

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill modifies provisions related to MFIP, food support, and child care assistance programs.

The Minnesota Family Investment Program (MFIP) is a jointly funded, federal-state program designed to provide income assistance for eligible low-income families. MFIP replaces the Aid to Families with Dependent Children (AFDC) program, which was repealed by Congress in 1996.

Child Care assistance programs receive federal, state, and county funds to subsidize the child care expenses of eligible families, including families participating in the Minnesota Family Investment Program (MFIP) or the Diversionary Work Program (DWP), and working families or students who receive no cash assistance and have incomes at or below 175 percent of the federal poverty guidelines (FPG), adjusted for family size, at program entry and up to 250 percent of FPG, adjusted for family size, at program exit.

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#### **Article 1: Program Integrity**

- 1 Duties as state agency.** Amends § 256.01, subd. 4. Makes changes in style. Specifies how fees for service of a subpoena must be paid and how subpoenas are enforced.

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- 2       **Cooperation required.** Amends § 256.015, subd. 7. Allows DHS and county agencies direct access and data matching on information relating to workers' compensation claims in order to determine whether the claimant has reported the fact of a pending claim and the amount paid to or on behalf of the claimant to DHS.
- 3       **Qualifying overpayment.** Amends § 256.0471, subd. 1. Adds MinnesotaCare to the list of programs for which overpayments become a judgment by operation of law 90 days after the notice of overpayment is served upon a recipient.
- 4       **Declaration.** Amends § 256.984, subd. 1. Adds MinnesotaCare and child care assistance programs to the list of programs for which applications must be in writing or reduced to writing and for which the application must contain a specified declaration that must be signed by the applicant.

### **Article 2: Children and Economic Assistance**

- 1       **Family stabilization services program.** Amends § 119B.011, by adding subd. 13a. Defines "family stabilization services program."
- 2       **Eligible participants.** Amends 119B.05, subd. 1. Modifies the list of families eligible for MFIP child care assistance to include families who are participating in an approved family stabilization plan.
- 3       **General eligibility requirements for all applicants for child care assistance.** Amends § 119B.09, subd. 1. Modifies eligibility for child care assistance programs, making families who have household income less than or equal to 75 percent of state median income eligible, rather than families with incomes less than or equal to 175 percent of FPG at program entrance and 250 percent of FPG at program exit.
- 4       **Payment of other child care expenses.** Amends § 119B.09, by adding subd. 11. Specifies that payment, by a source other than the family, of all or part of a family's child care assistance expenses not payable under the child care assistance program, does not affect the family's eligibility for child care assistance, and the amount paid is excluded from the family's income, if the funds are paid directly to the family's child care provider on behalf of the family. Requires child care providers who accept third party payments to maintain family-specific documentation of payment source, amount, type of expenses, and time period covered by the payment.
- 5       **Parent fee.** Amends § 119B.12, subd. 2. Modifies child care assistance parental fees.
- 6       **Co-payment fee for families with annual incomes that exceed the federal poverty level.** Amends § 119B.12, by adding subd. 3. Specifies how monthly family copayments for families with annual incomes greater than the federal poverty level, adjusted for family size, is determined. Specifies a family copayment fee schedule based on family size and household income.
- 7       **Expiration of food support benefits and reporting requirements.** Creates § 256D.0516.

**Subd. 1. Expiration of food support benefits.** Prohibits food support benefits from expiring unless the benefits have not been accessed for 12 months after the month they were issued.

**Subd. 2. Food support reporting requirements.** Requires DHS to implement simplified reporting as permitted by federal law. Specifies that food support recipients required to report periodically do not have to report more often than once

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every six months. Specifies that this provision does not apply to households receiving food benefits under the MFIP program waiver.

