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STATE REGISTER

STATE OF MINNESOTA

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VOLUME 10, NUMBER 23

December 2, 1985

Pages 1229-1284



Printing Schedule for Agencies

Issue Number	*Submission deadline for Executive Orders, Adopted Rules and **Proposed Rules	*Submission deadline for State Contract Notices and other **Official Notices	Issue Date
SCHEDULE FOR VOLUME 10			
24	Thursday November 21	Monday December 2	Monday December 9
25	Monday December 2	Monday December 9	Monday December 16
26	Monday December 9	Monday December 16	Monday December 23
27	Thursday December 12	Thursday December 19	Monday December 30

*Deadline extensions may be possible at the editor's discretion; however, none will be made beyond the second Wednesday (12 calendar days) preceding the issue date for rules, proposed rules and executive orders, or beyond the Wednesday (5 calendar days) preceding the issue date for official notices. Requests for deadline extensions should be made only in valid emergency situations.

**Notices of public hearings on proposed rules and notices of intent to adopt rules without a public hearing are published in the Proposed Rules section and must be submitted two weeks prior to the issue date.

Instructions for submission of documents may be obtained from the Office of the State Register, 506 Rice Street, St. Paul, Minnesota 55103, (612) 296-0930.

The *State Register* is published by the State of Minnesota, State Register and Public Documents Division, 117 University Avenue, St. Paul, Minnesota 55155, pursuant to Minn. Stat. § 14.46. Publication is weekly, on Mondays, with an index issue in September. In accordance with expressed legislative intent that the *State Register* be self-supporting, the subscription rate has been established at \$130.00 per year, postpaid to points in the United States. Second class postage paid at St. Paul, Minnesota. Publication Number 326630. (ISSN 0146-7751) No refunds will be made in the event of subscription cancellation. Single issues may be obtained at \$3.25 per copy.

Subscribers who do not receive a copy of an issue should notify the *State Register* Circulation Manager immediately at (612) 296-0931. Copies of back issues may not be available more than two weeks after publication.

The *State Register* is the official publication of the State of Minnesota, containing executive orders of the governor, proposed and adopted rules of state agencies, and official notices to the public. Judicial notice shall be taken of material published in the *State Register*.

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How to Follow State Agency Rulemaking Action in the State Register

State agencies must publish notice of their rulemaking action in the State Register. If an agency seeks outside opinion before promulgating new rules or rule amendments, it must publish a NOTICE OF INTENT TO SOLICIT OUTSIDE OPINION also.

The PROPOSED RULES section contains:

- Calendar of public hearings on proposed rules.
• Proposed new rules (including notice of hearing and/or notice of intent to adopt rules without a hearing).
• Proposed amendments to rules already in existence in the Minnesota Rules.
• Proposed emergency rules.
• Withdrawal of proposed rules (option; not required).

The ADOPTED RULES section contains:

- Notice of adoption of new rules and rule amendments adopted without change from the previously published proposed rules. (Unchanged adopted rules are not republished in full in the State Register unless an agency requests this.)
• Adopted amendments to new rules or rule amendments (adopted changes from the previously published proposed rules).
• Notice of adoption of emergency rules.
• Adopted amendments to emergency rules (changes made since the proposed version was published).
• Extensions of emergency rules beyond their original effective date.

The OFFICIAL NOTICES section includes (but is not limited to):

- Notice of intent to solicit outside opinion before promulgating rules.
• Additional hearings on proposed rules not listed in original proposed rules calendar.

ALL ADOPTED RULES and ADOPTED AMENDMENTS TO EXISTING RULES published in the State Register and filed with the Secretary of State before April 8, 1985 are published in the Minnesota Rules 1985. ADOPTED RULES and ADOPTED AMENDMENTS TO EXISTING RULES filed after April 8, 1985 will be included in a supplement scheduled for publication in Spring, 1986. Proposed and adopted EMERGENCY (formerly called TEMPORARY) RULES appear in the State Register but are generally not published in the Minnesota Rules due to the short-term nature of their legal effectiveness. Those that are long-term may be published.

The State Register publishes partial and cumulative listings of rule in the MINNESOTA RULES AMENDMENTS AND ADDITIONS list on the following schedule:

Table with 2 columns: Issue range and cumulative reference. Includes: Issues 1-13, inclusive; Issues 14-25, inclusive; Issue 26, cumulative for 1-26; Issues 27-38, inclusive; Issue 39, cumulative for 1-39; Issues 40-51, inclusive; Issue 52, cumulative for 1-52.

The listings are arranged in the same order as the table of contents of the Minnesota Rules 1985.

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PROPOSED RULES

Pursuant to Minn. Stat. of 1982, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Health

Proposed Rules Relating to Health Maintenance Organizations

Notice of Hearing

Notice is hereby given that a public hearing will be held in the above-entitled matter at the Board Room, Minnesota Department of Health, 717 S.E. Delaware St., Minneapolis, Minnesota, 55440, on Thursday, January 2, 1986, commencing at 9:00 a.m. All interested or affected persons will have an opportunity to participate by submitting either oral or written data, statements or arguments. Statements or briefs may be submitted without appearing at the hearing.

This matter will be heard by Administrative Law Judge Jon L. Lunde, Office of Administrative Hearings, 400 Summit Bank Building, 310 Fourth Avenue South, Minneapolis, Minnesota, 55415, telephone (612) 341-7645. The rule hearing procedure is governed by Minnesota Statutes sections 14.04 to 14.20, (1984) and by parts 1400.0200 to 1400.1200 (1985). Questions concerning the rule hearing procedure should be directed to the Administrative Law Judge at the address and telephone number stated above.

The proposed rules adjust fees for filing applications for certificates of authority, annual reports and other periodic filings and fees charged for examinations. The proposed rules also require the submission of a completed National Association of Insurance Commissioner's Blank for Health Maintenance Organizations, with amendments, as part of the annual report, and address financial disclosure and extension of the annual report filing date.

The proposed rules are authorized by Minnesota Statutes sections 62D.20, 62D.21 and 62D.08, subdivision 3. (1984). The adoption of these rules will not require the expenditure of public moneys in excess of \$100,000 by local public bodies in either of the two years following adoption. (See Minnesota Statutes section 14.11, subdivision 1.) The proposed rules are published below. One free copy of the rules is available on request by contacting:

Judith M. Walker
Alternative Delivery Systems
Minnesota Department of Health
717 S.E. Delaware Street
Minneapolis, Minnesota 55440
(612) 623-5545

Notice is hereby given that a Statement of Need and Reasonableness is now available for review at the Agency offices and at the Office of Administrative Hearings. The Statement of Need and Reasonableness includes a summary of all the evidence and argu-

ment which the Agency anticipates presenting at the hearing justifying both the need for and the reasonableness of the proposed rules. Copies of the Statement of Need and Reasonableness may be reviewed at the Agency or the Office of Administrative Hearings and copies may be obtained from the Office of Administrative Hearings at the cost of reproduction.

Any person may present his or her views on the proposed rule amendments in one or more of the following ways: by submitting written data to the Administrative Law Judge at any time before the close of the hearing; by submitting oral or written data at the hearing; and by submitting written data to the Administrative Law Judge during the comment period following the hearing. The comment period will not be less than five working days after the public hearing ends. The comment period may be extended for a longer period not to exceed 20 calendar days if ordered by the Administrative Law Judge at the hearing. The written comments received during the comment period shall be available for review at the Office of Administrative Hearings. Within three business days after the expiration of the comment period, the Agency and interested persons may respond in writing to any new information received during the comment period; however, no additional evidence may be submitted during this three-day period.

The Agency requests that any person submitting written views or data to the Administrative Law Judge prior to the hearing or during the comment period also submit a copy of the written data to Judith M. Walker at the address stated above.

The proposed rule amendments may be modified if the data and views received during the hearing process warrant modification and the modification does not result in a substantial change in the proposed amendments.

Any person may request notification of the date on which the Administrative Law Judge's report will be available, after which date the Agency may not take any final action on the rules for a period of five working days. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Administrative Law Judge. Any person may request notification of the date on which the rules were adopted and filed with the Secretary of State. The notice must be mailed on the same day that the rules are filed. If you want to be so notified you may so indicate at the hearing or send a request in writing to the Agency at any time prior to the filing of the rules with the Secretary of State.

Please be advised that Minnesota Statutes Chapter 10A requires each lobbyist to register with the State Ethical Practices Board within five days after he or she commences lobbying. A lobbyist is defined in Minnesota Statutes Chapter 10A.01, subd. 11 (1984) as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than \$250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than \$250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute contains certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, telephone (612) 296-5615.

November 15, 1985

Sister Mary Madonna Ashton
Commissioner of Health

Rules as Proposed

4685.0100 DEFINITIONS.

Subpart 1. to 9. [Unchanged.]

Subp. 9a. NAIC Blank. "NAIC Blank" means the 1985 National Association of Insurance Commissioners' Blank for Health Maintenance Organizations (1985) published by the Brandon Insurance Service Company, Nashville, Tennessee. The NAIC Blank is incorporated by reference and is available for inspection at Ford Law Library, 117 University Avenue, Saint Paul, Minnesota 55155. It is subject to change annually. The NAIC Blank includes the following sections:

A. GENERAL INFORMATION, DEFINITIONS, AND INSTRUCTIONS;

B. STATEMENTS;

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

PROPOSED RULES

C. REPORTS;

D. GENERAL INTERROGATORIES;

E. SCHEDULES; AND

F. NOTES TO FINANCIAL STATEMENTS.

Subp. 9b. Member. "Member" means enrollee, as defined by Minnesota Statutes, section 62D.02, subdivision 6. "Member" also means "subscriber," and the terms may be used interchangeably.

Subp. 10. to 15. [Unchanged.]

4685.2800 FEES.

Subpart 1. Definitions. For the purposes of this part, the terms defined herein shall have the meanings given to them:

A. "current fiscal year" means the year beginning the July 1 immediately preceding the April 1 filing date for annual reports; and

B. "previous fiscal year" means the fiscal year immediately preceding the current fiscal year.

Subp. 2. Fee schedule. Every filing submitted to the commissioner by a health maintenance organization subject to Minnesota Statutes, sections 62D.01 to 62D.29 (the Health Maintenance Act of 1973) shall be accompanied by the following fees:

A. for filing an application for a certificate of authority, ~~\$250~~ \$1,500;

B. for filing ~~each~~ the annual report due by April 1, 1986, .2060 cents for each person enrolled in the health maintenance organization on December 31, 1985. For filing the annual report each year subsequent to 1986, \$50 an amount for each person enrolled in the health maintenance organization on December 31 of the current fiscal year. The amount must be based on:

(1) the allocation of the legislative appropriation for health maintenance organization accounts for the current fiscal year;

(2) the Department of Health's general support costs and statewide indirect costs attributable to health maintenance organization regulation in the current fiscal year;

(3) state attorney general costs attributable to the health maintenance organization function for the previous fiscal year;

(4) receipts from filings for applications for certificates of authority, amendments to certificates of authority, and other filings in the previous fiscal year;

(5) receipts from examinations conducted in the previous fiscal year; and

(6) the projected enrollment in health maintenance organizations on December 31 of the current fiscal year. Projected enrollment will be based on total enrollment of Minnesota citizens in health maintenance organizations on December 31 of the previous fiscal year, plus the amount obtained by multiplying the average percent change in health maintenance organization enrollment for the three years immediately preceding the current fiscal year by the total enrollment of Minnesota citizens in health maintenance organizations on December 31 of the previous fiscal year.

The commissioner shall determine the amount to be paid per enrollee by subtracting the sum of the figures described by subitems (4) and (5) from the sum of the figures described by subitems (1), (2), and (3) and dividing the difference by the figure described by subitem (6). The commissioner shall publish the amount and the figures described by subitems (1) to (6) in the *State Register* by December 1 of the current fiscal year;

C. for filing ~~an~~ each amendment to a certificate of authority, \$25 including the filings required under Minnesota Statutes, section 62D.08, subdivision 1, \$50;

D. for each examination, \$125 ~~per eight hour day~~ the costs, including staff salaries and fringe benefits and indirect costs, incurred in preparing for and conducting the examination and preparing the subsequent report. The commissioner shall provide the health maintenance organization an itemized statement at the time of billing; and

E. for all other filings, \$25 \$100. These filings include:

(1) requests for waiver of open enrollment;

(2) demonstration project applications; and

(3) expense and revenue reports required under Minnesota Statutes, section 62D.03, subdivision 4, clause (g).

Rules as Proposed (all new material)**ANNUAL REPORTS****4685.1910 UNIFORM REPORTING.**

Beginning April 1, 1986, health maintenance organizations shall submit as part of the annual report a completed 1985 NAIC Blank, subject to the amendments in parts 4685.1930, 4685.1940, and 4685.1950.

4685.1920 ANNUAL REPORT FORMS.

By December 1, the commissioner shall notify health maintenance organizations of the manner in which the NAIC Blank may be obtained and provide a copy of those portions of the annual report to be completed as supplemental to the NAIC Blank.

4685.1930 NAIC BLANK FOR HEALTH MAINTENANCE ORGANIZATIONS, GENERAL INFORMATION, DEFINITIONS, AND INSTRUCTIONS.

Subpart 1. **Filing date.** The GENERAL INFORMATION, DEFINITIONS, AND INSTRUCTIONS section is amended by requiring the submission of the annual report on or before April 1 of each year.

Subp. 2. **Instructions for Report #2.** The instructions paragraph for Report #2: STATEMENT OF REVENUE AND EXPENSES in the GENERAL INFORMATION, DEFINITIONS, AND INSTRUCTION section is amended to require all revenue from the health maintenance organization's operations outside of Minnesota, and from business other than the operation of a health maintenance organization, conducted by the health maintenance organization, to be reported only under line 9, other Revenue; all nonadministrative expenses of these accounts to be reported only under line 19a, other Expenses; and all administrative expenses of these accounts to be reported only under line 25a, Additional Administrative Expenses.

Subp. 3. **Premium.** The definition of premium as used on line 1 of Report #2: STATEMENT OF REVENUES AND EXPENSES is amended in the GENERAL INFORMATION, DEFINITIONS, AND INSTRUCTIONS section to include only revenues from the health maintenance organization's Minnesota health maintenance contracts.

Subp. 4. **Other revenue.** The definition of Other Revenue as used on line 9 of Report #2: STATEMENT OF REVENUE AND EXPENSES is amended in the GENERAL INFORMATION, DEFINITIONS, AND INSTRUCTIONS section to include, in addition, revenue from the health maintenance organization's operations outside of Minnesota and from business other than the operation of a health maintenance organization, conducted by the health maintenance organization.

Subp. 5. **Other expenses and additional revenues.** GENERAL INFORMATION, DEFINITIONS, AND INSTRUCTIONS section for Report #2: STATEMENT OF REVENUES AND EXPENSES is amended by adding the following definitions:

A. Other expenses. Nonadministrative costs of the health maintenance organization's operations outside of Minnesota and of business other than the operation of a health maintenance organization, conducted by the health maintenance organization; and

B. Additional administrative expenses. Administrative costs of the health maintenance organization's operations outside of Minnesota and of business other than the operation of a health maintenance organization, conducted by the health maintenance organization.

4685.1940 NAIC BLANK FOR HEALTH MAINTENANCE ORGANIZATIONS, REPORT #2: STATEMENT OF REVENUE AND EXPENSES.

Subpart 1. **Separate statements.** The NAIC Blank for health maintenance organizations is amended by requiring the submission of a separate STATEMENT OF REVENUE AND EXPENSES for each of the following:

- A. the health maintenance organization's total operations; and
- B. each demonstration project, as described under Minnesota Statutes, section 62D.30.

Subp. 2. **Other expenses.** Report #2: STATEMENT OF REVENUE AND EXPENSES is amended by adding line 18a, Other Expenses.

Subp. 3. **Additional administrative expenses.** Report #2: STATEMENT OF REVENUE AND EXPENSES is amended by adding line 25a, Additional Administrative Expenses.

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4685.1950 NAIC BLANK FOR HEALTH MAINTENANCE ORGANIZATIONS, REPORT #4: ENROLLMENT AND UTILIZATION TABLE.

Subpart 1. **Additional columns.** Report #4: ENROLLMENT AND UTILIZATION TABLE is amended by adding the following columns:

- A. 9a. Total Ambulatory Encounters for Period for Mental Health; and
- B. 9b. Total Ambulatory Encounters for Period for Chemical Dependency.

Subp. 2. **Total members at end of period.** The Report #4: ENROLLMENT AND UTILIZATION TABLE is amended by requiring the itemization of Total Members at End of Period by gender, by five-year age increments, and by geographic area, for the health maintenance organization's Minnesota health maintenance contract enrollment and each demonstration project.

Subp. 3. **Type of service.** Report #4: ENROLLMENT AND UTILIZATION TABLE is amended by requiring the itemization of Cumulative Member Months for Period, Total Patient Days Incurred, Annualized Hospital Days per 1,000 Enrollees, and Average Length of Stay by five-year age increments and by the following types of service for Minnesota health maintenance contracts and each demonstration project:

- A. medical/surgical, in a hospital;
- B. obstetrical/gynecological, in a hospital;
- C. mental health, in a hospital or other health care facility;
- D. chemical dependency, in a hospital or other health care facility; and
- E. other services provided in health care facilities other than hospitals.

4685.1960 AUDITED REPORT.

The following sections of the NAIC Blank must be audited by a public accountant certified under Minnesota Statutes, section 326.19 and retained by the health maintenance organization for purposes other than performing day to day accounting operations:

- A. BALANCE SHEET ASSETS;
- B. BALANCE SHEET LIABILITIES AND NET WORTH;
- C. STATEMENTS OF REVENUE AND EXPENSES;
- D. STATEMENT OF CHANGES IN FINANCIAL POSITION AND NET WORTH; AND
- E. SUPPORTING SCHEDULES.

