

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill simplifies the treatment of income, the requirements for reporting income and changes in circumstances, and the process for correcting overpayments and underpayments for various public assistance programs.

In 2014, the supplemental appropriations finance bill (Laws 2014, ch. 312) included language that created a new chapter of statutes, chapter 256P, which contained uniform procedures for determining and verifying eligibility for several human services programs including general assistance (GA), Minnesota Supplemental Aid (MSA), group residential housing (GRH), and the Minnesota Family Investment Program (MFIP).

### Section

- 1** **Income.** Amends § 119B.011, subd. 15. Modifies the definition of “income” under the child care assistance program and ties it to the definitions of “earned income” and “unearned income” in Minnesota Statutes, chapter 256P, Economic Assistance Program Eligibility and Verification.
- 2** **Factors which must be verified.** Amends § 119B.025, subd. 1. Requires changes in eligibility factors to be reported according to the requirements under chapter 256P. Specifies the effective date of a change in income for purposes of the CCAP programs.
- 3** **Assistance.** Amends § 119B.035, subd. 4. Requires families participating in the at-home infant child care program to report income and other family changes according to the requirements under chapter 256P.

## Section

- 4 **Eligibility; annual income; calculation.** Amends § 119B.09, subd. 4. Requires nonrecurring lump sum payments to be annualized over 12 months.
- 5 **Standards.** Amends § 256D.01, subd. 1a. Requires countable income under the GA program to be calculated according to the requirements under chapter 256P.
- 6 **Assistance unit.** Amends § 256D.02, by adding subd. 1a. Defines “assistance unit” under the GA program.
- 7 **Cash assistance benefit.** Amends § 256D.02, by adding a subd. Defines “cash assistance benefit.”
- 8 **Income.** Amends § 256D.02, subd. 8. Modifies the definition of “income” under the GA program and ties it to the definitions of “earned income” and “unearned income” under chapter 256P.
- 9 **Eligibility; amount of assistance.** Amends § 256D.06, subd. 1. Modifies the calculation of income under the GA program and requires countable income to be calculated according to chapter 256P.
- 10 **Reports.** Amends § 256D.405, subd. 3. Requires MSA participants to report changes in circumstances according to the requirements under chapter 256P.
- 11 **Assistance unit.** Amends § 256I.03, by adding subd. 1b. Defines “assistance unit” under the GRH program.
- 12 **Countable income.** Amends § 256I.03, subd. 7. Ties the definition of “countable income” under the GRH program to the definition of “countable income” under chapter 256P.
- 13 **Individual eligibility requirements.** Amends § 256I.04, subd. 1. Requires countable income under the GRH program to be determined according to the requirements under chapter 256P.
- 14 **Reports.** Amends § 256I.06, subd. 6. Requires GRH recipients to report changes in circumstances according to the requirements under chapter 256P.
- 15 **Earned income.** Amends § 256J.08, subd. 26. Modifies the definition of “earned income” under the MFIP program and ties it to the definition of “earned income” under chapter 256P.
- 16 **Unearned income.** Amends § 256J.08, subd. 86. Modifies the definition of “unearned income” under the MFIP program and ties it to the definition of “unearned income” under chapter 256P.
- 17 **Applicant reporting requirements.** Amends § 256J.30, subd. 1. Modifies MFIP applicant reporting requirements and requires applicants to meet the reporting requirements under chapter 256P.
- 18 **Changes that must be reported.** Amends § 256J.30, subd. 9. Modifies MFIP participant reporting requirements and requires participants to meet the reporting requirements under chapter 256P.
- 19 **Amount of assistance payment.** Amends § 256J.35. Modifies recoupment of MFIP overpayments by cross-referencing recoupment of overpayments in chapter 256P.

**Section**

- 20 Fair hearings.** Amends § 256J.40. Changes the cross-reference related to recoveries of overpayments under the MFIP program. The new cross-reference is to section 256P.08, Correction of Overpayments and Underpayments.
- 21 DWP overpayments and underpayments.** Amends § 256J.95, subd. 19. Changes the cross-reference specifying how ATM errors under the DWP program must be recovered by referencing the language in chapter 256P related to recovering ATM errors.
- 22 Applicability.** Amends § 256P.001. Applies chapter 256P to the child care assistance programs.
- 23 Assistance unit.** Amends § 256P.01, by adding subd. 2a. Defines “assistance unit” under the Economic Assistance Program Eligibility and Verification chapter.
- 24 Earned income.** Amends § 256P.01, subd. 3. Modifies the definition of “earned income” for purposes of the GA, MSA, CCAP, GRH, and MFIP programs.
- 25 Unearned income.** Amends § 256P.01, by adding subd. 8. Defines “unearned income” for purposes of the GA, MSA, CCAP, GRH, and MFIP programs.
- 26 Exemption.** Amends § 256P.02, by adding subd. 1a. Exempts CCAP participants from the personal property limitations in the Economic Assistance Program Eligibility and Verification chapter. Makes this section effective June 1, 2016.
- 27 Exempted programs.** Amends § 256P.03, subd. 1. Exempts CCAP participants from the earned income disregard under the Economic Assistance Program Eligibility and Verification chapter. Makes this section effective October 1, 2015.
- 28 Exemption.** Amends § 256P.04, subd. 1. Exempts CCAP participants from the documentation, verification, and recertification requirements under the Economic Assistance Program Eligibility and Verification chapter. The Child Care Assistance chapter of statutes contains separate documentation, verification, and recertification requirements for these programs.
- 29 Factors to be verified.** Amends § 256P.04, subd. 4. Adds nonrecurring income to the list of factors that must be verified at the time of application.
- 30 Exempted programs.** Amends § 256P.05, subd. 1. Exempts CCAP participants from self-employment earnings requirements under the Economic Assistance Program Eligibility and Verification chapter.
- 31 Income calculations.** Creates § 256P.06.