- 8 **Legislative approval to move programs or activities.** Amends § 256J.01, by adding subd. 6. Prohibits the commissioner from moving programs or activities funded with MFIP or TANF MOE funds to other funding sources without legislative approval.
- 9 **Commissioner's authority to administer block grant funds.** Amends § 256J.02, subd. 1. Adds a reference to the federal Deficit Reduction Act of 2005.
- 10 **Authority to transfer.** Amends § 256J.02, subd. 4. Adds a reference to the federal Deficit Reduction Act of 2005.
- 11 **State programs.** Amends § 256J.021. Extends the date by which the commissioner must treat MFIP expenditures made to or on behalf of certain participants as separate state program expenditures that are not counted toward the TANF MOE requirement.
- 12 **Participant.** Amends § 256J.08, subd. 65. Modifies the definition of "participant."
- 13 **Other property limitations.** Amends § 256J.20, subd. 3. Modifies the list of assets that are excluded when determining the equity value of real and personal property by removing the limitation on the value of a vehicle loan.
- 14 **Income exclusions.** Amends § 256J.21, subd. 2. Excludes cash payments to certain full-time volunteers from income when determining MFIP eligibility.
- 15 **MFIP transitional standard.** Amends § 256J.24, subd. 5. Adds paragraph (b), which requires the commissioner to increase the existing transitional standard by 10 percent, effective July 1, 2007, to be distributed to the cash portion of the grant.
- 16 **MFIP exit level.** Amends § 256J.24, subd. 10. Modifies the maximum MFIP income eligibility level.
- 17 **MFIP household reports.** Amends § 256J.30, subd. 5. Modifies reporting requirements for MFIP households with earned income. Current law requires a monthly report; this provision would require a report once every six months. Removes the definition of "recent work history."
- 18 **Prohibited purchases.** Amends § 256J.39, by adding subd. 1a. Prohibits MFIP recipients from using MFIP cash payments for tobacco products, alcoholic beverages, or lottery tickets.
- 19 **Time limit.** Amends § 256J.42, subd. 1. Clarifies that months during which any cash assistance is received by an assistance unit with a mandatory member who is disqualified for wrongly obtaining public assistance counts toward the time limit for the disqualified member. Makes this section effective October 1, 2007.
- 20 **Hard-to-employ participants.** Amends § 256J.425, subd. 3. Expands eligibility for assistance under a hardship extension to a participant who has a specified illness or disability or is needed in the home to care for a family member with a specified illness or disability, and who is complying with an employment plan tailored to recognize the special circumstances of the caregivers and family.
- 21 **Employed participants.** Amends § 256J.425, subd. 4. Modifies eligibility for assistance under a hardship extension by removing the minimum average hours per week participants must be participating in employment. Removes the definition of employment. Makes technical changes.
- 22 **Work activity.** Amends § 256J.49, subd. 13. Prohibits unpaid work performed in return for cash assistance and does not count unpaid work as a work activity, unless the participant voluntarily agrees, in writing, to engage in unpaid work in return for cash assistance. Allows the participant to terminate the unpaid work arrangement, in writing, at any time.

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- 23 Assessments.** Amends § 256J.521, subd. 1. Adds references to the family stabilization services program.
- 24 Employment plan; contents.** Amends § 256J.521, subd. 2. Encourages job counselors to allow participants who are participating in at least 20 hours of work activities to also participate in employment and training activities in order to meet the federal hourly participation rates.
- 25 Employment plan; nonmaintenance of effort; single caregivers.** Amends § 256J.521, by adding subd. 7. Paragraph (a) requires single caregivers to develop or revise their employment plan with a job counselor or county when the single caregiver is moved to the nonmaintenance of effort state-funded program. Specifies plan requirements.

Paragraph (b) requires counties to coordinate services by ensuring that all workers involved with the family communicate on a regular basis, and that expectations for the family across service areas lead to common goals.

Paragraph (c) allows activities and hourly requirements in the employment plan to be adjusted as necessary to accommodate personal and family circumstances of the participant. Requires participants who no longer meet the criteria for the non-MOE of effort state-funded program to meet with the job counselor or county within 10 days of the determination to revise the employment plan.

- 26 Approval of postsecondary education or training.** Amends § 256J.53, subd. 2. Removes paragraph (a), which requires participants to be working in unsubsidized employment at least 20 hours per week in order for a postsecondary education or training program to be an approved activity in the employment plan.

Removes paragraph (c), which specifies the hourly unsubsidized employment requirement does not apply for intensive education or training programs lasting 12 weeks or less when full-time attendance is required.

- 27 Basic education; English as a second language.** Amends § 256J.531.

**Subd. 1. Approval of adult basic education.** Removes language limiting the amount of time participants may attend adult basic education or general education development classes.