The certified public accountant shall state whether the audit was conducted according to generally accepted auditing standards, and shall express an opinion as to whether the sections audited are in conformity with generally accepted accounting principles applied on a consistent basis.

4685.1970 FINANCIAL DISCLOSURE.

Subpart 1. **Principal officer.** As provided by Minnesota Statutes, section 62D.03, subdivision 4, "principal officer" means an employee whose annual wages, expense reimbursements, and other payments exceed \$60,000, if such employee performs the duties of:

- A. president;
- B. vice-president;
- C. secretary;
- D. treasurer;
- E. executive director;
- F. chief executive officer;
- G. chief operating officer;
- H. chief financial officer;
- I. medical director; or
- J. general counsel.

Subp. 2. **Disclosure of contractual and financial arrangement.** The disclosure of contractual and financial arrangements under Minnesota Statutes, section 62D.03, subdivision 4, must include a detailed description of the obligations to be met by and compensation to be received by each party to the contract or arrangement.

Subp. 3. **Disclosure of wages, expense reimbursements, and other payments.** The disclosure of wages, expense reimbursements, and other payments under Minnesota Statutes, section 62D.08, subdivision 3, to persons identified in Minnesota Statutes, section 62D.03, subdivision 4, clause (c) must include items taxable as income to such persons under Minnesota Statutes, chapter 290, if the items are received for:

A. direct services rendered in any capacity to the health maintenance organization; or

B. indirect services rendered in any capacity for the health maintenance organization. Indirect services are services essential to the operation of the health maintenance organization, including administration, management, and the provision of medical care, regardless of whether the individual providing the services is compensated by the health maintenance organization or the major participating entity.

Subp. 4. **Allocation.** If the actual compensation for the services listed in subpart 3, items A and B, is unknown, the health maintenance organization shall calculate an allocation of the wages, expense reimbursements, and other payments for the persons identified in Minnesota Statutes, section 62D.03, subdivision 4. The allocation must be based on:

A. time;

B. number of enrollees;

C. gross revenues;

D. dollar volume of claims processed; or

E. number of claims processed.

The health maintenance organization shall indicate in the annual report the allocation basis or bases chosen.

4685.2150 EXTENSION OF REPORTING DEADLINE.

Subpart 1. **Good cause.** An extension of the reporting deadline may be granted if the health maintenance organization demonstrates that its delinquency is due to circumstances which it could not reasonably have anticipated or avoided.

Subp. 2. **Procedure.** In order to be granted an extension, health maintenance organizations shall request an extension of a specific time period in writing at least three working days prior to April 1. If the annual report is not filed by the last day of the extension period, the fine imposed by Minnesota Statutes, section 62D.08, subdivision 4, accrues beginning on the following day.

Subp. 3. **Automatic extension.** If the commissioner fails to have the annual report form available for inspection by December 1 as required by part 4685.1920, item A, good cause shall be deemed to exist for health maintenance organizations to have an automatic extension of time in which to file the annual reports. The extension must equal the number of days the commissioner is overdue in having the annual report form available for inspection.

Department of Health

Proposed Rules Relating to Licensing Fees

Amended Notice of Proposed Adoption and Amendment of Rules without a Public Hearing

On Monday, November 4, 1985, at 10 S.R. 1028, notice was published in the *State Register* that the Minnesota Commissioner of Health proposes to adopt: Minn. Rules, pt. 4720.0015, establishing fees for review of plans relating to the construction, alteration or extension of public water supplies and to amend: 1) Minn. Rules, pt. 4715.3150 and 4715.3160, establishing examination and licensing fees for plumbers; 2) Minn. Rules, pt. 4715.5900, establishing examination and licensing fees for water conditioning installers and contractors; 3) Minn. Rules, pt. 4630.2000, establishing licensing fees for manufactured home parks and recreational camping areas; 4) Minn. Rules, pt. 4695.2900, establishing registration fees for sanitarians; 5) Minn. Rules, pt. 4730.0600, establishing registration and inspection fees for ionizing radiation sources; 6) Minn. Rules, pt. 4625.5000, establishing licensing fees for food and beverage establishments, and 7) Minn. Rules, pt. 4625.2300, establishing licensing fees for lodging establishments. The Commissioner proposes to adopt and amend the above rules without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28.

Further notice was given that any person may make a written request for a public hearing on the rule or amendments within the 30-day comment period. If 20 percent of the persons who will be required to pay the fees established by these rules submit to the

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agency during the 30-day comment period a written request for a public hearing on the proposed rule or amendment, a public hearing will be held unless a sufficient number withdraw their request. The number of requests for a hearing which would constitute 20 percent of the persons who will be required to pay the fee for lodging and food and beverage establishments was misstated. The correct numbers are as follows:

<u>Type of fee</u>	<u>20%</u>
Food and Beverage Establishments	1,008
Lodging Establishments	302

November 18, 1985

Sister Mary Madonna Ashton
Commissioner of Health

Department of Jobs and Training Proposed Emergency Rules Relating to Employment

Notice of Intent to Adopt Emergency Rules

Notice is hereby given that the Department proposes to adopt the above-entitled rules pursuant to Minnesota Statutes, section 14.30.

The Department is authorized to adopt emergency rules for any program it administers or is responsible for under federal or state law by Minnesota Statutes, § 268.021. The Department is further authorized by Minnesota Laws 1985, Special Session, Chapter 14, Article 9, Sections 17, 30, 31, 40, 42, 43, 66, 67, and 71 which requires or allows the Department to adopt rules affecting the various programs authorized by this legislation. Persons interested in the rules shall have 25 days to submit comments in writing on the proposed rules.

The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and do not result in a substantial change in the proposed language.

After the 25-day comment period, the proposed rules as published, with any modifications, will be delivered to the Administration Division of the Office of the Attorney General for review as to its legality, and its form to the extent form relates to legality, including the issue of substantial change.

Notice of the date of submission of the proposed rules to the Attorney General will be mailed to any person requesting to receive the notice.

Written comments, requests for a copy of the proposed rules and requests for notice of the date of submission to the Attorney General should be submitted to: Donald M. Buckner, 690 American Center Building, 150 E Kellogg Boulevard, St. Paul, Minnesota 55101. Telephone Number 296-3627.

As required by Minnesota Statutes, sections 14.33 and 14.35, emergency rules shall take effect 5 working days after approval by the Attorney General, and will be in effect for 180 days.

Pursuant to Minnesota Statutes, sections 14.11, subdivision 1, the Department has determined that requiring local service units to establish an informal grievance procedure as set forth in part 3301.0100 [Emergency] of the proposed rules will result in additional local and state spending in excess of \$100,000. The emergency rule will be in effect initially for 180 days and will be continued for another 180 days pursuant to Minn. Stat. 14.35, and the cost estimates provided here cover both periods. The reasonable estimate of the total cost to the state to implement this rule is \$70,000. The increase in local spending will affect counties or local service units. The reasonable estimate of the total cost to these local public bodies is \$175,000.

A copy of the proposed rules is attached to this notice.

Joseph Samargia
Commissioner

Rules as Proposed, Emergency (all new material)

3301.0010 [Emergency] PURPOSE AND STATUTORY AUTHORITY.

Parts 3301.0010 to 3301.0650 [Emergency] govern the administration of a coordinated delivery system for the state's employment and training services and support services as authorized by Laws of Minnesota 1985, first special session chapter 14, article 9.

3301.0020 [Emergency] DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 3301.0010 to 3301.0650 [Emergency], the following terms have the meanings given them unless the context clearly requires a different meaning.

Subp. 2. **AFDC.** "AFDC" means the aid to families with dependent children program, under title IV of the Social Security Act, United States Code, title 42, section 601 et seq., as amended and Minnesota Statutes, sections 256.72 to 256.87.

Subp. 3. **CIP.** "CIP" means the community investment program authorized by Minnesota Statutes, section 268.90.

Subp. 4. **Co-location.** "Co-location" means locating staff from one agency in the physical space of another agency. Co-location may also mean the physical consolidation of office and common space such as lobby and reception areas, testing and conference rooms, supply rooms, and employee rooms.

Subp. 5. **Commissioner.** "Commissioner" means the commissioner of the Department of Jobs and Training or a designee.

Subp. 6. **Coordinator.** "Coordinator" means the coordinator of the Office of Full Employment and Productivity.

Subp. 7. **County board.** "County board" means the board of county commissioners of a county.

Subp. 8. **Department.** "Department" means the Department of Jobs and Training.

Subp. 9. **Employability assessment.** "Employability assessment" means a written record of the registrant's education and training, prior work experience, and the barriers to seeking and securing suitable employment.

Subp. 10. **Employability development plan.** "Employability development plan" means the plan written for a registrant by a vocational advisor that sets forth the registrant's vocational goal, training, education, and support services necessary for the registrant to reach that goal.

Subp. 11. **Employment.** "Employment" means a job with a private, nonprofit, or public employer.

Subp. 12. **Employment and training services.** "Employment and training services" means programs, activities, and services as defined in Minnesota Statutes, section 268.0111, subdivision 4.

Subp. 13. **GA.** "GA" means the general assistance program authorized by Minnesota Statutes, chapter 256D to provide financial assistance to needy families and individuals.

Subp. 14. **Good cause.** "Good cause" means a reason for taking an action or failing to take an action that is reasonable and justified when viewed in the context of the surrounding circumstances.

Subp. 15. **JTPA.** "JTPA" means the Job Training Partnership Act authorized under Public Law Number 97-300, United States Code, title 29, section 1501, as amended.

Subp. 16. **Local agency.** "Local agency" means a county or multi-county agency responsible under Minnesota law for the administration of the AFDC, GA, and WR programs.

Subp. 17. **LSU.** "LSU" means local service unit as defined in Minnesota Statutes, section 268.0111, subdivision 6.

Subp. 18. **Participant.** "Participant" means a person who is receiving employment and training services.

Subp. 19. **Registrant.** "Registrant" means a person who is registered for employment and training services.

Subp. 20. **Registration.** "Registration" means the process which must be completed by an individual prior to beginning employment and training services.

Subp. 21. **Service provider.** "Service provider" means a public, nonprofit, or private organization or agency with whom an LSU has a written contract to provide specified employment and training or support services.

Subp. 22. **Subsidized employment.** "Subsidized employment" means work in a job for which an individual's wages and benefits are partially or totally paid with government program funds.

Subp. 23. **Suitable employment.** "Suitable employment" means a job that meets existing health and safety standards set by federal, state, or local regulations, is within the physical and mental ability of the person as determined by a qualified professional, pays at least the minimum wage prescribed by state or federal law and does not include temporary day labor.

Subp. 24. **Support services.** "Support services" means those services which are necessary to enable an individual to engage in

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employment and training, including child care, transportation, assistance with work-related expenses, and family services as described in parts 3301.0630 [Emergency] and 3301.0650 [Emergency].

Subp. 25. **Unsubsidized employment.** "Unsubsidized employment" means a job for which the wages and benefits are paid entirely by the employer.

Subp. 26. **Vocational advisor.** "Vocational advisor" means a person employed by or under contract with the local agency who has sufficient education, training, or experience to enable the person to identify the types of available, suitable employment in a registrant's local labor market and the necessary qualifications for that employment; to identify the registrant's physical, social, vocational, and educational barriers to obtaining available, suitable employment; and to identify the types of services and activities necessary to enable the registrant to overcome the barriers and obtain suitable employment.

Subp. 27. **Wage subsidy program.** "Wage subsidy program" means the Minnesota Employment and Economic Development wage subsidy program authorized by Minnesota Statutes, sections 268.672 to 268.682.

Subp. 28. **WR.** "WR" means the work readiness program authorized under Minnesota Statutes, section 256D.051.

Subp. 29. **Work-related expenses.** "Work-related expenses" means normal expenses associated with maintaining a job, including meals during work hours, work clothing, tools or supplies, any salary or wage deductions for union dues, and any other costs related to employment other than child care and transportation.

GENERAL ADMINISTRATION

3301.0030 [Emergency] PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** Parts 3301.0030 to 3301.0650 [Emergency] establish general administrative provisions for operation of employment and training services and support services.

Subp. 2. **Applicability.** Parts 3301.0030 to 3301.0650 [Emergency] apply to the commissioners of the Department of Jobs and Training and the Department of Human Services or their designees, county boards, local agencies, LSUs, and service providers which administer employment and training services and support services.

3301.0040 [Emergency] CO-LOCATION.

Subpart 1. **Co-location requirements.** The LSU shall require that staffs and facilities of local agencies and service providers are located and coordinated in a manner as to fulfill the requirements of Minnesota Statutes, section 268.871, subdivision 4.

Subp. 2. **Request for waiver.** An LSU may request a waiver from the co-location requirements in Minnesota Statutes, section 268.871, subdivision 4 by submitting a written request to the commissioner. The request must state the reasons the waiver is sought and the evidence supporting the reasons.

Subp. 3. **Criteria.** The LSU must demonstrate in its request that one or both of the following conditions would occur if services were co-located:

A. the delivery of services would be greatly hindered due to geographic distance from the proposed co-location site or the lack of public transportation; or

B. a significant financial hardship would be imposed on the LSU, and no significant financial hardship to participants results from the alternative plan proposed by the LSU.

Subp. 4. **Approval or disapproval of request.** The commissioner, after consultation with the coordinator and the commissioner of human services, may approve a request for a waiver of the co-location requirement if the LSU has demonstrated that one or both of the conditions in subpart 3 would occur, subject to subpart 5. The commissioner shall notify the LSU of the decision in writing within 30 days of the date the request is received and shall state the reasons for the approval or disapproval.

Subp. 5. **Conditions for waiver of co-location for registration.** A waiver of co-location requirements will not be approved by the commissioner unless the LSU ensures that timely registration requirements will be met by either of the following:

A. the local agency, by contract or agreement, provides registration as described in part 3301.0160 [Emergency], subpart 2;
or

B. the LSU demonstrates that the procedure currently used within the county provides registration to AFDC applicants and recipients throughout the work week during regular business hours and at a location within reasonable travel distance from the local agency. For purposes of this item, "reasonable travel distance" means no more than 15 minutes travel time from the local agency by the means of transportation actually available to the individual.

The commissioner will assist an LSU meeting the waiver conditions in item A with necessary federal or Department of Human Services approval.

3301.0050 [Emergency] CERTIFICATION OF SERVICE PROVIDERS.

LSU plans submitted pursuant to Minnesota Statutes, section 268.88 shall identify those public, private, or nonprofit agencies that will provide employment and training services. The commissioner shall certify those providers referred to in the LSU plan if it is demonstrated in the plan that the provider has met the performance standards established by the coordinator. In contracting with service providers, LSUs shall give preference to those entities referred to in Minnesota Statutes, section 268.871, subdivision 2.

3301.0060 [Emergency] STANDARDS FOR PROGRAM ADMINISTRATION.

Subpart 1. **Standards for LSUs.** LSUs shall:

- A. provide or arrange for child care services;
- B. reimburse or arrange for payment of allowable transportation costs as set forth in part 3301.0640 [Emergency];
- C. establish an informal grievance procedure according to part 3301.0100 [Emergency] and inform all individuals applying for employment and training services of their right to the procedure;
- D. provide or arrange for delivery of other necessary support services as defined in part 3301.0650 [Emergency];
- E. ensure that employability assessments, if required, are conducted to determine the suitability of employment and training services; the assessment must be prepared within 30 calendar days of the date the individual has registered for employment and training services;
- F. require that a vocational advisor conduct the employability assessment and prepare the employability development plan;
- G. require that public assistance applicants can register on the same day for employment and training services; and
- H. ensure that public assistance recipients are registered for employment and training services within time limits necessary to avoid delaying receipt of assistance, denying benefits, or reducing the amount of benefits.

Subp. 2. **Standards for service providers.** Service providers shall:

- A. meet the performance standards established by the coordinator;
- B. conduct employability assessments, if required, within 30 calendar days of the date the individual has registered for employment and training services to determine the suitability of employment and training services;
- C. ensure that a vocational advisor conduct the employability assessment and prepare the employability development plan;
- D. require that public assistance applicants can register on the same day for employment and training services; and
- E. register public assistance recipients for employment and training services within time limits necessary to avoid delaying receipt of assistance, denying benefits, or reducing the amount of benefits.

GENERAL PARTICIPATION**3301.0070 [Emergency] PURPOSE AND APPLICABILITY.**

Subpart 1. **Purpose.** Parts 3301.0070 to 3301.0100 [Emergency] establish general standards for participation in employment and training services by public assistance recipients and wage subsidy program registrants.

Subp. 2. **Applicability.** Parts 3301.0070 to 3301.0100 [Emergency] apply to all applicants for and recipients of employment and training services who are public assistance recipients and wage subsidy program registrants.

3301.0080 [Emergency] CONDITIONS FOR PARTICIPATION.

Individuals may participate in employment and training services if they:

- A. register for employment and training services;
- B. participate in the employment assessments and employability development plan preparation, if required; and
- C. fulfill all requirements of the employment and training services identified in the employability development plan.

3301.0090 [Emergency] RIGHTS AND RESPONSIBILITIES OF PARTICIPATION.

