Minnesota Statutes, sections 256.015,
11 256B.042, and 256B.37, of injuries for which a third-party payor
12 may be liable for payment of medical costs.

13 D. A participant who is a policyholder of health
14 insurance must assign to the department any rights to policy
15 benefits the participant has during the period of medical
16 assistance eligibility.

17 E. A local agency shall allow a participant
18 eligibility for medical assistance for months during which
19 monthly assistance payments are suspended due to increased
20 earned income.

21 F. A local agency shall offer services through the
22 early childhood health and developmental screening program on
23 behalf of each applicant or participant who is less than 21
24 years of age, according to parts 9505.1693 to 9505.1748.

25 Subp. 3. **Medical assistance; terminations of assistance.**

26 A local agency must continue medical assistance when the
27 assistance unit continues to include at least one minor child
28 and MFIP cash assistance ends according to items A to C.

29 A. When MFIP cash assistance ends solely due to
30 increased child or spousal support and MFIP or AFDC was received
31 in at least three of the six months immediately preceding the
32 month in which ineligibility begins, medical assistance
33 eligibility must be continued for four months beginning the
34 first month the assistance unit is ineligible for MFIP.

35 B. When MFIP cash assistance ends due to increased
36 earned income and MFIP or AFDC was received in at least three of

1 the six months immediately preceding the month in which
2 ineligibility begins, medical assistance must continue for the
3 assistance unit for six months beginning the first month the
4 assistance unit is ineligible for MFIP. Assistance units who
5 have six months of extended medical assistance may receive an
6 additional six months if:

7 (1) the assistance unit returns a quarterly
8 report verifying gross earned income and child care costs by the
9 21st day of the fourth, seventh, and tenth month;

10 (2) an eligible caregiver has earned income or
11 good cause for unemployment in each month; and

12 (3) the average monthly gross earned income less
13 actual child care costs necessary for employment is at or below
14 185 percent of the federal poverty guideline for that size
15 assistance unit.

16 C. When assistance is ended due to applying the
17 income from stepparents or parents of minor caregivers to the
18 need of an assistance unit, the local agency must provide the
19 participant with an MFIP termination notice that allows one
20 month of medical assistance after assistance ends. To continue
21 eligibility for medical assistance beyond the one month,
22 eligibility must be established under parts 9505.0010 to
23 9505.0150.

24 Subp. 4. **Medical assistance; sanctions.** Caregivers are
25 not eligible for medical assistance for any period in which the
26 caregiver fails to cooperate with the third-party payor
27 requirements in subpart 2, item C, or the child support
28 provisions in part 9500.4280, subpart 10.

29 Subp. 5. **Social services.** The local agency shall refer a
30 participant for social services that are offered in the county
31 of financial responsibility according to the criteria
32 established by that local agency under parts 9550.0010 to
33 9550.0092. A payment issued from title XX, child welfare funds,
34 or county funds in a payment month must not restrict MFIP
35 eligibility or reduce the monthly assistance payment for that
36 participant.

1 Subp. 6. **Concurrent eligibility, limitations.** A local
2 agency must not count an applicant or participant as a member of
3 more than one assistance unit in a given payment month, except
4 as provided in items A to C.

5 A. An applicant who receives assistance in a state
6 other than Minnesota may be eligible in the first month of
7 application at MFIP payment standards. An assistance payment
8 from another state must be the last payment received from that
9 state and is considered unearned income when determining the
10 assistance payment issued under MFIP.

11 B. A participant who is a member of an assistance
12 unit in Minnesota is eligible to be included in a second
13 assistance unit in the first full month that the participant
14 lives with a second assistance unit.

15 C. An applicant whose needs are met through foster
16 care under title IV-E for the first part of an application month
17 is eligible to receive assistance for the remaining part of the
18 month in which the applicant returns home. Title IV-E payments
19 and assistance payments must be considered prorated payments
20 rather than a duplication of MFIP need.

21 Subp. 7. **Emergency assistance, assistance unit with a**
22 **minor child.** An MFIP assistance unit with a minor child is
23 eligible for emergency assistance when the assistance unit meets
24 the requirements in part 9500.2820.

25 Subp. 8. **Emergency general assistance, pregnant woman**
26 **without a minor child.** A pregnant woman without a minor child
27 is eligible for emergency general assistance when the pregnant
28 woman meets the requirements in part 9500.1261.

29 9500.4330 COUNTY OF RESPONSIBILITY POLICIES.

30 Subpart 1. **Determining the county of financial**
31 **responsibility.** The county of financial responsibility is the
32 county in which a minor child lives on the date the application
33 is signed, unless subpart 4 applies. The county in which a
34 pregnant woman in the third trimester of pregnancy lives on the
35 date the application is signed is the county of financial

1 responsibility unless subpart 4 applies. When more than one
2 county is financially responsible for the members of an
3 assistance unit, financial responsibility must be assigned to a
4 single county beginning the first day of the calendar month
5 after the assistance unit members are required to be in a single
6 assistance unit. Financial responsibility must be assigned to
7 the county that was initially responsible for the assistance
8 unit member with the earliest date of application. The county
9 in which the assistance unit is currently residing becomes
10 financially responsible for the entire assistance unit beginning
11 two full calendar months after the month in which financial
12 responsibility was consolidated in one county.

