

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE **S.F. No. 89**

(SENATE AUTHORS: BENSON, Ingebrigtsen, Gimse, Hann and Pederson)

DATE	D-PG	OFFICIAL STATUS
01/24/2011	73	Introduction and first reading Referred to Health and Human Services
02/10/2011	209	Chief author stricken, shown as co-author Ingebrigtsen Chief author added Benson

A bill for an act

1.1 relating to human services; establishing electronic benefit transfer card
1.2 restrictions and requirements; modifying the MFIP residency requirement;
1.3 amending Minnesota Statutes 2010, sections 256D.02, subdivision 4; 256D.05,
1.4 subdivision 6; 256D.09, subdivisions 1, 2a; 256D.47; 256J.01, subdivision 2;
1.5 256J.08, subdivisions 65, 82a, 85, by adding subdivisions; 256J.12, subdivisions
1.6 1a, 2, by adding a subdivision; 256J.24, subdivisions 3, 5, 5a; 256J.26,
1.7 subdivision 1; 256J.31, subdivision 12; 256J.37, subdivision 3a; 256J.39,
1.8 subdivision 1; 256J.42; 256J.46, subdivision 1; 256J.50, subdivision 6; 256J.626,
1.9 subdivision 2; 256J.68, subdivision 1; 256J.69, subdivision 1; 256J.77; 256J.95,
1.10 subdivisions 1, 3, 7, 10, 12, 18; proposing coding for new law in Minnesota
1.11 Statutes, chapter 256; repealing Minnesota Statutes 2010, section 256.9862,
1.12 subdivision 2.
1.13

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

ARTICLE 1

HUMAN SERVICES MODIFICATIONS

1.17 Section 1. **[256.9870] ELECTRONIC BENEFIT TRANSFER DEBIT CARD.**

1.18 Subdivision 1. **Electronic benefit transfer (EBT) debit card.** Electronic benefit
1.19 transfer (EBT) debit cardholders in the general assistance program and the Minnesota
1.20 supplemental aid program under chapter 256D and programs under chapter 256J are
1.21 prohibited from withdrawing cash from an automatic teller machine or receiving cash from
1.22 vendors with the EBT debit card. The EBT debit card may only be used as a debit card.

1.23 Subd. 2. **Photo identification on EBT.** EBT debit cards issued after July 1, 2011,
1.24 must include a photo of the cardholder on the EBT debit card. The commissioner shall
1.25 implement a plan to convert all other active EBT debit cards to include a photo of the
1.26 cardholder by July 1, 2012.

2.1 Subd. 3. **Prohibited purchases.** EBT debit cardholders in programs under
2.2 subdivision 1 are prohibited from using the EBT debit card to purchase tobacco products,
2.3 taxable food items not exempt under section 297A.67, subdivision 2, alcoholic beverages,
2.4 as defined in section 340A.101, subdivision 2, and lottery tickets.

2.5 Subd. 4. **EBT use restricted to Minnesota vendors.** EBT debit cardholders in
2.6 programs under subdivision 1 are prohibited from using the EBT debit card at vendors
2.7 located outside of Minnesota. This subdivision does not apply to the EBT food portion.

2.8 Sec. 2. Minnesota Statutes 2010, section 256D.02, subdivision 4, is amended to read:

2.9 Subd. 4. **General assistance.** "General assistance" means ~~cash payments~~ assistance
2.10 to persons unable to provide themselves with a reasonable subsistence compatible with
2.11 decency and health and who are not otherwise provided for under the laws of this state or
2.12 the United States.

2.13 Sec. 3. Minnesota Statutes 2010, section 256D.09, subdivision 1, is amended to read:

2.14 Subdivision 1. **Presumptive eligibility; payments.** Until the county agency has
2.15 determined the initial eligibility of the applicant in accordance with section 256D.07,
2.16 grants for emergency general assistance must be in the form of vouchers or vendor
2.17 payments unless the county agency determines that a cash grant will best resolve the
2.18 applicant's need for emergency assistance. Thereafter, grants of general assistance must
2.19 be ~~paid in cash, provided by~~ electronic benefit transfer, or by direct deposit into the
2.20 ~~recipient's account in a financial institution,~~ on the first day of the month, except as
2.21 allowed in this section.

2.22 Sec. 4. Minnesota Statutes 2010, section 256D.47, is amended to read:

2.23 **256D.47 PAYMENT METHODS.**

2.24 Minnesota supplemental aid payments must be issued to the recipient, a protective
2.25 payee, or a conservator or guardian of the recipient's estate in the form of ~~county warrants~~
2.26 ~~immediately redeemable in cash,~~ electronic benefits transfer, or by direct deposit into
2.27 ~~the recipient's account in a financial institution.~~ Minnesota supplemental aid payments
2.28 must be issued regularly on the first day of the month. The supplemental aid ~~warrants~~
2.29 electronic benefit transfer debit card must be mailed only to the physical address at which
2.30 the recipient resides, unless another address has been approved in advance by the county
2.31 agency. Vendor payments must not be issued by the county agency except for nonrecurring
2.32 emergency need payments; at the request of the recipient; for special needs, other than
2.33 special diets; or when the agency determines the need for protective payments exist.