Subpart 1. **Rights.** Registrants for employment and training services shall be:

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- A. given an employment assessment within 30 calendar days of the date of registration, if an assessment is required by the employment and training program;
- B. informed about the availability of support services necessary to allow participation in employment and training:
 - (1) at the time of registration for wage subsidy applicants; and
 - (2) during the assessment for all other programs;
- C. given a copy of the employability development plan, if required, at the time it is prepared;
- D. informed of the basis for all decisions regarding eligibility and participation in employment and training services;
- E. informed of the sanctions, if any, which shall be imposed against an individual who fails to fulfill the responsibilities as described in subpart 2 and the conditions of participation as described in part 3301.0080 [Emergency];
- F. informed at the time of registration of the requirements with which they must comply;
- G. informed of the right to notice of any adverse action regarding participation in employment and training services; and
- H. informed of the right to a fair hearing as described in part 3301.0100 [Emergency] after an appeal of any adverse action regarding eligibility for or participation in employment and training services.

Subp. 2. **Responsibilities.** A registrant required to participate in employment and training services shall:

- A. accept referral to suitable employment as determined in the employability development plan;
- B. seek suitable employment as determined in the employability development plan;
- C. accept an offer of suitable employment as determined in the employability development plan unless otherwise provided in parts 3301.0010 to 3301.0660 [Emergency];
- D. participate in employment and training services as outlined in the employability development plan;
- E. notify the local agency of any changes in employment status, health, address, or telephone number; and
- F. comply with all other requirements as specified in the employability development plan.

Subp. 3. **Disqualification.** The LSU shall require that registrants who fail to fulfill the responsibilities established in subpart 2 without good cause are notified that they have 15 calendar days to fulfill those responsibilities or to request, in writing, a grievance procedure pursuant to part 3301.0100 [Emergency] or face possible disqualification from further employment and training services.

3301.0100 [Emergency] FAIR HEARING PROCESS.

Subpart 1. **Responsibilities of the LSU.** The LSU shall require that one or more review officers are appointed to conduct informal grievance procedures concerning the actions listed in subpart 2 in accordance with the procedure in subparts 3 to 6. Review officers who are appointed must not have participated in any way in the action in question.

Subp. 2. **Grievable actions.** Employment and training services applicants and participants have the right to request the LSU to conduct an informal grievance procedure on the following actions:

- A. a determination of ineligibility for CIP or the wage subsidy program;
- B. termination from employment and training services provided funding for those services is available;
- C. failure to provide a timely registration for employment and training services;
- D. disqualification resulting from a determination of failure to participate as described in part 3301.0090 [Emergency], subparts 2 and 3; and
- E. failure to provide or arrange for support services other than child care funded by sliding fee if eligibility is established and funds are available.

Any local agency action to reduce or terminate public assistance benefits shall be appealed in accordance with Minnesota Statutes, section 256.045.

Subp. 3. **Notice requirements.** The LSU shall require the service provider to notify the party, in writing, of any grievable action. Notice of the action must be mailed to employment and training applicants and participants at least 15 calendar days before the effective date of the action. The notice must clearly state what action the LSU or service provider intends to take, the necessary corrective measures, the right to grieve the action, the time limits for the grievance, and the consequences of the action.

Subp. 4. **Notice of intent to grieve.** An individual applying for employment and training services or a participant who receives the notice described in subpart 3 must request the LSU, on or before the date specified in the notice, to conduct the grievance procedure. An individual applying for employment and training services may request an LSU to conduct a grievance procedure on the actions specified in subpart 2, items C and E. The request must be in writing.

Subp. 5. **Informal grievance procedure.** The LSU shall provide an informal grievance procedure within 30 days of receipt of a written request. The LSU shall give the employment and training applicant or participant ten calendar days' notice of the hearing date. The applicant or participant has the right to appear, to call witnesses, and to submit new documentation. The written request and all actions and decisions of the procedure shall be maintained as part of the official record. The hearing officer shall make a determination within ten days of the date of the informal grievance procedure.

Subp. 6. **Administrative hearing process.** A dissatisfied party may request within 15 calendar days of the mailing of an adverse determination, a fair hearing conducted in the manner prescribed by Minnesota Statutes, section 268.10, subdivision 3, or the determination will be final. A right to review will be provided in accordance with Minnesota Statutes, section 268.10, subdivision 5. Disqualification shall not occur until the appeal is decided by the administrative hearing process.

REGISTRATION AND CERTIFICATION OF AFDC APPLICANTS AND RECIPIENTS

3301.0110 [Emergency] PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** The purpose of parts 3301.0110 to 3301.0170 [Emergency] is to establish standards for LSUs and county boards to register and certify applicants and recipients of AFDC in employment and training services, except as otherwise provided in the federal work incentive program (WIN) in accordance with the Social Security Act, title IV C, section 432 (a).

Subp. 2. **Applicability.** Parts 3301.0110 to 3301.0170 [Emergency] apply to all LSUs and county boards and to all local agencies and AFDC applicants and recipients.

3301.0120 [Emergency] DEFINITIONS.

Subpart 1. **Scope.** In addition to the definitions in part 3301.0020 [Emergency], for the purposes of parts 3301.0110 to 3301.0170 [Emergency] the following terms have the meanings given them.

Subp. 2. **Applicant.** "Applicant" means a person who requests aid through AFDC and whose eligibility has not yet been determined.

Subp. 3. **Application.** "Application" means the date an applicant submits the completed, signed application form to the local agency.

Subp. 4. **Certification.** "Certification" means a determination that an AFDC registrant is ready and able to participate in employment and training services and that support services, if needed, are arranged for or provided.

Subp. 5. **Recipient.** "Recipient" means a person who is receiving AFDC or has been determined eligible to receive AFDC.

3301.0130 [Emergency] AUTHORITY TO DELEGATE OR CONTRACT.

The county board may contract with or delegate to the local agency, or contract with a service provider, the responsibility for conducting registration of AFDC applicants and recipients in accordance with parts 3301.0110 to 3301.0170 [Emergency]. A single service provider must be selected for the registration of both applicants and recipients.

3301.0140 [Emergency] NOTIFICATION OF APPLICANTS AND RECIPIENTS.

The county board shall notify:

A. each applicant at the time of application that registration for employment and training services on the same day, if possible, is a condition of receiving AFDC, unless the applicant meets one of the criteria for exemption in Minnesota Statutes, section 256.736, subdivision 3; and that eligibility for employment and training services begins on the date of registration;

B. each recipient of the requirement to register for employment and training in order to remain eligible for AFDC, unless the recipient meets one of the criteria for exemption in Minnesota Statutes, section 256.736, subdivision 3;

C. each applicant or recipient in writing of the exempt or nonexempt determination at the time of application for AFDC or in accordance with item B;

D. each nonexempt applicant or recipient that refusal or failure to register will result in the sanctions in chapter 9500;

E. each applicant or recipient of the right to a hearing before a human services hearing officer to contest the termination or denial of benefits as the result of refusal to register pursuant to Minnesota Statutes, section 256.045; and

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F. each applicant and recipient who is exempt according to Minnesota Statutes, section 256.736, subdivision 3, clauses (5) to (8) in writing of:

- (1) the option to volunteer for employment and training services;
- (2) the availability of child care and other support services; and
- (3) the right to withdraw from employment and training at any time without loss of benefits as long as they remain exempt.

3301.0150 [Emergency] CHANGE OF STATUS.

Subpart 1. **Reporting requirement.** The county board shall inform applicants and recipients of the requirement to report to the local agency any changes which may affect their exempt or nonexempt status.

Subp. 2. **Notification of registration requirement after change in status.** If the local agency determines that a recipient's exempt status has changed to nonexempt, the local agency must inform the recipient in writing, at least ten calendar days before issuance of the next payment, of the requirement to register, including time and place, to avoid delay, denial, or reduction of benefits.

3301.0160 [Emergency] REGISTRATION FOR EMPLOYMENT AND TRAINING.

Subpart 1. **Registration requirement.** An applicant or recipient must register for employment and training services as a condition of receiving AFDC, unless the applicant or recipient meets one of the criteria for exemption in Minnesota Statutes, section 256.736, subdivision 3.

Subp. 2. **Timely registration.** The following requirements apply to timely registration of applicants and recipients unless the county board is granted a waiver of co-location requirements according to part 3301.0040 [Emergency].

A. For applicants, the county board shall require that registration for employment and training services and application for AFDC occur simultaneously. Simultaneous means that, at the time the applicant submits a completed, signed AFDC application form to the local agency, the county board must register the applicant for employment and training services.

B. For recipients, the county board must provide registration for employment and training services to recipients throughout regular business hours during the regular work week.

Subp. 3. **Registration procedure.** The county board shall require that the registration procedure is limited to the steps necessary to establish the eligibility of the applicant or the continuing eligibility of the recipient. The county board will require that the applicant or recipient:

- A. complete a work history on a form approved by the commissioner;
- B. complete and sign the registration form approved by the commissioner;
- C. is informed of the available employment and training services, the rights and responsibilities of participation, and the sanctions that may apply; and
- D. is scheduled and referred for an employability assessment.

Subp. 4. **Registration form distribution.** The county board shall require that copies of the registration form are provided to:

- A. the registrant at the time of registration;
- B. the local agency; and
- C. the service provider of the employability assessment within three days of the registration.

3301.0161 [Emergency] EMPLOYABILITY ASSESSMENT AND DEVELOPMENT PLAN.

Subpart 1. **Employability assessment.** The county board shall require that a vocational advisor conduct and complete an employability assessment.

Subp. 2. **Employability development plan.** The county board shall require that a vocational advisor prepare a written employability development plan based on the employability assessment and knowledge of available jobs in the area. The plan must include:

- A. an estimate of the length of time necessary to obtain suitable employment;
- B. the requirement that the registrant must accept any offer of suitable employment, including those offered through JTPA, the wage subsidy program, and other employment and training services except when participation is voluntary;
- C. specific job search requirements based on the assessment;
- D. other specialized employment, training, and educational activities necessary to prepare the registrant for suitable employment;

E. provisions for assessing the registrant's progress in securing suitable employment; and

F. an assessment of the registrant's need for support services and family services as described in part 3301.0650 [Emergency], the availability of the services, and referral to providers of the services.

Subp. 3. **Requirements for completion of employability development plan.** The written employability development plan shall be completed within 30 calendar days from the date of registration. Upon completion of the plan and provision of necessary support services, the registrant shall be certified as ready for employment or training except as provided in part 3301.0170 [Emergency], subpart 1.

Subp. 4. **Distribution of the employability development plan.** Copies of the completed employability development plan shall be distributed to the registrant, the service provider, and the local agency.

3301.0170 [Emergency] SUPPORT SERVICES.

Subpart 1. **Provision of support services.** The county board shall require that a registrant not be certified unless the needed support services are arranged for or provided. Support services shall include transportation, child care, other expenses related directly to participation in employment and training, and may include family services as described in part 3301.0650 [Emergency].

Subp. 2. **Registrant reassessment.** The county board shall permit the service provider to reassess a registrant's need for support and family services if the service provider believes the:

- A. registrant may no longer need support services identified in the employability development plan;
- B. registrant who currently is not receiving support services needs them; or
- C. registrant needs additional support services.

COMMUNITY INVESTMENT PROGRAM (CIP)

3301.0180 [Emergency] PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** The purpose of parts 3301.0180 to 3301.0250 [Emergency] is to establish administrative standards and the terms and conditions of participation for the community investment program authorized by Minnesota Statutes, section 268.90.

Subp. 2. **Applicability.** Parts 3301.0180 to 3301.0250 [Emergency] apply to participants, including public assistance recipients, in-community investment programs, county boards authorized to establish these programs, and participating employers.

3301.0190 [Emergency] DEFINITIONS.

Subpart 1. **Scope.** In addition to the definitions in part 3301.0020 [Emergency], for the purposes of parts 3301.0180 to 3301.0250 [Emergency], the following term has the meaning given it.

Subp. 2. **Participant.** "Participant" means a person who is temporarily employed in a community investment program.

3301.0200 [Emergency] PROGRAM STANDARDS.

A county board may establish a CIP which includes one or more work projects and which may incorporate funding and terms and conditions of other work programs, such as JTPA, wage subsidy program, Minnesota Conservation Corps, GA or WR grant diversion, and Minnesota Summer Youth. The CIP must:

- A. provide temporary employment for individuals experiencing prolonged unemployment and extreme hardship;
- B. provide participants with training and work experience related to the objectives identified in the employability development plan;
- C. benefit the state and community; and
- D. not include work that replaces part or all of the work of a public employee position established before January 1, 1985.

3301.0210 [Emergency] PROGRAM ADMINISTRATION.

Subpart 1. **County board authority.** The county board is responsible for planning, implementing, and operating a CIP in accordance with parts 3301.0180 to 3301.0250 [Emergency]. The county board may contract the delivery of services to a certified service provider.

Subp. 2. **Requirements of CIP employers.** The county board or service provider shall ensure by written contract that CIP project

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employers meet the conditions of employment identified in Minnesota Statutes, section 268.90, subdivision 2, clauses (a) to (d) and provide verification, if applicable, of compliance with workers' compensation laws; affirmative action; and fair labor, health, safety, and environmental standards.

Subp. 3. **Monitoring.** The county board or service provider shall establish regular, on-site monitoring as necessary to ensure that all employment conditions are met and that participants are progressing toward work adjustment and self sufficiency as outlined in their employability development plan.

Subp. 4. **Support services.** The county board shall:

- A. arrange for or provide child care, transportation, and other necessary support services to participants;
- B. arrange for payment of support services directly to the vendor or reimbursement of the participant or service provider; and
- C. maximize available resources from other programs including work readiness administrative funds, title XX, Community Social Services Act, sliding fee child care, work incentive program, JTPA, and the wage subsidy program to provide or arrange for support services.

Subp. 5. **Length of participation.** The county board or its service provider shall set the length of CIP employment according to the terms and conditions of other programs which fund CIP employment, including JTPA, wage subsidy program, Minnesota Youth Conservation Corps, GA or WR grant diversion, and Minnesota Summer Youth.

3301.0220 [Emergency] PROGRAM PLAN.

Subpart 1. **CIP plans.** County boards electing to establish a CIP shall submit a plan for approval to the commissioner by February 1, 1986.

Subp. 2. **CIP plan content.** CIP plans shall include:

- A. a designation and description of the administering entity, which may be:
 - (1) the county;
 - (2) a regional joint powers board;
 - (3) a joint human services board; or
 - (4) a contract service provider;
- B. identification of any other governmental unit or private organization with which the county will jointly fund and administer a CIP project and a statement of benefit resulting from the joint effort;
- C. a list of other consulted and involved employee representatives, nonprofit organizations, governmental units, community action agencies, community based organizations, local union representatives, and client group representatives;
- D. a description of the projects, including geographical areas of the county or counties served;
- E. program objectives for the participants and the community;
- F. the estimated number of participants and whether they are AFDC, GA, or WR volunteers, or WR recipients required to participate;
- G. the arrangement for payment of participant work expenses;
- H. the sources of funding to be used by the county or its service provider to subsidize participant wages including GA or WR grant diversion and wage subsidy; and
- I. the sources of funding to be used by the county to meet support service needs of CIP participants.

Subp. 3. **CIP plan approval criteria.** The commissioner shall approve or disapprove county plans or the plan's annual update on the basis of:

- A. inclusion of all the items in subpart 2;
- B. demonstration and documentation of the county's or the service provider's ability to:
 - (1) deliver the programs and services to be provided; and
 - (2) ensure clients receive appropriate employment and training services in a fair and expeditious manner;
- C. coordination of CIP activities with other agencies or programs providing employment and training activities to minimize duplication of efforts including: Job Service, JTPA, private industry councils, and vocational education;
- D. provision of required support services, such as child care, transportation, and work-related expenses as necessary for clients;

E. responsiveness of CIP work experience or training to the local labor market conditions and the employment outlook in the area;

F. inclusion of available monitoring and evaluation information and the county's or local agency's response to corrective actions.

3301.0230 [Emergency] CONDITIONS OF EMPLOYMENT.

Subpart 1. **Mandatory participation.** The county board may mandate participation of WR registrants in a CIP. However, the county may not require AFDC or GA recipients to participate in CIP. WR registrants who are required to participate in a CIP must accept and complete CIP placements as a condition of continuing eligibility for WR services and payments.

Subp. 2. **Referral conditions.** The county board or its service provider may offer CIP employment to participants only after the following employment and training service priorities have been determined inappropriate for the individual or unavailable due to lack of funds:

A. permanent, unsubsidized, full-time private or nonprofit sector employment in conjunction with the targeted jobs tax credit;

B. permanent, subsidized full-time private sector employment;

C. permanent, subsidized full-time nonprofit sector employment;

D. training;

E. relocation; and

F. part-time subsidized, nonprofit, or public employment with continued employment assistance.

Subp. 3. **Work hours.** The standards in items A and B shall be used to determine the minimum and maximum number of hours CIP participants will be required to work.

A. No participant shall be required to work less than eight hours or allowed to work more than 32 hours of a 40-hour work week. The remaining eight hours must be available to the participant for individual voluntary job search.

B. Subject to item A, the number of hours a participant will work shall be the number:

(1) required by a CIP employer for successful project operation;

(2) necessary to achieve the employment and training objectives identified in the participant's employability development plan; or

(3) established by the requirements of the grant diversion program under parts 3301.0360 to 3301.0410 [Emergency].

Subp. 4. **Wages.** CIP participants shall be paid the state minimum wage or the prevailing wage at the work site for similar work, whichever is greater.

Subp. 5. **Travel distance.** A participant shall not be required to travel more than two hours round trip between home and the work site, excluding time required to take children to and from a day-care facility.

Subp. 6. **Support services.** A participant shall not be required to participate in CIP employment unless necessary support services identified in the individual's employability development plan are arranged for or provided.

WAGE SUBSIDY PROGRAM

3301.0260 [Emergency] PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** The purpose of parts 3301.0260 to 3301.0350 [Emergency] is to implement the wage subsidy program authorized by Minnesota Statutes, sections 268.672 to 268.682.