13 Subp. 2. Change in residence. This subpart applies when a
14 participant has a change of residence.

15 A. When an assistance unit moves from one county to
16 another and continues to receive assistance, the new county of
17 residence becomes the county of financial responsibility when
18 that assistance unit has lived in that county in nonexcluded
19 status for two full calendar months. "Nonexcluded status" means
20 the period of residence that is not considered excluded time
21 under Minnesota Statutes, section 256G.02, subdivision 6. When
22 a minor child moves from one county to another to reside with a
23 different caregiver, the caregiver in the former county is
24 eligible to receive assistance for that child only through the
25 last day of the month of the move. The caregiver in the new
26 county becomes eligible to receive assistance for the child the
27 first day of the month following the move or the date of
28 application, whichever is later.

29 B. When a participant moves from one MFIP county to
30 another MFIP county, eligibility for assistance is not affected
31 unless eligibility factors are affected in the move. A local
32 agency must not require a participant to reestablish MFIP
33 eligibility as a new applicant for assistance solely because a
34 participant moves.

35 C. When a participant moves from an MFIP county to a
36 non-MFIP county, eligibility for assistance is affected. MFIP

1 will remain open for two months and will be provided by the
2 original county. Before the two-month transition period ends,
3 the former participant must submit an application for assistance
4 and establish eligibility for AFDC, family general assistance,
5 or food stamps in the new county.

6 D. The requirements in subitems (1) to (3) apply when
7 a participant moves from one county to another.

8 (1) When a participant informs the local agency
9 in the current county of residence of a planned move, the local
10 agency in that county must forward to the local agency in the
11 county of planned residence the information from the financial
12 case record which the county of planned residence needs to
13 redetermine public assistance eligibility and to determine the
14 amount of the assistance payment.

15 (2) When a participant informs the new county of
16 residence that the participant has entered the county as a
17 current participant, the new county must obtain from the county
18 from which the participant moved the information from the
19 financial case record that it needs to redetermine public
20 assistance eligibility and determine the amount of the
21 assistance payment.

22 (3) When a participant does not inform either
23 county that the move has occurred before the mailing of the next
24 assistance payment and when the whereabouts of a participant are
25 unknown, the county of financial responsibility must end
26 assistance. If a participant reapplies in another MFIP county
27 within 30 calendar days of termination and is eligible,
28 assistance is considered to be uninterrupted for the
29 determination of the county of financial responsibility for
30 members of the assistance unit. This payment must be issued by
31 the county of financial responsibility until the participant has
32 lived in the new county for two full calendar months.

33 E. When an applicant moves from one county to another
34 while the application is pending, the county where application
35 first occurred is the county of financial responsibility until
36 the applicant has lived in the new county for two full calendar

1 months, unless the applicant's move is covered under subpart 4.
2 The county of residence must be an MFIP county for eligibility
3 to be established for MFIP regardless of the county of
4 responsibility.

5 **Subp. 3. Responsibility for incorrect assistance**
6 **payments.** A county of residence, when different from the county
7 of financial responsibility, will be charged by the commissioner
8 for the value of incorrect assistance payments and medical
9 assistance paid to or on behalf of a person who was not eligible
10 to receive that amount. Incorrect payments include payments to
11 an ineligible person or family resulting from decisions,
12 failures to act, miscalculations, or overdue recertifications.
13 However, financial responsibility does not accrue for a county
14 when the recertification is overdue at the time the referral is
15 received by the county of residence or when the county of
16 financial responsibility does not act on the recommendation of
17 the county of residence.

18 When federal or state law requires that medical assistance
19 continue after assistance ends, this subpart also governs
20 financial responsibility for the extended medical assistance.

21 **Subp. 4. Excluded time.** When an applicant or participant
22 resides in an excluded time facility as described in Minnesota
23 Statutes, section 256G.02, subdivision 6, the county that is
24 financially responsible for the applicant or participant is the
25 county in which the applicant or participant last resided
26 outside such a facility immediately before entering the
27 facility. When an applicant or participant has not resided in
28 Minnesota for any time other than excluded time as defined in
29 Minnesota Statutes, section 256G.02, subdivision 6, the county
30 that is financially responsible for the applicant or participant
31 is the county in which the applicant or participant resides on
32 the date the application is signed.

33 9500.4340 TERMINATION OF MFIP.

34 **Subpart 1. Termination of MFIP.** If major and unpredicted
35 costs occur in MFIP, the commissioner may take corrective action

1 consistent with United States Code, title 7, chapter 51, section
2 2031 and title 42, chapter 7, subchapter IV, part A, section
3 602, note on Demonstration of Effectiveness of Minnesota Family
4 Investment Plan, which may include termination of MFIP. Before
5 taking corrective action, the commissioner must comply with
6 Minnesota Statutes, section 256.031, subdivision 3, paragraph
7 (a). If the agreements between the state and federal government
8 under Minnesota Statutes, section 256.031, subdivision 5, are
9 canceled, assistance units receiving MFIP must be converted to
10 other assistance programs, if eligible, as provided in subpart 3.

11 Subp. 2. **Notice to participants.** If MFIP is terminated by
12 the state or federal government, the commissioner must provide
13 written notice to participants and inform the participants that,
14 if eligible, they will be converted to other assistance programs.

15 Subp. 3. **Conversion to eligible assistance programs.** If
16 MFIP is terminated, assistance units receiving assistance under
17 MFIP who are eligible for assistance under the AFDC, general
18 assistance, medical assistance, general assistance medical care,
19 or food stamp programs must be placed, with their consent, on
20 the programs for which they are eligible.

21

22 **EFFECTIVE DATE.** Minnesota Rules, parts 9500.4000 to 9500.4340,
23 are effective April 1, 1994.