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3.1 Sec. 5. Minnesota Statutes 2010, section 256J.12, subdivision 1a, is amended to read:

3.2 Subd. 1a. ~~30-day~~ **Three-month residency requirement.** An assistance unit is
3.3 considered to have established residency in this state only when a child or caregiver
3.4 has resided in this state for at least ~~30~~ three consecutive days ~~days~~ months with the intention
3.5 of making the person's home here and not for any temporary purpose. The birth of a
3.6 child in Minnesota to a member of the assistance unit does not automatically establish
3.7 the residency in this state under this subdivision of the other members of the assistance
3.8 unit. Time spent in a shelter for battered women shall count toward satisfying the ~~30-day~~
3.9 three-month residency requirement.

3.10 Sec. 6. Minnesota Statutes 2010, section 256J.12, is amended by adding a subdivision
3.11 to read:

3.12 Subd. 1b. **Proof of residency.** (a) An applicant must provide documentation to
3.13 prove residency. Acceptable documentation includes a rental or lease agreement, property
3.14 tax statement, or utility bill that contains the complete name of the applicant and complete
3.15 physical address.

3.16 (b) If the applicant cannot provide documentation of legal residence because the
3.17 applicant is living with a friend or relative or in a homeless shelter or temporary housing,
3.18 a notarized statement by the friend, relative, or the director of the shelter or temporary
3.19 housing is acceptable proof of residence.

3.20 Sec. 7. Minnesota Statutes 2010, section 256J.12, subdivision 2, is amended to read:

3.21 Subd. 2. **Exceptions.** (a) A county shall waive the ~~30-day~~ three-month residency
3.22 requirement where unusual hardship would result from denial of assistance.

3.23 (b) For purposes of this section, unusual hardship means an assistance unit:

3.24 (1) is without alternative shelter; or

3.25 (2) is without available resources for food.

3.26 (c) For purposes of this subdivision, the following definitions apply (1) "metropolitan
3.27 statistical area" is as defined by the U.S. Census Bureau; (2) "alternative shelter" includes
3.28 any shelter that is located within the metropolitan statistical area containing the county and
3.29 for which the family is eligible, provided the assistance unit does not have to travel more
3.30 than 20 miles to reach the shelter and has access to transportation to the shelter. Clause (2)
3.31 does not apply to counties in the Minneapolis-St. Paul metropolitan statistical area.

3.32 (d) Applicants are considered to meet the residency requirement under subdivision
3.33 1a if they once resided in Minnesota and:

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4.1 (1) joined the United States armed services, returned to Minnesota within 30 days of
4.2 leaving the armed services, and intend to remain in Minnesota; or

4.3 (2) left to attend school in another state, paid nonresident tuition or Minnesota
4.4 tuition rates under a reciprocity agreement, and returned to Minnesota within 30 days of
4.5 graduation with the intent to remain in Minnesota.

4.6 (e) The ~~30-day~~ three-month residence requirement is met when:

4.7 (1) a minor child or a minor caregiver moves from another state to the residence of
4.8 a relative caregiver; and

4.9 (2) the relative caregiver has resided in Minnesota for at least ~~30~~ three consecutive
4.10 ~~days~~ months and:

4.11 (i) the minor caregiver applies for and receives MFIP; or

4.12 (ii) the relative caregiver applies for assistance for the minor child but does not
4.13 choose to be a member of the MFIP assistance unit.

4.14 Sec. 8. Minnesota Statutes 2010, section 256J.26, subdivision 1, is amended to read:

4.15 Subdivision 1. **Person convicted of drug offenses.** (a) Applicants or participants
4.16 who have been convicted of a drug offense committed after July 1, 1997, may, if otherwise
4.17 eligible, receive MFIP benefits subject to the following conditions:

4.18 (1) Benefits for the entire assistance unit must be paid in vendor form for shelter and
4.19 utilities during any time the applicant is part of the assistance unit.

4.20 (2) The convicted applicant or participant shall be subject to random drug testing as
4.21 a condition of continued eligibility and following any positive test for an illegal controlled
4.22 substance is subject to the following sanctions:

4.23 (i) for failing a drug test the first time, the residual amount of the participant's grant
4.24 after making vendor payments for shelter and utility costs, if any, must be reduced by an
4.25 amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same
4.26 size. When a sanction under this subdivision is in effect, the job counselor must attempt
4.27 to meet with the person face-to-face. During the face-to-face meeting, the job counselor
4.28 must explain the consequences of a subsequent drug test failure and inform the participant
4.29 of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is
4.30 not possible, the county agency must send the participant a notice of adverse action as
4.31 provided in section 256J.31, subdivisions 4 and 5, and must include the information
4.32 required in the face-to-face meeting; or

4.33 (ii) for failing a drug test two times, the participant is permanently disqualified from
4.34 receiving MFIP assistance, both the ~~cash~~ MFIP and food portions. The assistance unit's
4.35 MFIP grant must be reduced by the amount which would have otherwise been made

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5.1 available to the disqualified participant. Disqualification under this item does not make
5.2 a participant ineligible for food stamps or food support. Before a disqualification under
5.3 this provision is imposed, the job counselor must attempt to meet with the participant
5.4 face-to-face or notify the participant at the participant's last known address. During the
5.5 face-to-face meeting, the job counselor must identify other resources that may be available
5.6 to the participant to meet the needs of the family and inform the participant of the right to
5.7 appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible,
5.8 the county agency must send the participant a notice of adverse action as provided in
5.9 section 256J.31, subdivisions 4 and 5, and must include the information required in the
5.10 face-to-face meeting.

5.11 (3) A participant who fails a drug test the first time and is under a sanction due to
5.12 other MFIP program requirements is considered to have more than one occurrence of
5.13 noncompliance and is subject to the applicable level of sanction as specified under section
5.14 256J.46, subdivision 1, paragraph (d).