Subp. 2. **Applicability.** Parts 3301.0260 to 3301.0350 [Emergency] apply to unemployed individuals and to the LSUs authorized under Minnesota Statutes, sections 268.672 to 268.682.

3301.0270 [Emergency] STATUTORY TERMS INTERPRETED.

Subpart 1. **Scope.** The terms and phrases used in Minnesota Statutes, sections 268.672 to 268.682 shall have the meanings and explanations given in subparts 2 and 3.

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Subp. 2. **Income source.** "Income source" as used in Minnesota Statutes, section 268.676, subdivision 1, clause (1) includes wages or salaries from employment; earnings from self-employment; rents; social security benefits; old age and survivors benefits; supplemental security income; veteran's benefits; pensions; alimony; child support; wage subsidy program wages or subsidies; periodic income from insurance annuities; interest or dividend income from investment or savings accounts; unemployment insurance benefits including federal supplemental compensation and extended benefits; payments from the Railroad Retirement Board; and workers' compensation payments.

Subp. 3. **Supplies and materials.** "Supplies and materials" as used in Minnesota Statutes, section 268.677, subdivision 2 and 268.678, subdivision 8 means usual consumable supplies and materials and does not include items ordinarily classified as equipment and capital items having a life expectancy of one year or more.

3301.0280 [Emergency] DEFINITIONS.

Subpart 1. **Scope.** In addition to the definitions in part 3301.0020 [Emergency], for the purposes of parts 3301.0260 to 3301.0350 [Emergency], the following terms have the meanings given them.

Subp. 2. **Farmer.** "Farmer" means a person whose major source of income is derived from a family farm as defined in Minnesota Statutes, section 500.24, subdivision 2b.

Subp. 3. **Good cause.** "Good cause" means a reasonable and justified decision by the employer when viewed in the context of the surrounding circumstances that the employee fails or refuses to comply with usual and applicable work rules or to attain performance standards.

Subp. 4. **Participant.** "Participant" means a person who is receiving assistance through the wage subsidy program.

Subp. 5. **Severe household financial need.** "Severe household financial need" means inability to meet outstanding indebtedness for essential, personal, and business needs.

Subp. 6. **Unemployed.** "Unemployed" means a person who is neither employed nor self-employed and is available for full-time employment unless participating in a job training program. The LSU or service provider shall consider a farmer or a member of a farm family household who can demonstrate severe household financial need to be unemployed for purposes of parts 3301.0260 to 3301.0350 [Emergency].

3301.0290 [Emergency] ELIGIBILITY AND PRIORITY.

Subpart 1. **Eligibility.** The LSU or service provider shall find a job applicant eligible for the wage subsidy program if the applicant meets all of the following criteria:

- A. has been a resident of this state for at least one month;
- B. is unemployed;
- C. is not receiving and is not qualified to receive unemployment compensation or workers' compensation; and
- D. is determined to be likely to be available for employment by an eligible employer for the duration of the job.

LSUs or service providers may make preliminary eligibility determinations on the basis of a mail application if appropriate. The LSUs or service providers shall require applicants who are determined eligible to register for the wage subsidy program.

Subp. 2. **Eligibility determination for farmers.** The LSU shall request from the farmer or household member documentation that serves as evidence of severe household financial need including:

- A. letters from financial institutions or retailers denying credit;
- B. loan foreclosure notices from financial institutions;
- C. collection letters from creditors; or
- D. professionally prepared financial statements.

Subp. 3. **Priority.** LSUs or service providers, in selecting eligible job applicants for the wage subsidy program, shall consider equally the following priorities:

- A. applicants living in households with no other income source;
- B. applicants whose incomes and resources are less than the standards for eligibility for general assistance;
- C. applicants who are eligible for AFDC; and
- D. applicants who live in a farm household who demonstrate severe household financial need.

Selections of eligibles from priority groups should reasonably reflect the proportion each group is of the total eligible for participation in the program in the jurisdiction served by the LSU.

3301.0300 [Emergency] USE OF FUNDS.

Subpart 1. **Funds for wage subsidies.** An LSU shall use no more than 25 percent of the funds available for wages for employment with eligible government and nonprofit agencies. This limit may be exceeded only with written approval of the commissioner. The LSU must submit a written request for a waiver to the commissioner which outlines the efforts made to comply and the reasons the goal is considered unattainable.

Subp. 2. **Funds for child-care services.** The LSU must provide child-care services for participants who are determined eligible under parts 3301.0560 to 3301.0580 [Emergency]. Child-care services provided or subsidized must be supplied by licensed day-care facilities or those exempted by Minnesota Statutes, section 245.791.

LSUs shall use existing resources from other programs, including those provided under the child care sliding fee program, before authorizing expenditure of wage subsidy program funds for child care. LSUs shall make the availability of child-care resources known to eligible applicants and provide information and referral services.

3301.0310 [Emergency] NOTIFICATION.

Eligible private sector employers shall notify the LSU of the termination of employment of any eligible job applicant not later than ten working days after the employment termination date.

3301.0320 [Emergency] REPAYMENT.

The LSU shall use the following criteria to establish the terms of repayment by employers of wage subsidy funds.

The proportional reduction in the amount that must be repaid for employment of less than one year following the six-month subsidized period shall be 5.9 percent of the amount received for each of the first 11 months and 5.1 percent for the 12th month. Employment for more than ten working days in a month will count as a full month for computation purposes.

The LSU shall require that repayment begin no later than 60 calendar days after either the termination of employment or the determination by the LSU or designee that the employee's dismissal was without good cause. A voluntary quit by the employee shall be treated the same with regard to repayment as a good cause dismissal for purposes of Minnesota Statutes, section 268.681, subdivision 3.

The repayment schedule shall not ordinarily exceed one year. Small repayments should be for a shorter period. The repayment schedule may be extended in extenuating circumstances with the approval of the commissioner. The employer may elect to repay at an accelerated rate or in a lump sum.

3301.0330 [Emergency] FUNDING FOR PLACEMENT IN A COMMUNITY INVESTMENT PROGRAM.

For eligible individuals placed in a CIP, the department shall provide the LSU with 75 percent of the wage subsidy up to a maximum of 780 hours or 26 weeks, whichever occurs first. The LSU must pay 25 percent of the wage subsidy concurrently with the department's share and the payment may not be an in-kind contribution. The LSU may increase the work hours of a CIP participant using funding sources other than public assistance and the wage subsidy program, provided the total number of hours may not exceed the maximum of 32 hours per week.

3301.0340 [Emergency] EMPLOYMENT CONDITIONS.

Subpart 1. **Law and contract compliance.** The LSU or service provider must not violate the provisions of any collective bargaining agreement or state or federal law when referring or placing eligible job applicants.

Subp. 2. **Refusal to join a labor union.** Eligible job applicants shall not be disqualified from participation in the program for refusing to join a labor union as a condition of employment.

Subp. 3. **Placement in a job affected by a labor dispute.** Eligible job applicants shall not be referred to, placed, or remain on a job affected by a labor dispute involving a work stoppage.

Subp. 4. **Placement approval by collective bargaining agents.** The eligible employer shall give assurance to the LSU or service provider that the appropriate collective bargaining agents have approved of the job duties of the persons employed under the program.

3301.0350 [Emergency] PROGRAM ADMINISTRATION.

Subpart 1. **Record maintenance.** LSUs and service providers must maintain records necessary for reporting activities, monitor-

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ing of activities, and possible audit. Eligible employers must keep records pursuant to state and federal employment, health, safety, and environmental laws at least three years after the date of the last action affecting them under the terms of this program.

Subp. 2. **Rules binding.** The rules in parts 3301.0260 to 3301.0350 [Emergency] are binding on LSUs, service providers, and eligible employers entering into contracts under Minnesota Statutes, sections 268.672 to 268.682.

GENERAL ASSISTANCE AND WORK READINESS GRANT DIVERSION

3301.0360 [Emergency] PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** The purpose of parts 3301.0360 to 3301.0410 [Emergency] is to establish standards for diverting part or all of a GA recipient's grant or a WR registrant's assistance payment as a wage subsidy to an employer providing employment or employment-related training under Minnesota Statutes, section 256D.09, subdivision 3.

Subp. 2. **Applicability.** Parts 3301.0360 to 3301.0410 [Emergency] apply to GA recipients and WR registrants, to local agencies required to administer the WR and GA programs under Minnesota Statutes, sections 256D.01 to 256D.21, and public or private entities providing work readiness services under contract with the local agency.

3301.0370 [Emergency] DEFINITIONS.

Subpart 1. **Scope.** In addition to the definitions in part 3301.0020 [Emergency], for the purpose of parts 3301.0360 to 3301.0410 [Emergency] the following terms shall have the meaning given them.

Subp. 2. **Diverted grant.** "Diverted grant" means the lesser amount of either (a) the net income of the participant, or (b) the standard of assistance applicable to the participant.

Subp. 3. **Employment or employment-related training.** "Employment" or "employment-related training" means a job or on-the-job training with:

A. a private, nonprofit, or public employer who agrees to employ the individual in a permanent job; or

B. an approved community investment program; and which pays at least the minimum wage and provides the participant with a net monthly income equal to or greater than 150 percent of the standard of assistance applicable to the participant less the residual, if any, paid to the participant.

Subp. 4. **Net monthly income.** "Net monthly income" means the total of the participant's gross monthly income minus deductions, disregards, and exclusions allowed by the commissioner of the Department of Human Services for the GA program.

Subp. 5. **Participant.** "Participant" means a GA recipient or a WR registrant who is referred to the grant diversion program and who volunteers to participate.

Subp. 6. **Residual grant.** "Residual grant" means the amount equal to the standard of assistance applicable to the participant reduced by the income received after application of earned income deductions and disregards.

3301.0380 [Emergency] RESPONSIBILITIES OF THE LOCAL AGENCY.

Subpart 1. **Program administration and delivery.** The local agency shall administer and deliver the grant diversion program directly or may contract for delivery of services with service providers.

Subp. 2. **Assessment and referral.** The local agency or its service provider shall require that a vocational advisor assess the suitability and availability of voluntary participants for employment or employment-related training through grant diversion pursuant to part 9500.1215, subpart 2 and, based on the employability development plan objectives, refer the participant to the appropriate employment or employment-related training.

Subp. 3. **Notification of participant requirements.** The local agency or service provider shall inform participants of the following information:

A. the requirement to complete the grant diversion period as specified in the contract pursuant to subpart 4;

B. the effect of participation on GA and WR eligibility;

C. the maximum length of participation;

D. the months during which the grant will be diverted;

E. the amount of the diverted grant; and

F. the amount, if any, of the residual grant.

Subp. 4. **Contract requirements.** The local agency or its contract service provider shall require a written contract with the employer which includes:

A. the length of the subsidized employment;

- B. the amount of the monthly subsidized wage;
- C. the method of payment of the subsidized wage;
- D. data gathering and reporting requirements;
- E. a provision prohibiting employers from terminating, laying off, or reducing the regular working hours of current employees in order to hire through the grant diversion process; and
- F. the requirement to pay the participant the same wage, fringe benefits, and provide the same workers' compensation coverage as is given other employees of the employer doing the same job.

Subp. 5. **Calculation and payment of diverted and residual grants.** The local agency will determine and pay the amount of the diverted grant and the amount, if any, of the residual grant according to items A to D:

A. The local agency shall obtain and enter into the case file the following information at the time a participant accepts employment or employment-related training through grant diversion:

- (1) name and address of the employer;
- (2) occupational title of the employer;
- (3) the period of the subsidized employment or employment-related training contract;
- (4) hourly wage;
- (5) number of work hours per week; and
- (6) date of the first day of employment or employment-related training.

B. The local agency will apply the following steps to calculate the amounts of the diverted and residual grants:

(1) Determine the expected gross earned income of the participant during the first complete calendar month of participation.

(2) Subtract from the amount in subitem (1) the standard earned income deductions and disregards established by the commissioner of human services for GA recipients under Minnesota Statutes, chapter 256D.

(3) Add to the amount obtained from subitem (2) all unearned income regularly received or expected to be received in the first full calendar month of participation to arrive at the net income available to the participant.

(4) Compare the net income to the standard of assistance applicable to the participant. The lower of the two amounts will be diverted to the employer as a subsidy for wages.

(5) If the net income is less than the applicable standard of assistance, the difference between the two is the residual grant.

C. The local agency will continue to pay the participant the full amount of the standard of assistance until the participant has received one full calendar month of wages; thereafter the local agency will pay the diverted grant (subitem (4)) to the employer to subsidize wages and the residual grant, if any, (subitem (5)) to the participant. The local agency may pay the subsidy for wages directly to the employer or reimburse a service provider that has paid the subsidy to the employer.

D. A participant's eligibility for GA or WR is frozen at the time the participant begins work in a grant diversion placement. After a participant begins employment or employment-related training, changes in resources, household, or income will not affect GA or WR eligibility, the residual grant amount, or diverted grant amount for the duration of the grant diversion placement.

Subp. 6. **Support services.** The local agency or its contract service provider shall not require a participant to travel to a work site unless the local agency pays work-related transportation costs in excess of the transportation deduction from earned income. The local agency or its contract service provider shall not refer a participant who is the sole adult in an assistance unit with one or more children under the age of 12 to employment or employment-related training during hours when the child is at home unless the local agency pays the cost of necessary child care that is in excess of the child care deduction from earned income or unless child care is otherwise available at no cost to the participant.

Subp. 7. **Fiscal reporting.** The local agency shall submit fiscal, abstract, or summary reports as required by the commissioner.

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Subp. 8. **Disqualification of work readiness participants.** The local agency shall apply parts 9500.1218 and 9500.1219 if it determines that a WR registrant has failed without good cause to complete the grant diversion period.

3301.0400 [Emergency] PARTICIPANT RIGHTS AND RESPONSIBILITIES.

Subpart 1. **Right to refuse placement.** A GA recipient or WR registrant may refuse employment or employment-related training through grant diversion without penalty.

Subp. 2. **Failure of work readiness participants to complete grant diversion period.** A WR participant who volunteers for grant diversion and fails to complete the grant diversion period without good cause may be disqualified from receipt of WR services and payments according to parts 9500.1218 and 9500.1219.

Subp. 3. **Reporting.** Participants must continue to provide the monthly household report form as required by the Department of Human Services to determine continued food stamp eligibility during participation in grant diversion and to document changes for continued assistance after the completion of grant diversion.

3301.0410 [Emergency] MAXIMUM PERIOD OF GRANT DIVERSION.

Subpart 1. **General assistance.** A GA participant's grant may be diverted to an employer for up to five months.

Subp. 2. **Work readiness.** A WR participant's assistance payment may be diverted:

- A. for up to five consecutive months if the participant is from a distressed county and agrees to participate; or
- B. for four consecutive months if the participant is redetermined eligible for work readiness in the first 15 days of the second month of receipt of WR assistance and agrees to participate.

SUPPORTED WORK PROGRAM

3301.0420 [Emergency] PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** The purpose of parts 3301.0420 to 3301.0440 [Emergency] is to establish the terms and conditions governing the supported work program for recipients of AFDC pursuant to Minnesota Statutes, section 268.86, subdivision 9.

Subp. 2. **Applicability.** Parts 3301.0420 to 3301.0440 [Emergency] apply to recipients of AFDC who have received public assistance for more than three years and who are residents of counties that have had more than three percent of their AFDC recipients on public assistance for three years or longer.

3301.0430 [Emergency] DUTIES OF THE COUNTY.

Subpart 1. **Program development criteria.** Counties who have had more than three percent of their AFDC recipients on public assistance for more than three years shall ensure the provision of supported work program to assist those recipients in making a transition to employment.

Subp. 2. **Program description.** The program must include:

- A. employability assessment;
- B. employability development plan prepared in consultation with the participant;
- C. job seeking skills training;
- D. referral to appropriate services, programs, or training that may result in job readiness and employment; and
- E. referral to suitable employment.

Subp. 3. **Identification of eligible AFDC recipients.** The county board shall require the local agency to identify recipients who have:

- A. received AFDC for more than three years;
- B. little or no work history; and
- C. little or no formal education beyond high school.

Subp. 4. **Contracted programming.** The county board may contract the provision of a supported work program with a service provider.

Subp. 5. **Notice to eligible recipients.** The county board shall require the local agency to inform recipients meeting the criteria in subpart 3 of their eligibility for the supported work program and their responsibilities to the program.

Subp. 6. **Referral of eligible recipients.** The local agency shall refer eligible recipients to the supported work program.

3301.0440 [Emergency] PARTICIPANT RESPONSIBILITIES.

Each supported work program participant shall:

- A. attend the supported work program orientation, job readiness workshops, and peer group meetings during the period of participation; and
- B. cooperate in all aspects of the program, including:
 - (1) employability assessment and development of the employability development plan;
 - (2) referrals to other appropriate services and programs;
 - (3) referral to or offers of suitable employment; and
 - (4) continuance of employment.

TRANSITIONAL TRAINING PROGRAM

3301.0450 [Emergency] PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** Parts 3301.0450 to 3301.0470 [Emergency] govern the implementation and administration of the transitional training program for approved training authorized by Minnesota Statutes, section 268.65. The program will provide structurally unemployed workers with on-the-job training and classroom training opportunities in conjunction with the payment of unemployment insurance benefits to which the trainees may be entitled.

Subp. 2. **Applicability.** Parts 3301.0450 to 3301.0480 [Emergency] apply to the commissioner or designee and participants in the transitional training program.

3301.0460 [Emergency] DEFINITION.