**Subd. 1. Reporting of income.** Requires the county agency to evaluate income received by members of the assistance unit, or by others whose income is considered available to the assistance unit, and to only count income that is available to the assistance unit to determine eligibility.

**Subd. 2. Exempted individuals.** Exempts certain members of an assistance unit under the CCAP and MFIP programs from having their earned income count toward the income of the assistance unit.

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**Subd. 3. Income inclusions.** Lists the items that must be included in determining the income of an assistance unit.

### 32 **Reporting of Income and Changes.** Creates § 256P.07.

**Subd. 1. Exempted programs.** Exempts MSA and GRH participants who qualify on the basis of eligibility for SSI from the requirements of this section.

**Subd. 2. Reporting requirements.** Requires applicants or participants to provide information on an application and any subsequent reporting forms about the assistance unit's circumstances that affect eligibility or benefits. Requires applicants or participants to report changes according to the requirements of this section. Allows benefits to be delayed or denied when information or documentation is not provided, depending upon the type of information required and its effect on eligibility.

**Subd. 3. Changes that must be reported.** Requires assistance units to report certain changes within ten days of the date they occur, at the time of recertification, or within eight calendar days of a reporting period, whichever occurs first. Requires assistance units to report other changes at the time of recertification of eligibility or at the end of a reporting period, as applicable. Specifies the manner in which delays in reporting are handled. Lists the changes an assistance unit must report within ten days.

**Subd. 4. MFIP-specific reporting.** Lists the additional changes in circumstances MFIP assistance units must report within ten days.

**Subd. 5. DWP-specific reporting.** Lists additional information DWP participants must report on an application.

**Subd. 6. CCAP-specific reporting.** Lists the additional changes in circumstances CCAP assistance units must report within ten days of the change.

**Subd. 7. MSA-specific reporting.** Requires MSA shelter needy participants to report shelter expenses within ten days of a change.

### 33 **Correction of Overpayments and Underpayments.** Creates § 256P.08.

**Subd. 1. Exempted programs.** Exempts CCAP and GRH participants from this section.

**Subd. 2. Scope of overpayment.** Specifies the process for recouping or recovering overpayments. Limits establishment of overpayments to 12 months prior to the month of discovery due to agency error. Limits establishment of overpayments to six years prior to the month of discovery due to client error or an intentional program violation.

**Subd. 3. Notice of overpayment.** Requires county agencies to notify participants or former participants of overpayments in writing. Lists the information that must be included in the notice. Specifies no limit applies to the period in which the county agency is required to recoup or recover an overpayment.

**Subd. 4. Recovering GA and MSA overpayments.** Specifies the process counties must follow when recovering GA or MSA overpayments.

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**Subd. 5. Recovering MFIP overpayments.** Specifies the process counties must follow when recovering MFIP overpayments.

**Subd. 6. Recouping overpayments from MFIP participants.** Allows a participant to voluntarily repay, in part or in full, an overpayment even if assistance is reduced, until the total amount of the overpayment is repaid. Specifies the process counties must follow when recovering overpayments due to fraud and nonfraud.

**Subd. 7. Recovering automatic teller machine errors.** For recipients receiving benefits by electronic benefit transfer, allows county agencies to recover ATM errors by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error, if the overpayment is the result of an ATM dispensing funds in error to the recipient.

**Subd. 8. Scope of underpayments.** Requires a county agency to issue a corrective payment for underpayments made to a participant or to a person who would be a participant if an agency or client error causing the underpayment had not occurred. Limits corrective payments to 12 months prior to the month of discovery. Specifies the manner in which corrective payments must be issued.

**Subd. 9. Identifying the underpayment.** Allows an underpayment to be identified by a county agency, participant, former participant, or person who would be a participant except for agency or client error.

**Subd. 10. Issuing corrective payments.** Requires county agencies to correct underpayments within seven calendar days after the underpayment has been identified, by adding the corrective payment amount to the monthly assistance payment of the participant, issuing a separate payment to a participant or former participant, or reducing an existing overpayment balance. Lists the methods the county agency must use to correct underpayments. Excludes corrective payments when determining income and resources for the month of payment.

**Subd. 11. Appeals.** Allows a participant to appeal an underpayment, an overpayment, or a reduction in an assistance payment made to recoup an overpayment. Requires the participant's appeal of each issue to be timely according to the human services appeals process. Prohibits the fact or amount of an overpayment to be considered as part of a later appeal when an appeal is not timely.

**34 Repealer.** Paragraph (a) repeals Minn. Stat. §§ 256D.0513 (budgeting lump sums); 256D.06, subd. 8 (recovery of ATM errors); 256D.09, subd. 6 (recovery of overpayments); 256D.49 (payment correction); and 256J.38 (correction of overpayments and underpayments).

Paragraph (b) repeals Minn. Rules, part 3400.0170, subp. 5 (earned income of wage and salary employees), 6 (excluded income), 12 (determination of unearned income), and 13 (treatment of lump sum payments).