5.15 (b) Applicants requesting only food stamps or food support or participants receiving
5.16 only food stamps or food support, who have been convicted of a drug offense that
5.17 occurred after July 1, 1997, may, if otherwise eligible, receive food stamps or food support
5.18 if the convicted applicant or participant is subject to random drug testing as a condition
5.19 of continued eligibility. Following a positive test for an illegal controlled substance, the
5.20 applicant is subject to the following sanctions:

5.21 (1) for failing a drug test the first time, food stamps or food support shall be reduced
5.22 by an amount equal to 30 percent of the applicable food stamp or food support allotment.
5.23 When a sanction under this clause is in effect, a job counselor must attempt to meet with
5.24 the person face-to-face. During the face-to-face meeting, a job counselor must explain
5.25 the consequences of a subsequent drug test failure and inform the participant of the right
5.26 to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible,
5.27 a county agency must send the participant a notice of adverse action as provided in
5.28 section 256J.31, subdivisions 4 and 5, and must include the information required in the
5.29 face-to-face meeting; and

5.30 (2) for failing a drug test two times, the participant is permanently disqualified from
5.31 receiving food stamps or food support. Before a disqualification under this provision is
5.32 imposed, a job counselor must attempt to meet with the participant face-to-face. During
5.33 the face-to-face meeting, the job counselor must identify other resources that may be
5.34 available to the participant to meet the needs of the family and inform the participant of
5.35 the right to appeal the disqualification under section 256J.40. If a face-to-face meeting
5.36 is not possible, a county agency must send the participant a notice of adverse action as

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6.1 provided in section 256J.31, subdivisions 4 and 5, and must include the information
6.2 required in the face-to-face meeting.

6.3 (c) For the purposes of this subdivision, "drug offense" means an offense that
6.4 occurred after July 1, 1997, of sections 152.021 to 152.025, 152.0261, 152.0262, or
6.5 152.096. Drug offense also means a conviction in another jurisdiction of the possession,
6.6 use, or distribution of a controlled substance, or conspiracy to commit any of these
6.7 offenses, if the offense occurred after July 1, 1997, and the conviction is a felony offense
6.8 in that jurisdiction, or in the case of New Jersey, a high misdemeanor.

6.9 Sec. 9. Minnesota Statutes 2010, section 256J.39, subdivision 1, is amended to read:

6.10 Subdivision 1. **Payment policy.** The following policies apply to monthly assistance
6.11 payments and corrective payments:

6.12 (1) ~~grant payments may~~ assistance must be issued in the form of ~~warrants~~
6.13 ~~immediately redeemable in cash, electronic benefits transfer, or by direct deposit into the~~
6.14 ~~recipient's account in a financial institution;~~

6.15 ~~(2) the commissioner shall mail assistance payment checks to the address where a~~
6.16 ~~caregiver lives unless the county agency approves an alternate arrangement;~~

6.17 ~~(3) the commissioner shall mail monthly assistance payment checks within time to~~
6.18 ~~allow postal service delivery to occur no later than the first day of each month. Monthly~~
6.19 ~~assistance payment checks must be dated the first day of the month. (2) the commissioner~~
6.20 shall issue electronic benefits transfer payments so that caregivers have access to the
6.21 payments no later than the first of the month; and

6.22 ~~(4) the commissioner shall issue replacement checks promptly, but no later than~~
6.23 ~~seven calendar days after the provisions of sections 16A.46; 256.01, subdivision 11;~~
6.24 ~~and 471.415 have been met; and~~

6.25 ~~(5) (3)~~ (3) the commissioner, with the advance approval of the commissioner of
6.26 management and budget, may issue ~~cash~~ assistance ~~grant payments~~ up to three days
6.27 before the first day of each month, including three days before the start of each state fiscal
6.28 year. Of the money appropriated for ~~cash~~ assistance ~~grant payments~~ for each fiscal year,
6.29 up to three percent of the annual state appropriation is available to the commissioner in
6.30 the previous fiscal year. If that amount is insufficient for the costs incurred, an additional
6.31 amount of the appropriation as needed may be transferred with the advance approval of
6.32 the commissioner of management and budget.

6.33 Sec. 10. Minnesota Statutes 2010, section 256J.95, subdivision 1, is amended to read:

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8.1 (1) the county agency may provide assistance in the form of vouchers or vendor
8.2 payments and provide separate vouchers or vendor payments for food, shelter, and other
8.3 needs;

8.4 (2) the county agency may divide the monthly assistance standard into weekly
8.5 payments, ~~whether in cash or by~~ electronic benefit transfer or voucher or vendor payment.
8.6 Nothing in this clause prevents the county agency from issuing voucher or vendor
8.7 payments for emergency general assistance in an amount less than the standards of
8.8 assistance;

8.9 (3) the county agency may determine eligibility and provide assistance on a weekly
8.10 basis. Weekly assistance ~~can~~ must be issued ~~in cash or by~~ electronic benefit transfer or
8.11 voucher or vendor payment and can be determined either on the basis of actual need or by
8.12 prorating the monthly assistance standard; and

8.13 (4) for the purposes of clauses (2) and (3), the county agency may divide the monthly
8.14 assistance standard as follows: \$50 per week for each of the first three weeks, and the
8.15 remainder for the fourth week.