Subpart 1. **Scope.** In addition to the definitions in part 3301.0020 [Emergency], for the purpose of parts 3301.0450 to 3301.0470 [Emergency] the following term shall have the meaning given it.

Subp. 2. **Participant.** "Participant" means an individual who is structurally unemployed as defined in Minnesota Statutes, section 268.65, subdivision 2, clauses (1) to (3) and who is participating in the transitional training program.

3301.0470 [Emergency] PROPORTIONAL REDUCTION OF PENALTY.

Proportional reduction in the amount that must be repaid as the employer penalty for on-the-job training contracts authorized by Minnesota Statutes, section 268.65, subdivision 5 shall be 5.9 percent for each of the first 11 months and 5.1 percent for the 12th month. Employment for more than ten working days in a month will count as a full month for computation purposes.

CHILD CARE SLIDING FEE

3301.0480 [Emergency] PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** The purpose of parts 3301.0480 to 3301.0620 [Emergency] is to govern the administration of the child care sliding fee programs for reducing, according to a sliding fee schedule, the costs of child care services to enable eligible families to participate in employment or training programs.

Subp. 2. **Applicability.** Parts 3301.0480 to 3301.0620 [Emergency] apply to all county boards and administering agencies authorized under Minnesota Statutes, section 268.91 to provide child care assistance to eligible families.

3301.0490 [Emergency] DEFINITIONS.

Subpart 1. **Scope.** In addition to the definitions in part 3301.0020 [Emergency], for the purpose of parts 3301.0480 to 3301.0620 [Emergency] the following terms shall have the meaning given them.

Subp. 2. **Administering agency.** "Administering agency" means the county welfare department or any public or nonprofit agency designated by the county to administer the child care sliding fee program.

Subp. 3. **Child care services.** "Child care services" means service for less than 24 hours a day which provides care for children age 14 and under, as a substitute for, or supplement to, parental care for a planned period of time.

Subp. 4. **County.** "County" means the board of county commissioners.

Subp. 5. **Family.** "Family" means parents and dependent children under 18 years of age living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities.

Subp. 6. **Family fee.** "Family fee" means the portion of the provider charge the family must contribute for child care costs.

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PROPOSED RULES

Subp. 7. **Geographic area.** "Geographic area" means the area of the local service unit.

Subp. 8. **Income.** "Income" means all monthly income, before deductions, received from wages or compensation by all family members 16 years or older, net income from self-employment, net farm income, social security payments, dividends, interest, rent received or royalties, general assistance payments, pensions and annuities, unemployment compensation, alimony, child support, veterans' pensions, or any combination of the above sources of income. Wages or salary from summer jobs held by family members aged 16 and 17 shall not be considered income for purposes of determining family eligibility.

Subp. 9. **Monthly tax credit.** "Monthly tax credit" means the portion of the family fee to be claimed as a credit against tax liability according to the Internal Revenue Code.

Subp. 10. **Percent of tax credit.** "Percent of tax credit" means the proportion of specific expenses defined in the Internal Revenue Code which can be claimed as a credit against tax liability.

Subp. 11. **Percentage base.** "Percentage base" means the percent of annual gross income that is used to calculate the family fee. The percentage base is indexed to the family's ability to pay.

Subp. 12. **Program costs.** "Program costs" means the sum of the provider charges plus the administrative costs.

Subp. 13. **Program year.** "Program year" means the state fiscal year, beginning July 1 and ending June 30.

Subp. 14. **Programs with demonstrated effectiveness.** "Programs with demonstrated effectiveness" means education or training programs approved by the commissioner of education under rules pursuant to Minnesota Statutes, section 124.625, which result in suitable employment as defined in part 3301.0020 [Emergency], subpart 23.

Subp. 15. **Provider charge.** "Provider charge" means the amount the child care service provider charges per month for child care services.

Subp. 16. **Recipient.** "Recipient" means a family who receives sliding fee child care assistance.

Subp. 17. **State median income.** "State median income" means the state's annual median income based on family size. The state median income is developed by the federal Bureau of Census and is published annually in the Federal Register.

3301.0500 [Emergency] STANDARDS FOR COUNTIES.

Subpart 1. **Establishment of standards and procedures.** Counties shall adopt policies and procedures for the provision of child care services to enable parents to seek and obtain employment or training.

Subp. 2. **Provision of child care.** Counties shall assist applicants for child care services who are seeking employment and training services to obtain skills necessary to secure suitable employment. This may include an arrangement with another provider or agency for support services.

3301.0510 [Emergency] COUNTY RESPONSIBILITIES.

Subpart 1. **Designation.** The county shall designate the administering agency.

Subp. 2. **Local share match.** The county shall provide a local share match equal to five percent of the program cost during the first grant year and 15 percent of the cost during each of the succeeding years. Counties which at some time participated in the child care sliding fee program under Minnesota Statutes, section 245.84, subdivision 2, are participating in a succeeding year for purposes of this program. For purposes of determining the local match, administrative costs shall be seven percent of the provider charge. The local match may include in-kind materials and services furnished by the county and required for the administration of the program. The local match may not include the amount of minimum fee payments made by families.

3301.0520 [Emergency] ALLOCATION OF FUNDS.

Subpart 1. **Initial year.** For fiscal year 1986, the commissioner shall allocate 45 percent of the total child care appropriation to the seven county metropolitan area and 55 percent to the area outside the metropolitan area. For fiscal year 1987 and succeeding years, the commissioner shall allocate 50 percent of the total appropriation to each of these areas.

Subp. 2. **Succeeding years.** The commissioner shall reallocate unused funds after December 31 of each year at the commissioner's discretion based on need factors such as labor market conditions, demand for child care services, and number of persons applying for employment and training programs notwithstanding Minnesota Statutes, section 268.91, subdivision 3.

3301.0530 [Emergency] APPLICATION FOR ALLOCATION.

Subpart 1. **Application.** The county shall make application on forms provided by the commissioner.

Subp. 2. **Submittal.** The county shall submit two copies of the application to the commissioner by May 1 of each year.

Subp. 3. **Application content.** The application shall contain:

A. a narrative of the county's total program for child care services for employment and training purposes, including the amount and source of all other funds used for providing child care services; and

B. a copy of the most recent information provided to the Department of Human Services under the Community Social Services Act for the target population which has need of child care services in order to secure or retain employment or to obtain the training or education necessary to secure employment.

Subp. 4. **Approval.** The commissioner shall inform the county of the approval of the application within 30 calendar days of the submission deadline.

3301.0540 [Emergency] DUTIES OF THE ADMINISTERING AGENCY.

Subpart 1. **Advertisement of child care services.** The administering agency shall inform:

A. parents of the availability of child care sliding fee assistance, the procedures for applying for that assistance, and tax credit for child care payments through news media, child care service providers, social service agencies and others, on an ongoing basis; and

B. every applicant for or recipient of AFDC of child care sliding fee assistance.

Subp. 2. **Assistance to applicants.** The administering agency shall provide information about the program including types of available child care services, limits on availability, application requirements, assistance in making application, and a copy of the fee schedule.

Subp. 3. **Notification procedures.** The administering agency shall inform each applicant of the approval or denial of the application within 15 working days of receipt of a completed signed application. Notice of denial of an application must contain the reason for denial. Eligibility for assistance will be from the date of application.

Subp. 4. **Eligibility redetermination.** The administering agency shall redetermine eligibility when notified by the applicant of a change in family size or a significant change in income, or every six months, whichever occurs first. A significant change is any change in monthly gross income which results in a ten percent decrease or increase.

3301.0550 [Emergency] APPLICATION FOR CHILD CARE SERVICE ASSISTANCE.

Families must apply for child care service assistance to the administering agency in the family's county of residence.

3301.0560 [Emergency] ELIGIBILITY CRITERIA.

Subpart 1. **Income level.** Families are eligible to receive child care service assistance if their income level is above the upper eligibility limit for AFDC but below 75 percent of the state median income.

Subp. 2. **Required proof of income eligibility.** Income of the applicant family shall be verified based on the 12-month period immediately preceding the application date or the most recent calendar year. Verification of income shall be made through documentary evidence in the possession of the applicant or be obtained from the source of the income.

Subp. 3. **Continuing eligibility.** Families receiving assistance under one of the three criteria under Minnesota Statutes, section 268.91, subdivision 4, for financial eligibility may not be refused further assistance upon a change of financial status as long as the family's income does not exceed 75 percent of the state median income. The family must inform the administering agency of a significant change in financial status as described in part 3301.0540 [Emergency], subpart 4.

3301.0570 [Emergency] FAMILY FEE PAYMENT SCHEDULE.

The following is the schedule of monthly fee rates for families based upon income and family size. The schedule will be adjusted annually based on the state median income.

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PROPOSED RULES

CHILD DAY CARE INCOME ELIGIBILITY AND FEE SCHEDULE

(Using Increments of 2.5 Percent for Each Range
up to 60 Percent of the State Median Income and One
Percent Increments From 60 Percent to 75 Percent of
the State Median Income)

Family of 2, State Median Income: \$19,493

60 percent of SMI = \$11,696

AFDC Income Level Threshold: \$5,209

% of SMI	Annual Gross Income Range	Monthly Gross Income Range	% Base	Family Fee	Monthly Tax Credit	% Tax Credit
25.0	\$ 5,209- 5,361	\$ 434- 447	.25	\$ 3	\$ 1.80	60.0
	5,362- 5,848	448- 487	.25	3	1.80	60.0
	5,849- 6,335	488- 528	.25	3	1.80	60.0
	6,336- 6,823	529- 569	.25	3	1.80	60.0
	6,824- 7,310	570- 609	.25	4	2.40	60.0
37.5	7,311- 7,797	610- 650	.50	8	4.80	60.0
	7798- 8,285	651- 690	.50	8	4.80	60.0
	8,286- 8,772	691- 731	.50	9	5.40	60.0
	8,773- 9,259	732- 772	.50	9	5.40	60.0
50.0	9,260- 9,747	773- 812	.50	10	6.00	60.0
	9,748-10,234	813- 853	.75	14	7.90	56.5
	10,235-10,721	854- 893	.75	15	8.50	56.5
	10,722-11,208	894- 934	.75	15	8.35	55.7
	11,209-11,696	935- 975	.75	16	8.80	54.8
Add 25 Percent To Base (*)						
65.0	11,697-11,891	976- 991	1.0	26	14.15	54.4
	11,892-12,086	992-1,007	1.0	34	18.00	53.0
	12,087-12,281	1,008-1,023	1.0	42	22.10	52.6
	12,282-12,476	1,024-1,040	1.0	51	26.60	52.2
	12,477-12,670	1,041-1,056	1.0	60	31.10	51.8
	12,671-12,865	1,057-1,072	1.25	73	37.45	51.3
	12,866-13,060	1,073-1,088	1.25	81	41.25	50.9
	13,061-13,255	1,089-1,105	1.25	89	44.95	50.5
	13,256-13,450	1,106-1,121	1.25	97	48.60	50.1
	13,451-13,645	1,122-1,137	1.25	105	52.20	49.7
70.0	13,646-13,840	1,138-1,153	1.50	118	58.20	49.3
	13,841-14,035	1,154-1,170	1.50	123	58.80	47.8
	14,036-14,230	1,171-1,186	1.50	130	61.60	47.4
	14,231-14,425	1,187-1,202	1.50	137	64.40	47.0
	14,426-14,620	1,203-1,218	1.50	144	67.10	46.6

(*) The 25 percent added to the base is calculated by establishing the difference between the midpoint of the range and the 60 percent of the state median income. 25 percent is then used from that figure.

PROPOSED RULES

Family of 3, State Median Income: \$24,078
 60 percent of SMI = \$14,447
 AFDC Income Level Threshold: \$6,337

% of SMI	Annual Gross Income Range	Monthly Gross Income Range	% Base	Family Fee	Monthly Tax Credit	% Tax Credit
25.0	\$ 6,337- 6,621	\$ 528- 552	.25	\$ 3	\$ 1.80	60.0
	6,622- 7,223	553- 602	.25	3	1.80	60.0
	7,224- 7,825	603- 652	.25	4	2.40	60.0
	7,826- 8,427	653- 702	.25	4	2.40	60.0
	8,428- 9,029	703- 752	.25	4	2.40	60.0
37.5	9,030- 9,631	753- 803	.50	9	5.40	60.0
	9,632-10,233	804- 853	.50	9	5.10	56.5
	10,234-10,835	854- 903	.50	10	5.65	56.5
	10,836-11,437	904- 953	.50	10	5.55	55.3
50.0	11,438-12,039	954-1,003	.50	10	5.30	53.0
	12,040-12,641	1,004-1,053	.75	16	8.30	51.8
	12,642-13,243	1,054-1,104	.75	16	8.10	50.5
60.0	13,244-13,845	1,105-1,154	.75	16	7.90	49.3
	13,846-14,447	1,155-1,204	.75	16	7.50	47.0
	Add 25 percent to Base (*)					
65.0	14,448-14,688	1,205-1,222	1.0	28	13.05	46.6
	14,689-14,929	1,223-1,244	1.0	36	16.30	45.2
	14,930-15,169	1,245-1,264	1.0	45	20.20	44.8
	15,170-15,410	1,265-1,284	1.0	54	24.00	44.4
	15,411-15,651	1,285-1,304	1.0	63	27.70	44.0
	15,652-15,891	1,305-1,324	1.25	78	33.95	43.5
	15,892-16,132	1,325-1,344	1.25	86	37.10	43.1
	16,133-16,373	1,345-1,364	1.25	95	40.55	42.7
70.0	16,374-16,614	1,365-1,384	1.25	103	43.55	42.3
	16,615-16,855	1,385-1,405	1.25	110	45.10	41.0
	16,856-17,095	1,406-1,425	1.50	124	50.35	40.6
	17,096-17,336	1,426-1,445	1.50	132	53.10	40.2
75.0	17,337-17,577	1,446-1,465	1.50	140	55.70	39.8
	17,578-17,818	1,466-1,485	1.50	148	58.30	39.4
	17,819-18,059	1,486-1,505	1.50	156	60.85	39.0

(*) The 25 percent added to the base is calculated by establishing the difference between the midpoint of the range and the 60 percent of the state median income. 25 percent is then used from that figure.

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PROPOSED RULES

Family of 4, State Median Income: \$28,667

60 percent of SMI = \$17,200

AFDC Income Level Threshold: \$7,393

% of SMI	Annual Gross Income Range	Monthly Gross Income Range	% Base	Family Fee	Monthly Tax Credit	% Tax Credit
25.0	\$ 7,393- 7,883	\$ 616- 657	.25	\$ 4	\$ 2.40	60.0
	7,884- 8,600	658- 717	.25	4	2.40	60.0
	8,601- 9,317	718- 776	.25	5	3.00	60.0
	9,318-10,033	777- 836	.25	5	2.80	56.5
	10,034-10,750	837- 896	.25	5	2.80	56.5
37.5	10,751-11,467	897- 956	.50	10	5.55	55.3
	11,468-12,183	957-1,015	.50	10	5.30	53.0
	12,184-12,900	1,016-1,075	.50	10	5.15	51.3
	12,901-13,617	1,076-1,135	.50	11	5.50	49.7
50.0	13,618-14,333	1,136-1,195	.50	11	5.20	47.4
	14,334-15,050	1,196-1,254	.75	17	7.80	45.8
	15,051-15,767	1,255-1,314	.75	17	7.55	44.5
	15,768-16,484	1,315-1,374	.75	17	7.10	41.8
60.0	16,485-17,200	1,375-1,433	.75	17	6.90	40.6
	Add 25 percent to base (*)					
65.0	17,201-17,487	1,434-1,457	1.0	29	11.55	39.8
	17,488-17,774	1,458-1,481	1.0	39	15.35	39.3
	17,775-18,060	1,482-1,505	1.0	48	18.00	37.5
	18,061-18,347	1,506-1,529	1.0	57	21.15	37.1
	18,348-18,634	1,530-1,553	1.0	66	23.95	36.3
70.0	18,635-18,920	1,554-1,577	1.25	81	29.00	35.8
	18,921-19,207	1,578-1,601	1.25	90	31.50	35.0
	19,208-19,494	1,601-1,625	1.25	99	34.25	34.6
	19,495-19,780	1,626-1,648	1.25	108	36.95	34.2
	19,781-20,067	1,649-1,672	1.25	114	36.80	32.3
75.0	20,068-20,354	1,673-1,696	1.50	129	41.15	31.9
	20,355-20,640	1,697-1,720	1.50	137	42.60	31.1
	20,641-20,927	1,720-1,744	1.50	145	44.50	30.7
	20,928-21,214	1,745-1,768	1.50	152	45.30	29.8
	21,215-21,500	1,768-1,792	1.50	160	47.05	29.4

(*) The 25 percent added to the base is calculated by establishing the difference between the midpoint of the range and the 60 percent of the state median income. 25 percent is then used from that figure.