**Subd. 2. Approval of English as a second language.** Removes language limiting the amount of time participants may attend ESL or functional work literacy classes.

Makes this section effective October 1, 2007.

- 28 Participation requirements.** Amends § 256J.55, subd. 1. Modifies hourly work participation requirements for single-parent families.
- 29 Family stabilization services program.** Creates § 256J.575.

**Subd. 1. Purpose.** Paragraph (a) specifies that the family stabilization services program is Minnesota's cash assistance program for families who are not making significant progress in the MFIP program due to a variety of barriers to employment.

Paragraph (b) establishes the goal of the program, which is to stabilize and improve

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the lives of families at risk of long-term welfare dependency or family instability due to certain employment barriers.

**Subd. 2. Definitions.** Defines "family stabilization services program," "case management," "family stabilization plan," and "family stabilization services."

**Subd. 3. Eligibility.** Paragraph (a) lists who is eligible for the family stabilization services program.

Paragraph (b) requires families to meet all other eligibility requirements for MFIP. Specifies that families are eligible for financial assistance to the same extent as if they were participating in MFIP.

**Subd. 4. Universal participation.** Requires all caregivers to participate in family stabilization services.

**Subd. 5. Case management; family stabilization plans; coordinated services.** Paragraph (a) specifies county agency and case manager duties in relation to providing family stabilization services and creating family stabilization plans.

Paragraph (b) lists what must be included in a family stabilization plan.

Paragraph (c) requires the case manager and family to meet within 30 days of the family's referral to the case manager. Requires completion of the initial family stabilization plan within 30 days of the family's first meeting with the case manager. Specifies additional case manager duties, including modification of the plan under certain circumstances.

**Subd. 6. Cooperation with program requirements.** Paragraph (a) specifies that participants must comply with certain requirements in order to be eligible for the program.

Paragraphs (b) to (e) list program requirements with which participants must comply.

**Subd. 7. Sanctions.** Paragraph (a) reduces the financial assistance grant of a participating family if a participating adult fails without good cause to comply or continue to comply with the family stabilization plan requirements, unless compliance has been excused.

Paragraph (b) specifies that sanctions are only appropriate when it is clear that there is both the ability to comply and willful noncompliance by the participant, as confirmed by a behavioral health or medical professional.

Paragraph (c) requires county agencies to review a participant's case to determine if the family stabilization plan is still appropriate and meet with the participant face-to-face prior to the imposition of a sanction. Allows the participant to bring an advocate

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to the face-to-face meeting. Lists county agency duties that must be met during the face-to-face meeting.

Paragraph (d) requires the case manager or a designee to attempt a home visit if the participant fails to come to the face-to-face meeting. Requires the county agency to send the participant written notice that includes certain specified information if a face-to-face meeting is not conducted.

Paragraph (e) requires county agencies to provide a notice of intent to sanction and, when applicable, a notice of adverse action.

Paragraph (f) specifies that good cause exemptions from sanctions apply except to the extent that they are modified by this subdivision.

**30 Work participation transitional assistance payment.** Creates § 256J.621. Paragraph (a) establishes a transitional assistance amount of \$100 per month for participants exiting the DWP program or terminating MFIP cash assistance with earnings who are employed and working 24 hours per week.

Paragraph (b) establishes eligibility for a transitional assistance payment, specifies how work hours are calculated, and limits transitional assistance to a maximum of 12 months.

Paragraph (c) specifies the commissioner's duties in administering the transitional assistance payments.

Paragraph (d) specifies that transitional assistance program expenditures are MOE state funds. Specifies that months in which a participant receives transitional assistance do not count toward the participant's MFIP 60-month time limit.

**31 Consolidated fund.** Amends § 256J.626, subd. 1. Allows counties to use consolidated funds to provide case management services to participants of the family stabilization services program.

**32 Allowable expenditures.** Amends § 256J.626, subd. 2. Modifies the list of allowable expenditures under the consolidated fund to include the family stabilization services program and telephone service.

**33 Eligibility for services.** Amends § 256J.626, subd. 3. Includes families currently receiving services under the family stabilization services program in the list of programs to which counties and tribes must give priority when expending consolidated funds.

**34 County and tribal biennial service agreements.** Amends § 256J.626, subd. 4. Requires counties and tribes to include in their biennial service agreements the strategies the county or tribe will pursue under the family stabilization services program.