8.16 (b) An individual may verify a residence address by providing a driver's license; a
8.17 state identification card; a statement by the landlord, apartment manager, or homeowner
8.18 verifying that the individual is residing at the address; or other written documentation
8.19 approved by the commissioner.

8.20 (c) Notwithstanding the provisions of section 256D.06, subdivision 1, if the county
8.21 agency elects to provide assistance on a weekly payment basis, the agency may not
8.22 provide assistance for a period during which no need is claimed by the individual unless
8.23 the individual has good cause for failing to claim need. The individual must be notified,
8.24 each time weekly assistance is provided, that subsequent weekly assistance will not be
8.25 issued unless the individual claims need. The advance notice required under section
8.26 256D.10 does not apply to weekly assistance that is withheld because the individual
8.27 failed to claim need without good cause.

8.28 (d) The county agency may not issue assistance on a weekly basis to an applicant or
8.29 recipient who has a professionally certified mental illness or developmental disability, or
8.30 to an assistance unit that includes minor children, unless requested by the assistance unit.

8.31 Sec. 2. Minnesota Statutes 2010, section 256D.09, subdivision 2a, is amended to read:

8.32 Subd. 2a. **Vendor payments for drug dependent persons.** If, at the time of
8.33 application or at any other time, there is a reasonable basis for questioning whether
8.34 a person applying for or receiving financial assistance is drug dependent, as defined
8.35 in section 254A.02, subdivision 5, the person shall be referred for a chemical health

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9.1 assessment, and only emergency assistance payments or general assistance vendor
9.2 payments may be provided until the assessment is complete and the results of the
9.3 assessment made available to the county agency. A reasonable basis for referring an
9.4 individual for an assessment exists when:

- 9.5 (1) the person has required detoxification two or more times in the past 12 months;
9.6 (2) the person appears intoxicated at the county agency as indicated by two or more
9.7 of the following:
- 9.8 (i) the odor of alcohol;
 - 9.9 (ii) slurred speech;
 - 9.10 (iii) disconjugate gaze;
 - 9.11 (iv) impaired balance;
 - 9.12 (v) difficulty remaining awake;
 - 9.13 (vi) consumption of alcohol;
 - 9.14 (vii) responding to sights or sounds that are not actually present;
 - 9.15 (viii) extreme restlessness, fast speech, or unusual belligerence;
- 9.16 (3) the person has been involuntarily committed for drug dependency at least once
9.17 in the past 12 months; or
- 9.18 (4) the person has received treatment, including domiciliary care, for drug abuse or
9.19 dependency at least twice in the past 12 months.

9.20 The assessment and determination of drug dependency, if any, must be made by
9.21 an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, to perform an
9.22 assessment of chemical use. The county shall only provide emergency general assistance
9.23 or vendor payments to an otherwise eligible applicant or recipient who is determined to be
9.24 drug dependent, except up to 15 percent of the grant amount the person would otherwise
9.25 receive may be ~~paid in cash~~ provided by electronic benefit transfer. Notwithstanding
9.26 subdivision 1, the commissioner of human services shall also require county agencies to
9.27 provide assistance only in the form of vendor payments to all eligible recipients who
9.28 assert chemical dependency as a basis for eligibility under section 256D.05, subdivision 1,
9.29 paragraph (a), clauses (1) and (6).

9.30 The determination of drug dependency shall be reviewed at least every 12 months.
9.31 If the county determines a recipient is no longer drug dependent, the county may cease
9.32 vendor payments and provide the recipient ~~payments in cash~~ with assistance by electronic
9.33 benefit transfer.

9.34 Sec. 3. Minnesota Statutes 2010, section 256J.01, subdivision 2, is amended to read:

10.1 Subd. 2. **Implementation of temporary assistance for needy families (TANF).**
10.2 The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public
10.3 Law 104-193, eliminates the entitlement program of aid to families with dependent
10.4 children (AFDC) and replaces it with block grants to states for temporary assistance for
10.5 needy families (TANF). TANF provides ~~cash~~ assistance for a limited time to families
10.6 with children and to pregnant women. Minnesota's TANF assistance will be provided
10.7 through a statewide expansion of MFIP. The modifications specified in this chapter are
10.8 necessary to comply with the new federal law and to improve MFIP. Eligible applicants
10.9 and recipients of AFDC, family general assistance, and food stamps will be converted to
10.10 the MFIP program. Effective January 1, 1998, any new application received for family
10.11 ~~cash~~ assistance will be processed under the rules of this chapter. Case maintenance
10.12 conversion for existing AFDC and FGA cases to MFIP-S as described in this chapter will
10.13 begin January 1, 1998, and continue through March 31, 1998.

10.14 Sec. 4. Minnesota Statutes 2010, section 256J.08, is amended by adding a subdivision
10.15 to read:

10.16 Subd. 6a. **Assistance.** "Assistance" means the portion of the benefit provided under
10.17 this chapter by EBT that does not include the food portion.

10.18 Sec. 5. Minnesota Statutes 2010, section 256J.08, is amended by adding a subdivision
10.19 to read:

10.20 Subd. 55b. **MFIP portion; MFIP assistance.** "MFIP portion" or "MFIP assistance"
10.21 has the same meaning as the term "assistance" under subdivision 6a.