PROPOSED RULES

Family of 5, State Median Income: \$33,253
 60 percent of SMI = \$19,952
 AFDC Income Level Threshold: \$8,292

% of SMI	Annual Gross Income Range	Monthly Gross Income Range	% Base	Family Fee	Monthly Tax Credit	% Tax Credit
25.0	\$ 8,292- 9,145	\$ 691- 762	.25	\$ 4	\$ 2.40	60.0
	9,146- 9,976	763- 831	.25	5	3.00	60.0
	9,977-10,807	832- 901	.25	6	3.40	56.5
	10,808-11,639	902- 970	.25	6	3.30	54.8
	11,640-12,470	971-1,039	.25	6	3.10	52.2
37.5	12,471-13,301	1,040-1,108	.50	10	5.05	50.5
	13,302-14,133	1,109-1,178	.50	11	5.25	47.8
	14,134-14,964	1,179-1,247	.50	11	5.10	46.2
	14,965-15,795	1,248-1,316	.50	11	4.90	44.5
50.0	15,796-16,627	1,317-1,386	.50	11	4.55	41.4
	16,628-17,458	1,387-1,455	.75	17	6.80	39.8
	17,459-18,289	1,456-1,524	.75	17	6.30	37.1
	18,290-19,120	1,525-1,593	.75	18	6.35	35.4
60.0	19,121-19,952	1,594-1,663	.75	18	6.10	33.8
	Add 25 percent to Base(*)					
65.0	19,953-20,284	1,664-1,690	1.0	30	9.60	31.9
	20,285-20,617	1,691-1,718	1.0	40	12.45	31.1
	20,618-20,950	1,719-1,746	1.0	50	15.35	30.7
	20,951-21,282	1,747-1,773	1.0	59	17.60	29.8
	21,283-21,614	1,774-1,801	1.0	69	20.00	29.0
	21,615-21,947	1,802-1,829	1.25	85	24.30	28.6
	21,948-22,280	1,830-1,857	1.25	93	24.90	26.8
	22,281-22,612	1,858-1,884	1.25	101	26.15	25.9
	22,613-22,945	1,885-1,912	1.25	111	28.30	25.5
	22,946-23,277	1,913-1,940	1.25	119	29.40	24.7
70.0	23,278-23,610	1,941-1,967	1.50	134	31.90	23.8
	23,611-23,942	1,968-1,995	1.50	143	33.45	23.4
	23,943-24,275	1,996-2,023	1.50	149	32.80	22.0
	24,276-24,607	2,024-2,051	1.50	159	35.00	22.0
75.0	24,608-24,940	2,052-2,078	1.50	168	36.95	22.0

(*) The 25 percent added to the base is calculated by establishing the difference between the midpoint of the range and the 60 percent of the state median income. 25 percent is then used from that figure.

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PROPOSED RULES

Family of 6, State Median Income: \$37,838
 60 Percent of SMI = \$22,703
 AFDC Income Level Threshold: \$8,292

% of SMI	Annual Gross Income Range	Monthly Gross Income Range	% Base	Family Fee	Monthly Tax Credit	% Tax Credit
25.0	\$ 9,204-10,405	\$ 767- 867	.25	\$ 4	\$ 2.25	56.5
	10,406-11,351	868- 946	.25	5	2.80	55.7
	11,352-12,297	947-1,025	.25	5	2.65	52.6
	12,298-13,243	1,026-1,104	.25	5	2.55	50.5
	13,244-14,189	1,105-1,182	.25	5	2.40	47.8
37.5	14,190-15,135	1,183-1,261	.50	11	5.00	45.8
	15,136-16,081	1,262-1,340	.50	11	4.70	42.7
	16,082-17,027	1,341-1,419	.50	11	4.50	40.6
	17,028-17,973	1,420-1,498	.50	12	4.70	38.9
50.0	17,974-18,919	1,499-1,577	.50	12	4.30	35.8
	18,920-19,865	1,578-1,655	.75	18	6.10	33.8
	19,866-20,811	1,656-1,734	.75	18	5.55	30.7
	20,812-21,757	1,735-1,813	.75	18	5.20	29.0
60.0	21,758-22,703	1,814-1,892	.75	18	4.70	25.9
	Add 25 percent to Base(*)					
65.0	22,704-23,081	1,893-1,923	1.0	31	7.80	25.1
	23,082-23,460	1,924-1,955	1.0	41	10.00	24.3
	23,461-23,838	1,956-1,986	1.0	51	11.95	23.4
	23,839-24,216	1,987-2,018	1.0	61	13.40	22.0
	24,217-24,595	2,019-2,050	1.0	71	15.60	22.0
	24,596-24,973	2,051-2,081	1.25	88	19.35	22.0
	24,974-25,351	2,082-2,113	1.25	99	21.80	22.0
	25,352-25,730	2,114-2,144	1.25	110	24.20	22.0
	25,731-26,108	2,145-2,176	1.25	119	25.00	21.0
	26,109-26,487	2,177-2,207	1.25	129	27.10	21.0
70.0	26,488-26,865	2,208-2,239	1.50	147	30.90	21.0
	26,866-27,243	2,240-2,270	1.50	157	33.00	21.0
	27,244-27,622	2,271-2,302	1.50	168	35.30	21.0
	27,623-28,000	2,303-2,333	1.50	178	37.40	21.0
75.0	28,001-28,379	2,334-2,365	1.50	186	37.20	20.0

(*) The 25 percent added to the base is calculated by establishing the difference between the midpoint of the range and the 60 percent of the state median income. 25 percent is then used from that figure.

3301.0580 [Emergency] EMPLOYMENT AND TRAINING ELIGIBILITY.

Subpart 1. **Child care during job search.** Counties shall provide the equivalent of one month of full-time child care to persons seeking employment. This amount can be prorated over a period of up to four months at the option of the applicant.

Subp. 2. **Setting aside of funds.** Counties shall set aside child care assistance funds for persons who are receiving assistance for education or training programs with demonstrated effectiveness. The funds must be set aside for the length of the program. If education or training extends beyond the program year, counties must set aside funds on a contingent basis. Resources to cover the assistance may be from the sliding fee program only or from a combination of funding sources for child care assistance.

Subp. 3. **Length of assistance.** Counties shall pay child care assistance to recipients for the length of the program or 24 months, whichever is shorter. Persons enrolled in programs for two or more years may select the 24-month period during which they will receive assistance.

Subp. 4. **Local policies.** Counties may establish additional policies on continuation in and completion of training programs and transfer between programs. These policies must be in writing and be available to the public.

Subp. 5. **WIN participation.** The WIN assessment and employability development plan shall be followed in determining the eligibility for sliding fee child care assistance funds for employment and training services.

3301.0590 [Emergency] PROVISION OF SERVICE.

Subpart 1. **Service charge.** The county shall determine annually the median service charge for each type of child care service available in the county and report that information on a form provided by the commissioner by August 31 of each year.

Subp. 2. **Limitation of assistance.** The county may limit the number of families to whom assistance is provided if allocations are insufficient.

Subp. 3. **Disproportionate distribution.** A county that disproportionately distributes money among the three eligibility groups must document to the commissioner the reasons for the distribution. A county's rationale may include such factors as the number of families being served by other funding sources and the number of families in need of child care in each category.

3301.0600 [Emergency] PAYMENT OF ASSISTANCE.

Subpart 1. **Payment options.** The administering agency shall make payment in either of the following ways:

- A. reimbursement of an eligible family's expenses incurred up to the limits specified by the county; or
- B. reimbursement of the child care provider charges up to the limits specified by the county.

Subp. 2. **Notification.** The administering agency shall inform the family or child care provider who will receive payment how and when it will be received.

Subp. 3. **Payment by computation.** The administering agency shall inform the family of the method by which its monthly family fee payment was computed.

Subp. 4. **Payment schedule.** The administering agency shall make payments monthly.

Subp. 5. **Sick child care.** The county may pay sick child care on a limited basis in addition to making payments for regular child care. Sick child care assistance payments may not exceed the day care center maximum set by the county for the sick child's age.

3301.0610 [Emergency] DATA COLLECTION AND EVALUATION.

Subpart 1. **Data collection.** The commissioner shall collect the following data by August 31 of each year:

- A. the amount of money the counties spend on child care from all public funding sources;
- B. the number of children receiving child care by all public funding sources;
- C. the average number of children who receive assistance per family under the sliding fee program;
- D. the average length of time a child receives child care under the sliding fee program;
- E. the number of families receiving child care in each eligibility category of the sliding fee program;
- F. the county's average expenditure per child care slot for 12 months under the sliding fee program; and
- G. the number of families who received AFDC in the six months prior to receiving assistance with child care costs.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

PROPOSED RULES

Subp. 2. **Program evaluation.** The commissioner shall evaluate the program to determine its effectiveness in preventing and reducing dependence on public assistance and in providing other benefits.

Subp. 3. **Reporting.** The administering agency shall collect data and prepare periodic reports as required by the commissioner.

3301.0620 [Emergency] FAIR HEARING PROCESS.

Subpart 1. **Responsibilities of the county.** The county shall ensure that one or more review officers are appointed to conduct informal grievance procedures concerning the issues in subpart 2 and in accordance with the procedures in subparts 3 to 6. Review officers who are appointed must not have participated, in any way, in the action in question.

Subp. 2. **Grievable actions.** Applicants and recipients have the right to request the county to conduct an informal grievance procedure on the following actions:

- A. a determination of ineligibility for child care assistance;
- B. termination of child care assistance;
- C. determination of the family fee; and
- D. income redetermination resulting in change of a family fee.

For purposes of item B, a recipient may not appeal if the child care assistance was terminated during the period of time when funds were to be available on a contingent basis.

Subp. 3. **Notice requirements.** The county shall notify the applicant or the recipient, in writing, of any grievable action. Notice of the action must be mailed to the applicant or recipient at least 15 calendar days before the effective date of the action. The notice must clearly state what action the county intends to take, the necessary corrective measures, the right to grieve the action, the time limits for the grievance, and the consequences of the action.

Subp. 4. **Notice of intent to grieve.** An applicant or recipient who receives the notice described in subpart 3 must request the county, in writing, to conduct the grievance procedure.

Subp. 5. **Informal grievance procedure.** The county shall provide an informal grievance procedure within 30 days of receipt of a written request.

The county shall give the applicant or recipient ten calendar days' notice of the hearing date. The applicant or recipient has the right to appear, to call witnesses, and submit new documentation. The written request and all actions and decisions of the procedure shall be maintained as part of the official record. The hearing officer shall make a determination within ten days of the date of the informal grievance procedure.

Subp. 6. **Administrative hearing process.** A dissatisfied party may request within 15 calendar days of the mailing of an adverse determination, a fair hearing conducted in the manner prescribed by Minnesota Statutes, section 268.10, subdivision 3, or the determination will be final. A right to review will be provided in accordance with Minnesota Statutes, section 268.10, subdivision 5. The adverse determination will not take effect until the appeal is decided by the administrative hearing process.

SUPPORT SERVICES

3301.0630 [Emergency] PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** Parts 3301.0630 to 3301.0650 [Emergency] govern the provision of support services, other than sliding fee child care, to participants in employment and training services.

Subp. 2. **Applicability.** Parts 3301.0630 to 3301.0650 [Emergency] apply to all LSUs providing or arranging for work-related transportation and other support services subject to availability of funds.

3301.0640 [Emergency] TRANSPORTATION.

Subpart 1. **Reimbursement rate.** LSUs shall provide or arrange for payment or reimbursement of work-related transportation costs for participants in employment and training services. Participants will be reimbursed at a rate of 16 cents per actual mile traveled to and from home and the agency approved employment and training site when a personal vehicle is used. A participant will be paid or reimbursed actual costs when public transportation or carpooling is used.

Subp. 2. **Report.** The participant must report transportation expenses on forms provided by the local agency or contractor.

3301.0650 [Emergency] OTHER SUPPORT SERVICES.

Support services other than sliding fee child care and transportation shall be provided or arranged for by LSUs based on employment and training program requirements. Other support services include child care services other than sliding fee, work-related expenses as defined in part 3301.0020 [Emergency], subpart 29 and family services including:

- A. homemaker services;

- B. financial management;
- C. family planning;
- D. counseling;
- E. employment-related medical, remedial, and health care services;
- F. employment-related medical expenses;
- G. vocational rehabilitation; and
- H. other services necessary to enable a registrant to participate in employment and training.

ADOPTED RULES

The adoption of a rule becomes effective after the requirements of Minn. Stat. § 14.14-14.28 have been met and five working days after the rule is published in *State Register*, unless a later date is required by statutes or specified in the rule.

If an adopted rule is identical to its proposed form as previously published, a notice of adoption and a citation to its previous *State Register* publication will be printed.

If an adopted rule differs from its proposed form, language which has been deleted will be printed with strikeouts and new language will be underlined. The rule's previous *State Register* publication will be cited.

An emergency rule becomes effective five working days after the approval of the Attorney General as specified in Minn. Stat. § 14.33 and upon the approval of the Revisor of Statutes as specified in § 14.36. Notice of approval by the Attorney General will be published as soon as practicable, and the adopted emergency rule will be published in the manner provided for adopted rules under § 14.18.

Department of Commerce

Adopted Repeal of Contested Case Procedure and Advertisement of Sickness and Accident Insurance Rules

The rules proposed and published at *State Register*, Volume 10, Number 2, pages 41-42, July 8, 1985 (10 S.R. 41) is adopted as proposed.

Department of Commerce

Adopted Rule Relating to Comprehensive Health Insurance

The rules proposed and published at *State Register*, Volume 10, Number 2, pages 43-44, July 8, 1985 (10 S.R. 43) are adopted as proposed.

Department of Commerce

Adopted Rules Governing Security Requirements of Self-Insurers Under the No-Fault Automobile Insurance Act

The rules proposed and published at *State Register*, Volume 10, Number 2, pages 42-43, July 8, 1985 (10 S.R. 42) are adopted as proposed.

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ADOPTED RULES

Department of Commerce

Adopted Rules Prohibiting Sex Discrimination in Insurance Contracts

The rules proposed and published at *State Register*, Volume 9, Number 40, pages 2144-2146, April 1, 1985 (9 S.R. 2144) are adopted as proposed.

Ethical Practices Board

Adopted Rules Relating to Economic Interest Disclosure, Lobbyist Reporting, Conflicts of Interest, and Representation Disclosure

The rules proposed and published at *State Register*, Volume 10, Number 12, pages 646-648, September 16, 1985 (10 S.R. 646) are adopted as proposed.

Board of Psychology

Adopted Rule Relating to Fees

The rule proposed and published at *State Register*, Volume 10, Number 14, pages 752-753, September 30, 1985 (10 S.R. 752) is adopted as proposed.

Public Utilities Commission

Adopted Rules Governing the Conservation Improvement and Renewable Resource Programs

The rules proposed and published at *State Register*, Volume 10, Number 8, pages 470-473, August 19, 1985 (10 S.R. 470) are adopted with the following modifications:

7840.0400 PROJECTS IN EFFECT.

Approved projects that are in effect on the effective date of parts 7840.0200 to 7840.1400 shall continue in effect for 60 days or until their expiration date, whichever occurs later.

7840.0500 CONSERVATION IMPROVEMENT PROGRAM FILING.

No later than May 1 of each year beginning in 1986, a public utility required by Minnesota Statutes, section 216B.241 to invest in a conservation improvement program shall file with the Public Utilities Commission a conservation improvement program. The filing must include:

C. For each project targeted at residential consumers, a statement of the anticipated percentage of use of each project among targeted residential consumer groups low income families and individuals, and renters.

H. An explanation of how the proposed residential projects provide special consideration for renters and low income customers.

7840.0800 NOTICE.

At the time it files its conservation improvement or utility renewable resource pilot program with the Public Utilities Commission, the public utility must provide written notice of its filing to persons who participated in the utility's last general rate case or who participated in its conservation improvement program case or utility renewable resource pilot program case during the preceding two years. The commission will maintain, and provide upon request, a current mailing list including these persons. The notice must state that a copy of the utility's proposed program is available for public inspection at the enumerated business office locations of the utility and at the Public Utilities Commission's office. The notice must also state that the utility will make a copy of the proposed program available to interested persons upon request.

7840.0900 COMMENT; ALTERNATIVE PROPOSALS.

The Public Utilities Commission shall allow 30 days from the date of the filing of the public utility's program for written comments on the program and the submission of alternative projects by interested persons. Proposals for alternative projects must

follow the requirements of part 7840.0500 or 7840.0600 except for part 7840.0500, item K. The commission shall allow 15 days from the filing of the comments and alternative projects for written responses. These comments ~~and~~, alternative projects, ~~and responses~~ must be filed with the Public Utilities Commission, the Department of Public Service, the Department of Energy and Economic Development, and the utility to which they are addressed. The persons submitting the comments, alternative projects, or responses must provide them to any person, upon request.

7840.1000 REQUEST FOR CONTESTED CASE HEARING.

Within ten days following the end of the comment ~~period~~ and response periods, a utility or an interested person may file a motion with the Public Utilities Commission requesting a contested case hearing on a proposed program. The motion must set forth with specificity the grounds for a hearing. The motion must be served on persons who filed comments in the proceeding. Replies may be filed within five days from the date of service of the motion. A contested case hearing will be granted when a material, adjudicative fact is in dispute or a substantial liberty or property interest will be adversely affected.

7840.1200 DISAPPROVAL; ORDER.

~~If~~ When the Public Utilities Commission ~~does not approve~~ approves, disapproves, or modifies a program, project, or evaluation plan ~~or modifies a program, project, or evaluation plan~~, it shall set forth its reasons in a written order.

7840.1300 PROPOSED PROGRAM CHANGES.

Upon its own motion or upon the motion of a utility or other person, the Public Utilities Commission may add a new project or modify, expand, or terminate an existing conservation improvement program or utility renewable resource pilot program before ~~its~~ the program's expiration date. The moving party must notify all participants in the affected utility's conservation improvement program case or utility renewable resource pilot program case of the motion. Interested persons must be allowed 15 days to submit comments on the proposed program changes. A change may be ordered to make a project more effective, reach more participants, reduce unnecessary or ineffective expenditures, to expand, change, or reduce the geographic area or target group that the project covers, or to change the time period during which the project would be in effect.

Sentencing Guidelines Commission

Adopted Rules Governing Promulgation of the Sentencing Guidelines

The rules proposed and published at *State Register*, Volume 10, Number 1, pages 14-16, July 1, 1985 (10 S.R. 14) are adopted as proposed.