**35 Innovation projects.** Amends § 256J.626, subd. 5. Makes the family stabilization services program eligible for innovation project funds. Allows innovation project funds to be used for providing incentives to counties and tribes that exceed performance. For purposes of an incentive, specifies what counties or tribes must achieve in order to be considered to have exceeded performance.

**36 Base allocation to counties and tribes; definitions.** Amends § 256J.626, subd. 6. Modifies the definition of "final allocation." Removes paragraph (d), which adjusted final allocations based on specified performance provisions.

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**37** **Injury protection for community service work experience participants.** Creates § 256J.678.

**Subd. 1. Authority.** Requires the Department of Administration, in consultation with the Department of Human Services, to contract with an approved insurance carrier to provide coverage for injuries or death resulting from a person's participation in paid and unpaid community work experience programs.

**Subd. 2. Claims.** Requires claims to be reported to the insurance carrier in a format approved by the carrier and by the department of the state, county, or tribal program responsible for supervising the work.

**Subd. 3. Exclusive procedure.** Makes exclusive the procedure established by this section of all other legal, equitable, and statutory remedies against the state, employees of the state, or the state's political subdivisions. Prohibits the claimant from seeking damages from any other state, county, tribal, or reservation insurance policy or self-insurance program.

**Subd. 4. Requirements for worksites.** Requires departments of the state, counties, or tribal programs responsible for supervising the work to ensure that no participant is assigned to a worksite that is in violation of federal OSHA and state Department of Labor and Industry safety standards or is under investigation to determine if those violations have occurred. Requires all participants to be given the same safety information and training given to a paid employee performing similar work at that worksite.

**38** **Quarterly comparison report.** Amends § 256J.751, subd. 2. Updates a federal statutory reference.

**39** **Failure to meet federal performance standards.** Amends § 256J.751, subd. 5. Adds a reference to the federal Deficit Reduction Act of 2005. Makes technical changes.

**40** **Expiration of cash benefits.** Amends § 256J.77. Exempts food stamp benefits from canceling if they have not been accessed within 90 days of issuance.

**41** **Eligibility for diversionary work program.** Amends § 256J.95, subd. 3. Adds paragraph (d), which exempts certain newly arrived refugees and asylees from participating in the DWP and allows them to enroll directly into the MFIP program. Requires refugees to have the option of being assigned to an agency that has employees who are familiar with their culture, speak their language, and have more than one year of experience in assisting refugees in finding employment.

Makes this section effective immediately.

**42** **Immediate referral to employment services.** Amends § 256J.95, subd. 13. Modifies the information the referral to DWP employment services must contain.

**43** **Minnesota food support program; simplified application.** Requires DHS to create a simplified application for the food support program for certain persons. Limits the length of the application.

**44** **Supported work.** Establishes criteria for funding allocations to counties for supported work. Requires supported work to be modeled after the mental health supported work model. Lists eligibility criteria for counties to receive a supported work allocation.

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**45 Appropriations.**

**Subd. 1. Work study.** Appropriates \$1.5 million from the TANF reserve account to the Minnesota Office of Higher Education for the 2008-09 biennium for work study grants, specifically for low-income individuals who receive MFIP assistance.

**Subd. 2. Car loans and car repairs.** Appropriates \$3 million from the TANF reserve account to the commissioner of human services for the 2008-09 biennium for programs that provide car loans and car repairs to individuals who receive MFIP assistance.

**Subd. 3. Integrated service projects.** Appropriates \$3 million from the TANF reserve account to the commissioner of human services for the 2008-09 biennium to fund the integrated services project for MFIP families.

**Subd. 4. Supported work.** Appropriates an unspecified amount from the TANF reserve account to the commissioner of human services for the 2008-09 biennium for supported work for MFIP participants. Specifies that these funds are for counties that are not meeting the work participation rates and must be allocated according to certain requirements.

**46 Repealer.** Repeals Minnesota Statutes, sections 256B.0631 (Medical Assistance copayments), 256J.24, subd. 6 (MFIP family cap), 256J.37, subd. 3a (rental subsidies; unearned income) and 3b (treatment of Supplemental Security Income), 256J.626, subd. 7 (performance base funds) and 9 (report), and 256J.68 (injury protection for work experience participants).