10.22 Sec. 6. Minnesota Statutes 2010, section 256J.08, subdivision 65, is amended to read:

10.23 Subd. 65. **Participant.** (a) "Participant" includes any of the following:

10.24 (1) a person who is currently receiving ~~cash~~ assistance or the food portion available
10.25 through MFIP;

10.26 (2) a person who ~~withdraws a cash or food assistance payment~~ makes purchases by
10.27 electronic transfer ~~or receives and cashes an MFIP assistance check or food coupons~~ and
10.28 is subsequently determined to be ineligible for assistance for that period of time is a
10.29 participant, regardless whether that assistance is repaid;

10.30 (3) the caregiver relative and the minor child whose needs are included in the
10.31 assistance payment;

10.32 (4) a person in an assistance unit who does not receive ~~a cash~~ MFIP and food
10.33 assistance ~~payment~~ because the case has been suspended from MFIP;

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11.1 (5) a person who receives ~~cash payments~~ assistance under the diversionary work
11.2 program under section 256J.95 is a participant; and

11.3 (6) a person who receives ~~cash payments~~ assistance under family stabilization
11.4 services under section 256J.575.

11.5 (b) "Participant" does not include a person who fails to withdraw or access
11.6 electronically any portion of the person's ~~cash~~ MFIP and food assistance payment by the
11.7 end of the payment month, who makes a written request for closure before the first of a
11.8 payment month and repays ~~cash~~ MFIP and food assistance electronically issued for that
11.9 payment month within that payment month, or who returns any uncashed assistance check
11.10 and food coupons and withdraws from the program.

11.11 Sec. 7. Minnesota Statutes 2010, section 256J.08, subdivision 82a, is amended to read:

11.12 Subd. 82a. **Shared household standard.** "Shared household standard" means the
11.13 basic standard used when the household includes an unrelated member. The standard also
11.14 applies to a member disqualified under section 256J.425. The ~~cash~~ MFIP portion of the
11.15 shared household standard is equal to 90 percent of the cash portion of the transitional
11.16 standard. The ~~cash~~ MFIP portion of the shared household standard plus the food portion
11.17 equals the full shared household standard.

11.18 Sec. 8. Minnesota Statutes 2010, section 256J.08, subdivision 85, is amended to read:

11.19 Subd. 85. **Transitional standard.** "Transitional standard" means the basic standard
11.20 for a family without earned income and is a combination of the ~~cash~~ MFIP portion and
11.21 food portion as specified in section 256J.24, subdivision 5.

11.22 Sec. 9. Minnesota Statutes 2010, section 256J.24, subdivision 3, is amended to read:

11.23 Subd. 3. **Individuals who must be excluded from an assistance unit.** (a) The
11.24 following individuals who are part of the assistance unit determined under subdivision 2
11.25 are ineligible to receive MFIP:

11.26 (1) individuals who are recipients of Supplemental Security Income or Minnesota
11.27 supplemental aid;

11.28 (2) individuals disqualified from the food stamp or food support program or MFIP,
11.29 until the disqualification ends;

11.30 (3) children on whose behalf federal, state or local foster care payments are made,
11.31 except as provided in sections 256J.13, subdivision 2, and 256J.74, subdivision 2;

11.32 (4) children receiving ongoing monthly adoption assistance payments under section
11.33 259.67; and

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12.1 (5) individuals disqualified from the work participation ~~cash~~ benefit program until
 12.2 that disqualification ends.

12.3 (b) The exclusion of a person under this subdivision does not alter the mandatory
 12.4 assistance unit composition.

12.5 Sec. 10. Minnesota Statutes 2010, section 256J.24, subdivision 5, is amended to read:

12.6 Subd. 5. **MFIP transitional standard.** The MFIP transitional standard is based
 12.7 on the number of persons in the assistance unit eligible for both food and ~~cash~~ MFIP
 12.8 assistance unless the restrictions in subdivision 6 on the birth of a child apply. The
 12.9 following table represents the transitional standards including a breakdown of the cash
 12.10 and food portions effective October 1, 2009.

12.11	Number of Eligible People	Transitional Standard	Cash <u>MFIP</u> Portion	Food Portion
12.12	1	\$428:	\$250	\$178
12.13	2	\$764:	\$437	\$327
12.14	3	\$1,005:	\$532	\$473
12.15	4	\$1,222:	\$621	\$601
12.16	5	\$1,399:	\$697	\$702
12.17	6	\$1,608:	\$773	\$835
12.18	7	\$1,754:	\$850	\$904
12.19	8	\$1,940:	\$916	\$1,024
12.20	9	\$2,125:	\$980	\$1,145
12.21	10	\$2,304:	\$1,035	\$1,269
12.22	over 10	add \$178:	\$53	\$125
12.23	per additional member.			

12.24 Sec. 11. Minnesota Statutes 2010, section 256J.24, subdivision 5a, is amended to read:

12.25 Subd. 5a. **Food portion of MFIP transitional standard.** The commissioner shall
 12.26 adjust the food portion of the MFIP transitional standard as needed to reflect adjustments
 12.27 to the Supplemental Nutrition Assistance Program. The commissioner shall publish the
 12.28 transitional standard including a breakdown of the ~~cash~~ MFIP and food portions for an
 12.29 assistance unit of sizes one to ten in the State Register whenever an adjustment is made.

12.30 Sec. 12. Minnesota Statutes 2010, section 256J.31, subdivision 12, is amended to read:

12.31 Subd. 12. **Right to discontinue ~~cash~~ assistance.** A participant who is not in
 12.32 vendor payment status may discontinue receipt of the ~~cash~~ assistance portion of the MFIP
 12.33 assistance grant and retain eligibility for child care assistance under section 119B.05. For
 12.34 the months a participant chooses to discontinue the receipt of the ~~cash~~ MFIP portion of

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13.1 the ~~MFIP~~ grant, the assistance unit accrues months of eligibility to be applied toward
13.2 eligibility for child care under section 119B.05.