OFFICIAL NOTICES

Pursuant to the provisions of Minn. Stat. § 15.0412, subd. 6, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

Department of Commerce

Outside Opinion Sought Regarding Proposed Rules Relating to Modified Guaranteed Annuities Including the Impact of the Rules on Small Business

Notice is hereby given that the Department of Commerce is seeking information or opinions from persons outside the agency in preparing to promulgate new rules governing modified guaranteed annuities, including those annuities known as single premium

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OFFICIAL NOTICES

guaranteed annuities (SPDA's). Promulgation of these rules is authorized by Minnesota Statutes, Section 61A.13-61A.21 and 45.023. The Department is considering the adoption of the Model Regulation proposed by the National Association of Insurance Commissioners (NAIC).

Outside opinion is also being solicited as to how these rules will affect small businesses as defined by Minnesota Statutes § 14.115, subdivision 1.

The Department of Commerce requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing to Richard G. Gomsrud, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101, (612) 296-5689.

All statements of information and comment shall be accepted until January 2, 1986. Any written material received by the Department of Commerce shall become part of the record in the event that the rules are promulgated.

Michael A. Hatch
Commissioner of Commerce

State Board of Education

Position Available for Residential Academy Administrator

Applications will be accepted until 4:30 p.m. on Thursday, January 2, 1986, for the position of Residential Academy Administrator for the Minnesota Academy for the Deaf and for the Minnesota Academy for the Blind.

The position directs the administrative and educational functions of the Minnesota Academy for the Deaf and the Minnesota Academy for the Blind. In order for the applicant to qualify, he/she must possess a valid Minnesota Superintendent's certificate, or must have completed graduated work which would qualify him/her for such a certificate at the time of hiring. The position requires professional experience as a responsible administrator for the operation of a special education program, including responsibility for ensuring compliance with P.L. 94-142, specifically the operation of the IEP process and student assessment. The applicant must possess the ability to communicate with deaf students through the use of sign language and visually impaired students through the use of braille, or must be willing to sign an agreement to learn to communicate through sign language and braille during an agreed-upon probationary period.

For additional job information, a job application and an experience questionnaire requested of all applicants, write or call: Office of Employee Relations, Minnesota Department of Education, 752 Capitol Square Building, 550 Cedar Street, St. Paul, MN 55101 Phone: (612) 296-3377. The position pays \$18.17-\$24.11/hour; \$37,993-\$50,342/year.

This is not a classified civil service position.

State Board of Education Department of Education Instructional Effectiveness Division

Outside Opinion Sought Regarding Proposed Rules Governing School Library/Media Programs

Notice is hereby given that the State Board of Education is seeking information or opinions from sources outside the agency in preparing rules governing the School Library/Media Programs. The promulgation of these rules is authorized by Minnesota Statutes, section 121.11 subdivisions 7 and 12.

The State Board of Education requests information and comments regarding the subject matter of Minnesota Rule part 3500.0700. Interested persons may submit statements of information or comment orally or in writing. Written statements should be addressed to:

Robert H. Miller
Minnesota Department of Education
606 Capitol Square Building
550 Cedar Street
St. Paul, MN 55101

Oral statements will be received during regular business hours over the telephone 612-296-1570 and in person at the above address.

All statements of information and comments shall be accepted until January 6, 1986. Any written material received by the State Board of Education shall become part of the record in the event that the rules are adopted.

November 21, 1985

Dwight Lindbloom
Assistant Commissioner
Instructional Effectiveness

Department of Energy and Economic Development Energy and Economic Development Authority

Public Hearing on Proposed Project and Issuance of Bonds Under Minnesota Statutes, Chapter 116M, Exclusive—Hydroelectric Facility, 10th Street Dam, St. Cloud

NOTICE IS HEREBY GIVEN that the Minnesota Energy & Economic Development Authority (the "Authority") shall meet or an authorized representative shall be present, on December 18, 1985, at 3:00 p.m. o'clock at 900 American Center Building, 150 East Kellogg Boulevard, Saint Paul, Minnesota, for the purpose of conducting a public hearing on a proposed issue of bonds (the "Bonds") under Minnesota Statutes, Chapter 116M as amended and supplemented (the "Act"), to undertake and finance a project on behalf of the City of St. Cloud, Minnesota (the "City"). Such persons as desire to be heard with reference to said issue of Bonds will be heard at this meeting.

The project to be financed consists of the construction and equipping of low-head hydroelectric facility on an existing dam owned by the City, together with the renovation of such dam and the construction of a powerhouse, intake and tailraces and the installation of turbines, generators and control equipment and related improvements and equipment, such hydroelectric facility having a full name plate capacity of eight megawatts, to be located in the City of St. Cloud, Benton, Stearns and Sherburne Counties, Minnesota (general description of location: at the existing 10th Street Dam on the Mississippi River where the bridge on 10th Street crosses the Mississippi River in the City of St. Cloud, Benton, Stearns and Sherburne Counties, Minnesota) (The "Project").

The initial owner of the project will be the City, and the Project is expected to be operated and managed by the City or its agent. It is contemplated that the electricity produced by the Project will be sold to Northern States Power Company pursuant to a long-term output contract. The estimated maximum amount of the Authority's proposed bond issue is an amount equal to \$19,350,000.

The Bonds shall be limited obligations of the Authority, and the Bonds and the interest thereon shall be payable solely from the revenue pledged to the payment thereof, except that such Bonds may be secured by a mortgage or security interest or other security arrangements to be created by the City if subsequently required by the Authority. In addition, the Bonds and the Project may subsequently be considered by the Authority for financial assistance to be provided by the Energy Development Fund, created and established pursuant to the Act or other applicable financial assistance of the Authority. Notwithstanding the foregoing, no holders of any such Bonds shall ever have the right to compel any exercise of the taxing powers of the State of Minnesota or any political subdivision thereof to pay the Bonds or the interest thereon nor to enforce payment against any property of said State or said political subdivision.

A copy of the application to the Authority for approval of the Project, together with all attachments and exhibits thereto and copy of the Authority's resolution accepting the application and accepting the Project is available for public inspection at the offices of the Authority at 900 American Center Building, 150 East Kellogg Boulevard, Saint Paul, Minnesota from the date of this notice to the date of the public hearing hereinabove identified, during normal business hours.

November 19, 1985

By Order of the Members of the
Minnesota Energy and Economic Development
Authority,
Mark B. Dayton,
Commissioner, Department of Energy
& Economic Development, and Chairman
Minnesota Energy & Economic Authority.

Ethical Practices Board

Notice of 1986 Nonelection Year Campaign Expenditure and Contribution Limits

In accordance with Minn. Stat. §§ 10A.25, 10A.255, and 10A.27, the following are nonelection year campaign expenditure and contribution limits for 1986:

Office sought or held	Nonelection year contribution limits		Nonelection year Campaign expenditure limits*
	From individual, political committee or fund	From political party, in aggregate	
Governor & Lt. Governor	\$12,000	\$60,000	\$245,160
Attorney General	\$ 2,000	\$10,000	\$ 42,360
Secretary of State	\$ 1,000	\$ 5,000	\$ 21,180
State Treasurer	\$ 1,000	\$ 5,000	\$ 21,180
State Auditor	\$ 1,000	\$ 5,000	\$ 21,180
State Senator	\$ 300	\$ 1,500	\$ 6,354
State Representative	\$ 150	\$ 750	\$ 3,355
Elective Judgeships	No limit	No limit	No limit

*Subject to adjustment under Minn. Stat. §§ 10A.25 and 10A.255 after June 1, 1986.

1986 election year campaign expenditure limits will be calculated and published by June 1, 1986, under Minn. Stat. § 10A.255.

Department of Finance

Maximum Interest Rate for Municipal Obligations, December, 1985

Pursuant to Minnesota Statutes, Section 475.55, Subdivision 4, Commissioner of Finance, Jay Kiedrowski, announced today that the maximum interest rate for municipal obligations in the month of December will be ten (10) percent per annum. Obligations which are payable wholly or in part from the proceeds of special assessments or which are not secured by general obligations of the municipality may bear an interest rate of up to eleven (11) percent per annum.

For further information, contact,

Peter Sausen, Assistant Commissioner
 Cash and Debt Management
 State of Minnesota
 Department of Finance
 (612) 296-8372.

**Department of Human Services
 Assistance Payments Division**

Outside Opinion Sought Concerning Proposed Rules Governing the General Assistance Program Categories of Eligibility and the Work Readiness Program

Notice is hereby given that the Minnesota Department of Human Services is seeking information or opinions from sources outside the agency in preparing to promulgate permanent rules governing the General Assistance Program categories of eligibility and the work readiness program. The proposed permanent rules will replace Minnesota Rules, parts 9500.1100 to 9500.1107 [Emergency] and 9500.1210 to 9500.1221 [Emergency].

The promulgation of permanent rules is authorized by Minnesota Statutes 1985 Supplement, sections 256D.05, subdivision 1; 256D.051; and 256D.09, subdivisions 1 and 4; 256D.101; and 256D.111, subdivision 5.

The Minnesota Department of Human Services requests information and comments concerning the subject of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing.

Written statements should be addressed to:

Ray Bly
Rulemaking Division
Department of Human Services
444 Lafayette Road, 6th Floor
St. Paul, Minnesota 55101

Oral statements of information and comment will be received over the telephone at (612) 297-1489 between the hours of 9:00 a.m. and 4:00 p.m.

Department of Human Services Licensing Division

Outside Opinion Sought Concerning Amendments to Licensing Standards for Family Day Care and Group Family Care Homes

Notice is hereby given that the Minnesota Department of Human Services is considering amendments to Minnesota Rules, Parts 9502.0300 to 9502.0445, Licensing Standards for Family Day Care and Group Family Day Care Homes.

The Commissioner is authorized to promulgate rules for the licensing of day care facilities under Minnesota Statutes, section 245.781 to 245.812. Rule parts considered for amendment are definitions, purpose, licensing process, negative licensing actions, agency records, caregiver qualifications, licensed capacity, reporting to the agency, training, behavior guidance, provider records, activities and equipment, physical environment, sanitation and health, and water, food and nutrition.

All interested or affected persons or groups are requested to participate. Statements of information and comment may be made orally or in writing. Written statements of information and comment may be addressed to:

Kay E. Weber
Licensing Division
Department of Human Services
6th Floor, Space Center
444 Lafayette Road
St. Paul, MN 55101

Oral statements of information and comments will be received by the telephone at (612) 297-3528 between 9:00 a.m. and 4:00 p.m. Mondays through Fridays.

Statements of information and comment will be accepted until further notice. Any written material received by the Department shall become part of the hearing record. Oral statements will be considered but will not become part of the hearing record.

Office of the Secretary of State

Vacancies in Multi-Member State Agencies

Notice is hereby given to the public that vacancies have occurred in multi-member state agencies, pursuant to Minn. Stat. § 15.0597, subd. 4. Application forms may be obtained at the Office of the Secretary of State, 180 State Office Building, St. Paul 55155-1299; (612) 296-2805. Application deadline is December 24, 1985.

ELEMENTARY-SECONDARY-VOCATIONAL (ESV) COMPUTER COUNCIL has 1 vacancy open for an urban administrator from Congressional District 5 or 6. The council advises and assists the State Board of Education in the development of plans and standards for ESV-IS (elementary, secondary and vocational education management information systems) and SDE-IS (State Department of Education information system). Members are appointed by the Governor. Members receive \$35 per diem. For specific information contact the Elementary-Secondary-Vocational (ESV) Computer Council, Board of Education, Capital Square Bldg., 550 Cedar St., St. Paul 55101; (612) 297-3152.

COUNCIL ON BLACK MINNESOTANS has 1 vacancy open for a public member. The council makes recommendations to the Governor and legislature to improve the economic and social conditions of Black Minnesotans; serves as a referral agency and liaison to federal, state and local governments and private organizations on matters relating to Blacks; studies solutions to problems of Blacks in employment, human rights, health, housing, social welfare and other areas; reviews applications for federal grants which will have primary effect on Black Minnesotans. Members are appointed by the Governor and shall be broadly representatives of the Black Community. For specific information contact the Council on Black Minnesotans, 289 E. 5th St., Suite 210, St. Paul 55101; (612) 297-3708.

OFFICIAL NOTICES

ARCHITECTURE, ENGINEERING, LAND SURVEYING AND LANDSCAPE ARCHITECTURE BOARD has 1 vacancy open for a public member. The board licenses and regulates architects, engineers, land surveyors and landscape architects. Members are appointed by the Governor. Members must file with the Ethical Practices Board. Meetings four times a year; members receive \$35 per diem plus authorized expenses. For specific information contact the Architecture, Engineering, Land Surveying and Landscape Architecture Board, 162 Metro Square Bldg., St. Paul 55101; (612) 296-2388.

ADVISORY TASK FORCE ON THE WOMAN OFFENDER IN CORRECTIONS has 18 vacancies open immediately for members. The task force consults with the Commissioner of Corrections regarding choice of model programs to receive funding. Review and make recommendations to the Commissioner on matters affecting women offenders. Identify problem areas and make recommendations for problem resolution. Assist the Commissioner when and where possible in seeking improved programming for women offenders. Members shall reflect a statewide geographical representation and are appointed by the Commissioner of Corrections. Members receive expenses in the same manner and amount as state employees. Meetings are held the 1st Wednesday of each month at the Dept. of Corrections. For specific information contact the Advisory Task Force on the Woman Offender in Corrections, Dept. of Corrections, 300 Bigelow Bldg., 450 N. Syndicate Ave., St. Paul 55104; (612) 642-0340.

POISON INFORMATION CENTER ADVISORY TASK FORCE has 7 vacancies open for the following members: a) 1 nurse; b) 1 pharmacist; c) 4 physicians from the fields of toxicology, pediatric medicine, emergency medicine and internal medicine; d) 1 person who has no past or present financial interest or professional involvement in the provision of poison information or treatment services. No more than 3 members may be residents of the metropolitan area, no more than one may be a resident of any single county and none may be affiliated with the currently designated poison information center. The task force provides educational services to the public and health professionals. Members receive no compensation. For specific information contact the Poison Information Center Advisory Task Force, 717 Delaware St. S.E., Mpls. 55412; (612) 623-5284.

INDIAN ADVISORY COUNCIL ON CHEMICAL DEPENDENCY has vacancies for 9 American Indian representatives; one from each of the following groups: a) Red Lake Reservation; b) Prairie Island Reservation; c) Fond du Lac Reservation; d) Mille Lacs Reservation; e) Lower Sioux Reservation; f) Upper Sioux Reservation; g) Shakopee Sioux Reservation; h) Minnesota Group; i) St. Paul Group. The council establishes policies and procedures for American Indian chemical dependency programs; reviews and recommends proposals for funding. Members are appointed by the Commissioner of Human Services. Quarterly meetings; members receive \$35 per diem plus expenses. For more specific information contact the Indian Advisory Council on Chemical Dependency, Space Center, 444 Lafayette Rd., St. Paul 55101; (612) 296-8941.

STATE INFORMATION SYSTEMS ADVISORY TASK FORCE has 8 vacancies open for members. The task force makes recommendations to the Commissioner of Administration on the state's computerization and information management efforts. Members are typically equivalent of vice presidents of information services in large private sector organizations. The task force serves as a sounding board, provides information on techniques members have used within their organizations to address data processing issues, provides advice, and evaluates alternative automation options presented by the state. Members are appointed by the Commissioner of Administration. Members receive no compensation. Monthly meetings or at the call of the chairman. For specific information contact the State Information Systems Advisory Task Force, 2nd Floor, Administration Bldg., 55 Sherburne St., St. Paul 55155; (612) 296-8083.

STATE COUNCIL ON VOCATIONAL TECHNICAL EDUCATION has 3 vacancies open for the following members: a) 1 representative of business and industry; b) 1 representative of labor organizations in the private sector; c) 1 representative of secondary vocational institutions and special education. The council reports and advises the Governor, the State's education boards, the business community and the public on public policy for vocational technical education. Members are appointed by the Governor. Members receive expenses. For specific information contact the State Council on Vocational Technical Education, 700 Wayzata Bldg., Mpls. 55403; (612) 341-7661.

GOVERNOR'S RESIDENCE COUNCIL has 3 vacancies open for 2 public members and 1 representative of the American Society of Landscape Architects. The council develops an overall restoration plan for the Governor's Residence and surrounding grounds; solicits contributions to maintain and improve the public areas of the building. Members are appointed by the Governor. Members receive no compensation. For specific information contact the Governor's Residence Council, 432 Summit Ave., St. Paul 55102; (612) 296-2961.

Washington County

Filing Fees for County Law Library

Effective December 1, 1985, a \$7 law library fee will be assessed on all civil suits and probate proceedings pursuant to Minnesota Statutes 140.422 subdivisions 1 and 2. Effective January 1, 1986, a \$1 law library fee will be assessed on all criminal convictions pursuant to Minnesota Statutes 140.422 subdivision 2.

STATE CONTRACTS

Pursuant to the provisions of Minn. Stat. § 16.098, subd. 3, an agency must make reasonable effort to publicize the availability of any consultant services contract or professional and technical services contract which has an estimated cost of over \$2,000.

Department of Administration procedures require that notice of any consultant services contract or professional and technical services contract which has an estimated cost of over \$10,000 be printed in the *State Register*. These procedures also require that the following information be included in the notice: name of contact person, agency name and address, description of project and tasks, cost estimate, and completed contract proposal. Certain quasi-state agencies are exempted from some of the provisions of this statute.

Commodities contracts with an estimated value of \$5,000 or more are listed under the Procurement Division, Department of Administration. All bids are open for 7-10 days before bidding deadline. For bid specifics, time lines, and other general information, contact the appropriate buyers by calling 296-6152. If the appropriate buyer is not available, contact Harvey Leach or Barbara Jolly at 296-3779.

Department of Administration Procurement Division

Commodities Contracts and Requisitions Currently Open for Bidding

Requisition #	Item	Ordering Division	Delivery Point	Estimated Dollar Amount
29-000-42975-6-7-4147-8-9	1986 Pheasant, Stream Troup & Migratory Waterfowl Stamps	Natural Resources	St. Paul	Contact buyer
60-000-04561-2-4-4458-9-60	Future Choices Booklet, Planning Guide & Poster	Higher Education Coordinating Board	St. Paul	Contact buyer
27-143-48477-4133	1986-88 Catalogs	Hibbing Community College	Hibbing	Contact buyer
21-200-11600-4151	Business Cards	Jobs and Training	St. Paul	Contact buyer
78-620-25645	Ice Machines	MN Correctional Facility	Stillwater	Contact buyer
Rebid 37-001-10558	Snow Removal	Human Services—Academy for the Deaf	Faribault	Contact buyer
26-074-10586	Painting Walls, etc.	Winona State University	Winona	Contact buyer
29-000-42893-3793	Water Safety Coloring Book	Natural Resources	St. Paul	Contact buyer
12-400-89050-4218	PKU/Galactosemia/Hypothyroidism	Health	Minneapolis	Contact buyer
55-000-93442&3-4537&8	GA & MA ID Cards	Administration—Central Stores	St. Paul	Contact buyer
27-154-46554	Purchase of Computers	Lakewood Community College	White Bear Lake	Contact buyer
02-307-47758	Chassis for Packer	Administration—Plant Management	St. Paul	Contact buyer
Contract 29-008-40666	Printing of Business Cards	Various	Various	Contact buyer
11-330-07533	Floatation Jackets & Addendum #1	Natural Resources	St. Paul	Contact buyer
12-400-89092	Move State Licensing Boards	Health	Minneapolis	Contact buyer
21-200-11018-3989	Lamp for Photoionization Detectors	Health	Minneapolis	Contact buyer
79-000-50438-4340	Request for Wages & Separation Information	Jobs and Training	St. Paul	Contact buyer
21-200-11602-4206	1986 Aeronautical Charts	Transportation	St. Paul	Contact buyer
27-145-47438-3493	Employer's Quarterly Unemployment Tax Report	Jobs and Training	St. Paul	Contact buyer
27-155-48229	Prospectus	Willmar Community College	Willmar	Contact buyer
	Stereo/Reproduction Equipment	Rainy River Community College	International Falls	Contact buyer

STATE CONTRACTS

Requisition #	Item	Ordering Division	Delivery Point	Estimated Dollar Amount
07-700-37122	Plastic Sheeting for Motor Vehicle License Plates	MN Correctional Facility	St. Cloud	Contact buyer
55-510-02469 Contract	Rubbish Disposal	Human Services— Ah-Gwah-Ching Nursing Home	Ah-Gwah-Ching	Contact buyer

Contact 296-6152 for referral to specific buyers.

Department of Energy and Economic Development Energy Division

Request for Proposals for Evaluation of the Effectiveness of a High-Efficiency Front End Boiler in Multifamily Buildings

Notice is hereby given that the Department of Energy and Economic Development, Energy Division intends to engage the services of a contractor to carry out research in three multifamily buildings over an 18 month period to evaluate the performance and predictability of a high efficiency front end boiler installed to operate with the existing boiler to supply both space heating and domestic hot water. The request for proposal will include detailed tasks to be performed under this contract. The budget for this research is \$20,000. All work must be performed by June 30, 1987.

The full request for proposals is available upon request. Inquiries and requests should be directed to:

Mary Fagerson
Residential and Commercial Buildings Specialist
Department of Energy and Economic Development
900 American Center Building
150 E. Kellogg Blvd.
St. Paul, MN 55101
(612) 296-1003

Proposals must be received by the Department of Energy and Economic Development, Energy Division, no later than 4:00 p.m., December 20, 1985.

Department of Natural Resources Division of Waters

Request for Proposals for Professional Engineering Services Pursuant to the Repair and Modification of the Heron Lake Dam in Jackson County

Notice is hereby given that the Department of Natural Resources is seeking proposals for professional engineering services for preconstruction and construction related services for the repair and modification of the Heron Lake Dam. The construction is intended to correct the structural and operational deficiencies of the dam. Construction is to be completed during the 1986 construction season.

Contact Person:

Craig A. Regalia
Minnesota Department of Natural Resources
Division of Waters, Development Section
Third Floor, DNR Building
500 Lafayette Road
St. Paul, Minnesota 55146
Phone (612) 296-0525

Estimated Cost: Not to exceed \$35,000.

Submission Deadline: 4:30 p.m., December 23, 1985.

Interested persons may submit proposals to the above state contact person. The engineering consultant contractor must have extensive experience in dam safety matters. This experience should be documented in the consultant's proposal.

Pollution Control Agency

Request for Proposals to Conduct a Municipal Solid Waste Incineration Evaluation

The Minnesota Pollution Control Agency (MPCA) wishes to retain a consultant/contractor to conduct a Municipal Solid Waste (MSW) Incineration Evaluation. The product of the project shall be a generic assessment of the impact on the environment of existing or proposed MSW incineration facilities, and recommendations in regard to design and operating conditions. It is the intent of the MPCA to use the results of this project to develop permit conditions and rules to alleviate any potentially harmful effects to human health, welfare or the environment due to MSW incineration.

Scope of Project

The MSW incineration evaluation shall focus on the evaluation of non-criteria air pollutant emissions, fly and bottom ash from MSW incineration, and on the determination of the sources of those emissions in the incoming waste stream or through the incineration process. A final report shall contain recommendations for design and operating conditions for MSW incineration which will minimize the emission of toxic pollutants and thus minimize potential adverse effects on human health, welfare and the environment is the goal of this project.

Project Start and Completion Dates

This project will begin no later than March 1, 1986 and be completed no later than January 1, 1987.

Project Costs

The cost of this project shall not exceed \$160,000.00 for professional services and expenses.

Copies of the Request for Proposals for Consultants/Contract Services including the detailed project tasks are available from:

Ahto T. Niemioja, P.E.
Division of Air Quality
Minnesota Pollution Control Agency
1935 West County Road B2
Roseville, Minnesota 55113
Telephone Number (612) 296-7711

All proposals must be submitted to the MPCA no later than 4:30 p.m., Monday, January 6, 1986.

SUPREME COURT DECISIONS

Decisions Filed Friday, November 22, 1985

Compiled by Wayne O. Tschimperle, Clerk

C9-85-1506 In Re: Eighth Judicial District County Court Vacancy. Supreme Court.

Order establishes County Court boundaries coterminous with judicial district boundaries, designates the chambers of a County Court judge, terminates a judicial position occasioned by the retirement of a County Court judge and transfers that position as a District Court judgeship to the Fourth Judicial District.

Amdahl, C.J.

C7-85-113 Inter-Faith Social Services, Inc., v. County of Carlton, Relator. Tax Court.

Affirmed. Amdahl, C.J.

Took no part, Yetka, J.

C9-85-1019 Ann Theorin, Relator v. Ditec Corporation and Iowa National Mutual Insurance Company, and Guardian Life Insurance Company of America. Workers' Compensation Court of Appeals.

The findings that employee was intoxicated at the time she was injured and that her intoxication was the proximate cause of her injury are supported by substantial evidence.

SUPREME COURT DECISIONS

The employer did not acquiesce in or know of employee's intoxication at the time of the accident in which she was injured.

Affirmed. Amdahl, C.J.

Took no part, Peterson, J.

C6-85-1186, C7-85-1200 John R. Broos, Relator (C6-85-1186) v. Portec, Inc., Self-Insured, Relator (C7-85-1200), Workers' Compensation Court of Appeals.

Employee was not entitled to concurrent payment of temporary total disability compensation and retraining benefits at his temporary total disability rate.

Minn. Stat. § 176.179 (1984) does not require an employer to seek an administrative determination that it has overpaid compensation benefits due the employee before it can begin to recover its overpayment by deducting 20% from the weekly disability benefits to which the employee continues to be entitled.

Application of Minn. Stat. § 176.645 (1984) to require adjustment of benefits due an employee who sustained disabling injuries before October 1, 1981, unconstitutionally impairs the employer's vested right to adjust such benefits on October 1 of each year.

Affirmed in part, reversed in part, and remanded. Amdahl, C.J.

Took no part, Peterson, J.

C0-85-1233 Sharon E. Gornick, Relator v. Gillette Company, Self-Insured. Workers' Compensation Court of Appeals.

The compensation judge's determination that employee had sustained a 10% permanent partial disability of the back had substantial support in the evidence so the Workers' Compensation Court of Appeals erred in setting that finding aside and substituting its finding that employee had not established that she suffered permanent partial disability.

Reversed and remanded. Yetka, J.

C5-83-2003, C5-84-52 Orrin F. Jacobs, as Trustee for the Heirs and Next-of-Kin of Michael Gordon Jacobs, Deceased, and Orrin F. Jacobs and Audrey M. Jacobs, Individually v. Farmland Mutual Insurance Company, Petitioner, Appellant, and Frank Gentile. Court of Appeals.

Punitive damages are not recoverable where fraud is alleged and established to successfully support a claim for equitable rescission of a release of a claim for unliquidated damages, resulting in restoration of the parties to *status quo ante*, and no actual damages arising from the release have been established.

Reversed in part and affirmed in part. Simonett, J.

Concurring in part and dissenting in part, Scott, J.

Took no part, Coyne, J.

C8-85-251 Northwest Territories Gold and Silver Exchange, Inc., Relator v. Commissioner of Revenue. Tax Court.

A coin and precious metal dealer who takes a retail exemption certificate from a customer has the burden of proving the certificate was taken in good faith in order to be relieved of liability for collecting a sales tax on the transaction.

Here the dealer failed to sustain its burden of proving good faith in taking exemption certificates, and the tax assessment is affirmed except as to 34 sales transactions which are remanded to the tax court for reconsideration.

Affirmed in part and reversed in part. Simonett, J.

Took no part, Peterson, J.

C0-84-1416 Soo Line Railroad Company, Relator v. The Commissioner of Revenue. Tax Court.

The commissioner of revenue properly denied the taxpayer's claims for refunds for the years 1975 and 1976.

The order of the Commissioner for additional excise tax does not violate the federal Railroad Revitalization and Regulatory Reform Act.

Affirmed, Wahl, J.

Orders

C0-74-45110 In the Matter of the Application for the Discipline of Thomas E. Moore, an Attorney at Law of the State of Minnesota. Supreme Court.

Publicly reprimanded. Amdahl, C.J.

C9-85-2011 In the Matter of the Application for the Discipline of Richard C. Mollin, an Attorney at Law of the State of Minnesota. Supreme Court.

Publicly reprimanded. Amdahl, C.J.

C0-82-1654 In the Matter of the Application for the Discipline of Paul L. Simonson, an Attorney at Law of the State of Minnesota. Supreme Court.

Temporarily suspended. Amdahl, C.J.

C5-85-370 In the Matter of the Application for the Discipline of Thomas M. Polt, an Attorney at Law of the State of Minnesota. Supreme Court.

Disbarred. Amdahl, C.J.

TAX COURT

Pursuant to Minn. Stat. § 271.06, subd. 1, an appeal to the tax court may be taken from any official order of the Commissioner of Revenue regarding any tax, fee or assessment, or any matter concerning the tax laws listed in § 271.01, subd. 5, by an interested or affected person, by any political subdivision of the state, by the Attorney General in behalf of the state, or by any resident taxpayer of the state in behalf of the state in case the Attorney General, upon request, shall refuse to appeal. Decisions of the tax court are printed in the *State Register*, except in the case of appeals dealing with property valuation, assessment, or taxation for property tax purposes.

State of Minnesota Tax Court Regular Division

Terry J. Weinard, Appellant, v. Commissioner of Revenue, Appellee, Docket No. 4205

Findings of Fact, Conclusions of Law and Order for Judgment Dated November 21, 1985

The above matter was heard by the Minnesota Tax Court, Judge Carl A. Jensen presiding, at the Courtroom of the Tax Court in St. Paul, Minnesota, on October 2, 1985.

Terry J. Weinard, appellant, appeared on his own behalf.

Neil F. Scott, Special Assistant Attorney General, appeared on behalf of appellee.

Syllabus

An Order of the Commissioner of Revenue assessing additional tax is presumed to be correct and the taxpayer has the burden of establishing its incorrectness or invalidity.

Findings of Fact

1. This is an appeal from several Orders of the Commissioner of Revenue dated September 7, 1984, assessing additional income taxes against the appellant for the years 1979 through 1984. The total assessment including penalties and interest to September 7, 1984, amounts to \$50,298.06.

2. On or about June 6, 1984, appellant was carrying \$39,400 in cash in \$20 bills and \$100 bills in a flight bag at the Minneapolis/St. Paul International Airport, and was about to depart for Florida. The Minnesota Bureau of Criminal Apprehension questioned him about this money. Appellant told them that he was on his way to Florida to purchase a boat. Appellant stated that he was going to purchase a specific boat that he had seen advertised in a boating magazine and about which he had telephoned the broker. However, in response to questions by the Bureau of Criminal Apprehension, appellant was not able to supply additional details by which the correctness of this could be established. Appellant submitted no evidence to indicate that he had subsequently given any information to the Bureau of Criminal Apprehension which would have allowed the Bureau to check out his story.

3. Appellant advised the Bureau of Criminal Apprehension that he had saved this money over the preceding seven years. He stated that he had earned from \$20,000 to \$40,000 each year. He stated that he had earned this money selling cars at various car dealerships.

4. Appellant told the Bureau of Criminal Apprehension that he had saved this money in a bank safe deposit box and had not deposited it in any interest bearing account because if he had received interest he would have had to have paid income taxes on it.

5. Appellee was notified of the above facts by the Bureau of Criminal Apprehension. Appellee checked the income tax records of the appellant and found that appellant had filed income tax returns for 1979 and 1980 showing his income to be considerably less than \$40,000 per year. Appellee further found that appellant had not filed income tax returns for the years 1981 through 1984.

6. Based on the information given to appellee by the Bureau of Criminal Apprehension, and on appellee's knowledge of living costs, appellee determined that appellant would have had to earn an annual income of \$40,000 in order to save \$39,400 over a period of seven years when the savings had earned no interest over that period of time.

Appellee then prepared corrected income tax returns for appellant as authorized by statute for 1979 and 1980, and original income tax returns for 1981, 1982, 1983 and 1984, which resulted in the additional assessment for taxes, penalty and interest in the total amount of \$50,298.06. Appellant was notified of this assessment and has appealed from the assessment orders.

7. The original appeal was filed on appellant's behalf by Attorney G. Martin Johnson, of Blaeser and Johnson. This attorney also filed a petition to continue prosecution of the appeal without payment of the additional tax, and such authorization was granted by this Court by an Order dated November 26, 1984.

By a letter dated July 9, 1985, this Court was advised that Attorney Johnson was no longer representing appellant and further that Attorney Johnson did not know whether appellant had or would obtain substitute counsel.

8. This matter was tried by this Court on October 2, 1985. Appellant appeared on his own behalf without counsel. At the trial, appellee offered the information related above that had been obtained by the Bureau of Criminal Apprehension. A transcript of a telephone conversation between the Bureau of Criminal Apprehension and the appellant was offered as an exhibit, together with an information report prepared by the Bureau of Criminal Apprehension. All of this confirmed the facts as stated above, especially relevant to the statement by appellant as to his earnings over the preceding seven years. This evidence also indicated that appellant was also carrying two small vials and a funnel, and that a chemical test of the vials had indicated a residue of cocaine. This evidence was not relevant to the issue, so it was not considered by this Court.

9. At the trial, appellant gave a completely different version as to where he had received the money in question. He stated that he had found the money when he was driving on East River Road in Fridley sometime in January, 1984. He did not know the exact date, but stated that he saw a black satchel on the road on the snow and when he stopped and picked it up, he found it contained \$35,000 in \$20 bills and \$100 bills with absolutely no identification. He stated that he had immediately thrown the satchel away and put the money in his apartment. He stated that he had not advised any authorities relative to this finding of the satchel, but that he had observed some personal want ads and had never noted that anyone claimed to have lost the satchel. Appellant offered no substantiation for this version of how he came about having this money.

10. The Court had to choose between the two statements made by the appellant, that is, (1) that appellant had earned the money over a period of seven years, or (2) that he had found most of the money. We have concluded that the story that appellant originally gave to the Bureau of Criminal Apprehension was correct and that income tax was due on appellant's earnings that had enabled him to save this amount of money over a period of seven years.

11. Appellant offered no evidence to refute the determination by appellee as to the amount of earnings that would have been required to live during that period and save that amount of money. Since no evidence was offered on this matter, this Court was required to follow the statute which states that the determination by the appellee is presumed to be correct.

12. The Orders of the Commissioner of Revenue assessing additional income taxes together with interest and penalties in the amount of \$50,298.06 should be affirmed.

Conclusions of Law and Order for Judgment

1. The Orders of the Commissioner of Revenue dated September 7, 1984 assessing additional income taxes, penalties and interest against appellant for the years 1979 through 1984 in the amount of \$50,298.06 are hereby affirmed.

LET JUDGMENT BE ENTERED ACCORDINGLY. A STAY OF 15 DAYS IS HEREBY ORDERED.

November 21, 1985

By the Court,
Carl A. Jensen, Judge
Minnesota Tax Court

ORDER FORM

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