13.3 Sec. 13. Minnesota Statutes 2010, section 256J.37, subdivision 3a, is amended to read:

13.4 Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the
13.5 county agency shall count \$50 of the value of public and assisted rental subsidies provided
13.6 through the Department of Housing and Urban Development (HUD) as unearned income
13.7 to the ~~cash~~ MFIP portion of the ~~MFIP~~ grant. The full amount of the subsidy must be
13.8 counted as unearned income when the subsidy is less than \$50. The income from this
13.9 subsidy shall be budgeted according to section 256J.34.

13.10 (b) The provisions of this subdivision shall not apply to an MFIP assistance unit
13.11 which includes a participant who is:

13.12 (1) age 60 or older;

13.13 (2) a caregiver who is suffering from an illness, injury, or incapacity that has been
13.14 certified by a qualified professional when the illness, injury, or incapacity is expected
13.15 to continue for more than 30 days and severely limits the person's ability to obtain or
13.16 maintain suitable employment; or

13.17 (3) a caregiver whose presence in the home is required due to the illness or
13.18 incapacity of another member in the assistance unit, a relative in the household, or a foster
13.19 child in the household when the illness or incapacity and the need for the participant's
13.20 presence in the home has been certified by a qualified professional and is expected to
13.21 continue for more than 30 days.

13.22 (c) The provisions of this subdivision shall not apply to an MFIP assistance unit
13.23 where the parental caregiver is an SSI recipient.

13.24 (d) Prior to implementing this provision, the commissioner must identify the MFIP
13.25 participants subject to this provision and provide written notice to these participants at
13.26 least 30 days before the first grant reduction. The notice must inform the participant of the
13.27 basis for the potential grant reduction, the exceptions to the provision, if any, and inform
13.28 the participant of the steps necessary to claim an exception. A person who is found not to
13.29 meet one of the exceptions to the provision must be notified and informed of the right to a
13.30 fair hearing under section 256J.40. The notice must also inform the participant that the
13.31 participant may be eligible for a rent reduction resulting from a reduction in the MFIP
13.32 grant and encourage the participant to contact the local housing authority.

13.33 Sec. 14. Minnesota Statutes 2010, section 256J.42, is amended to read:

13.34 **256J.42 60-MONTH TIME LIMIT; EXEMPTIONS.**

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14.1 Subdivision 1. **Time limit.** (a) Except as otherwise provided for in this section, an
14.2 assistance unit in which any adult caregiver has received 60 months of cash assistance
14.3 or assistance funded in whole or in part by the TANF block grant in this or any other state
14.4 or United States territory, or from a tribal TANF program, MFIP, the AFDC program
14.5 formerly codified in sections 256.72 to 256.87, or the family general assistance program
14.6 formerly codified in sections 256D.01 to 256D.23, funded in whole or in part by state
14.7 appropriations, is ineligible to receive MFIP. Any ~~cash~~ assistance funded with TANF
14.8 dollars in this or any other state or United States territory, or from a tribal TANF program,
14.9 or MFIP assistance funded in whole or in part by state appropriations, that was received
14.10 by the unit on or after the date TANF was implemented, including any assistance received
14.11 in states or United States territories of prior residence, counts toward the 60-month
14.12 limitation. Months during which any ~~cash~~ assistance is received by an assistance unit
14.13 with a mandatory member who is disqualified for wrongfully obtaining public assistance
14.14 under section 256.98, subdivision 8, counts toward the time limit for the disqualified
14.15 member. The 60-month limit applies to a minor caregiver except under subdivision 5. The
14.16 60-month time period does not need to be consecutive months for this provision to apply.

14.17 (b) The months before July 1998 in which individuals received assistance as part of
14.18 the field trials as an MFIP, MFIP-R, or MFIP or MFIP-R comparison group family are
14.19 not included in the 60-month time limit.

14.20 Subd. 3. **Adults living in Indian country.** In determining the number of months
14.21 for which an adult has received assistance under MFIP, the county agency must disregard
14.22 any month during which the adult lived in Indian country if during the month at least 50
14.23 percent of the adults living in Indian country were not employed.

14.24 Subd. 4. **Victims of family violence.** Any ~~cash~~ assistance received by an assistance
14.25 unit in a month when a caregiver complied with a safety plan, an alternative employment
14.26 plan, or an employment plan under section 256J.521, subdivision 3, does not count toward
14.27 the 60-month limitation on assistance.

14.28 Subd. 5. **Exemption for certain families.** (a) Any ~~cash~~ assistance received by an
14.29 assistance unit does not count toward the 60-month limit on assistance during a month
14.30 in which the caregiver is age 60 or older.

14.31 (b) From July 1, 1997, until the date MFIP is operative in the caregiver's county of
14.32 financial responsibility, any ~~cash~~ assistance received by a caregiver who is complying with
14.33 Minnesota Statutes 1996, section 256.73, subdivision 5a, and Minnesota Statutes 1998,
14.34 section 256.736, if applicable, does not count toward the 60-month limit on assistance.
14.35 Thereafter, any ~~cash~~ assistance received by a minor caregiver who is complying with

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15.1 the requirements of sections 256J.14 and 256J.54, if applicable, does not count towards
15.2 the 60-month limit on assistance.

15.3 (c) Any diversionary assistance or emergency assistance received prior to July 1,
15.4 2003, does not count toward the 60-month limit.

15.5 (d) Any ~~cash~~ assistance received by an 18- or 19-year-old caregiver who is
15.6 complying with an employment plan that includes an education option under section
15.7 256J.54 does not count toward the 60-month limit.

15.8 (e) Payments provided to meet short-term emergency needs under section 256J.626
15.9 and diversionary work program benefits provided under section 256J.95 do not count
15.10 toward the 60-month time limit.

15.11 Subd. 6. **Case review.** (a) Within 180 days, but not less than 60 days, before the end
15.12 of the participant's 60th month on assistance, the county agency or job counselor must
15.13 review the participant's case to determine if the employment plan is still appropriate and
15.14 attempt to meet with the participant face-to-face.

15.15 (b) During the face-to-face meeting, a county agency or the job counselor must:

15.16 (1) inform the participant how many months of counted assistance the participant
15.17 has accrued and when the participant is expected to reach the 60th month;

15.18 (2) explain the hardship extension criteria under section 256J.425 and what the
15.19 participant should do if the participant thinks a hardship extension applies;

15.20 (3) identify other resources that may be available to the participant to meet the
15.21 needs of the family; and

15.22 (4) inform the participant of the right to appeal the case closure under section
15.23 256J.40.

15.24 (c) If a face-to-face meeting is not possible, the county agency must send the
15.25 participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5.

15.26 (d) Before a participant's case is closed under this section, the county must ensure
15.27 that:

15.28 (1) the case has been reviewed by the job counselor's supervisor or the review team
15.29 designated by the county to determine if the criteria for a hardship extension, if requested,
15.30 were applied appropriately; and

15.31 (2) the county agency or the job counselor attempted to meet with the participant
15.32 face-to-face.

15.33 Sec. 15. Minnesota Statutes 2010, section 256J.46, subdivision 1, is amended to read:

15.34 Subdivision 1. **Participants not complying with program requirements.** (a)
15.35 A participant who fails without good cause under section 256J.57 to comply with the

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16.1 requirements of this chapter, and who is not subject to a sanction under subdivision 2,
16.2 shall be subject to a sanction as provided in this subdivision. Prior to the imposition of
16.3 a sanction, a county agency shall provide a notice of intent to sanction under section
16.4 256J.57, subdivision 2, and, when applicable, a notice of adverse action as provided
16.5 in section 256J.31.

16.6 (b) A sanction under this subdivision becomes effective the month following the
16.7 month in which a required notice is given. A sanction must not be imposed when a
16.8 participant comes into compliance with the requirements for orientation under section
16.9 256J.45 prior to the effective date of the sanction. A sanction must not be imposed
16.10 when a participant comes into compliance with the requirements for employment and
16.11 training services under sections 256J.515 to 256J.57 ten days prior to the effective date
16.12 of the sanction. For purposes of this subdivision, each month that a participant fails to
16.13 comply with a requirement of this chapter shall be considered a separate occurrence of
16.14 noncompliance. If both participants in a two-parent assistance unit are out of compliance
16.15 at the same time, it is considered one occurrence of noncompliance.

16.16 (c) Sanctions for noncompliance shall be imposed as follows:

16.17 (1) For the first occurrence of noncompliance by a participant in an assistance unit,
16.18 the assistance unit's grant shall be reduced by ten percent of the MFIP standard of need
16.19 for an assistance unit of the same size with the residual grant paid to the participant. The
16.20 reduction in the grant amount must be in effect for a minimum of one month and shall be
16.21 removed in the month following the month that the participant returns to compliance.

16.22 (2) For a second, third, fourth, fifth, or sixth occurrence of noncompliance by a
16.23 participant in an assistance unit, the assistance unit's shelter costs shall be vendor paid
16.24 up to the amount of the ~~cash~~ MFIP portion of the ~~MFIP~~ grant for which the assistance
16.25 unit is eligible. At county option, the assistance unit's utilities may also be vendor paid
16.26 up to the amount of the ~~cash~~ MFIP portion of the ~~MFIP~~ grant remaining after vendor
16.27 payment of the assistance unit's shelter costs. The residual amount of the grant after
16.28 vendor payment, if any, must be reduced by an amount equal to 30 percent of the MFIP
16.29 standard of need for an assistance unit of the same size before the residual grant is paid to
16.30 the assistance unit. The reduction in the grant amount must be in effect for a minimum of
16.31 one month and shall be removed in the month following the month that the participant in
16.32 a one-parent assistance unit returns to compliance. In a two-parent assistance unit, the
16.33 grant reduction must be in effect for a minimum of one month and shall be removed
16.34 in the month following the month both participants return to compliance. The vendor
16.35 payment of shelter costs and, if applicable, utilities shall be removed six months after the
16.36 month in which the participant or participants return to compliance. If an assistance unit is

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17.1 sanctioned under this clause, the participant's case file must be reviewed to determine if
17.2 the employment plan is still appropriate.

17.3 (d) For a seventh occurrence of noncompliance by a participant in an assistance unit,
17.4 or when the participants in a two-parent assistance unit have a total of seven occurrences
17.5 of noncompliance, the county agency shall close the MFIP assistance unit's financial
17.6 assistance case, both the ~~cash~~ MFIP and food portions, and redetermine the family's
17.7 continued eligibility for food support payments. The MFIP case must remain closed for a
17.8 minimum of one full month. Before the case is closed, the county agency must review
17.9 the participant's case to determine if the employment plan is still appropriate and attempt
17.10 to meet with the participant face-to-face. The participant may bring an advocate to the
17.11 face-to-face meeting. If a face-to-face meeting is not conducted, the county agency must
17.12 send the participant a written notice that includes the information required under clause (1).

17.13 (1) During the face-to-face meeting, the county agency must:

17.14 (i) determine whether the continued noncompliance can be explained and mitigated
17.15 by providing a needed preemployment activity, as defined in section 256J.49, subdivision
17.16 13, clause (9);

17.17 (ii) determine whether the participant qualifies for a good cause exception under
17.18 section 256J.57, or if the sanction is for noncooperation with child support requirements,
17.19 determine if the participant qualifies for a good cause exemption under section 256.741,
17.20 subdivision 10;

17.21 (iii) determine whether the work activities in the employment plan are appropriate
17.22 based on the criteria in section 256J.521, subdivision 2 or 3;

17.23 (iv) determine whether the participant qualifies for the family violence waiver;

17.24 (v) inform the participant of the participant's sanction status and explain the
17.25 consequences of continuing noncompliance;

17.26 (vi) identify other resources that may be available to the participant to meet the
17.27 needs of the family; and

17.28 (vii) inform the participant of the right to appeal under section 256J.40.

17.29 (2) If the lack of an identified activity or service can explain the noncompliance, the
17.30 county must work with the participant to provide the identified activity.

17.31 (3) The grant must be restored to the full amount for which the assistance unit is
17.32 eligible retroactively to the first day of the month in which the participant was found to
17.33 lack preemployment activities or to qualify for a family violence waiver or for a good
17.34 cause exemption under section 256.741, subdivision 10, or 256J.57.

17.35 (e) For the purpose of applying sanctions under this section, only occurrences of
17.36 noncompliance that occur after July 1, 2003, shall be considered. If the participant is in

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18.1 30 percent sanction in the month this section takes effect, that month counts as the first
18.2 occurrence for purposes of applying the sanctions under this section, but the sanction
18.3 shall remain at 30 percent for that month.

18.4 (f) An assistance unit whose case is closed under paragraph (d) or (g), may
18.5 reapply for MFIP and shall be eligible if the participant complies with MFIP program
18.6 requirements and demonstrates compliance for up to one month. No assistance shall be
18.7 paid during this period.

18.8 (g) An assistance unit whose case has been closed for noncompliance, that reapplies
18.9 under paragraph (f), is subject to sanction under paragraph (c), clause (2), for a first
18.10 occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result
18.11 in case closure under paragraph (d).

18.12 Sec. 16. Minnesota Statutes 2010, section 256J.50, subdivision 6, is amended to read:

18.13 Subd. 6. **Explanatory materials required.** The county must:

18.14 (1) explain to applicants and recipients and provide explanatory materials regarding
18.15 the relationship between the 60-month time limit on assistance funded with TANF dollars
18.16 and the receipt of various benefits, including ~~cash~~ assistance, food stamps or food support,
18.17 medical assistance, and child care assistance; and

18.18 (2) provide assistance to applicants and recipients to enable them to minimize the
18.19 use of their 60 allowable months of TANF-funded assistance.

18.20 Sec. 17. Minnesota Statutes 2010, section 256J.626, subdivision 2, is amended to read:

18.21 Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures
18.22 under the consolidated fund to benefits and services allowed under title IV-A of the federal
18.23 Social Security Act. Allowable expenditures under the consolidated fund may include, but
18.24 are not limited to:

18.25 (1) short-term, nonrecurring shelter and utility needs that are excluded from the
18.26 definition of assistance under Code of Federal Regulations, title 45, section 260.31, for
18.27 families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a.
18.28 Payments under this subdivision are not considered TANF ~~cash~~ assistance and are not
18.29 counted towards the 60-month time limit;

18.30 (2) transportation needed to obtain or retain employment or to participate in other
18.31 approved work activities or activities under a family stabilization plan;

18.32 (3) direct and administrative costs of staff to deliver employment services for
18.33 MFIP, the diversionary work program, or family stabilization services; to administer

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19.1 financial assistance; and to provide specialized services intended to assist hard-to-employ
19.2 participants to transition to work or transition from family stabilization services to MFIP;

19.3 (4) costs of education and training including functional work literacy and English as
19.4 a second language;

19.5 (5) cost of work supports including tools, clothing, boots, telephone service, and
19.6 other work-related expenses;

19.7 (6) county administrative expenses as defined in Code of Federal Regulations, title
19.8 45, section 260(b);

19.9 (7) services to parenting and pregnant teens;

19.10 (8) supported work;

19.11 (9) wage subsidies;

19.12 (10) child care needed for MFIP, the diversionary work program, or family
19.13 stabilization services participants to participate in social services;

19.14 (11) child care to ensure that families leaving MFIP or diversionary work program
19.15 will continue to receive child care assistance from the time the family no longer qualifies
19.16 for transition year child care until an opening occurs under the basic sliding fee child
19.17 care program;

19.18 (12) services to help noncustodial parents who live in Minnesota and have minor
19.19 children receiving MFIP or DWP assistance, but do not live in the same household as the
19.20 child, obtain or retain employment; and

19.21 (13) services to help families participating in family stabilization services achieve
19.22 the greatest possible degree of self-sufficiency.

19.23 (b) Administrative costs that are not matched with county funds as provided in
19.24 subdivision 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation
19.25 under this section. The commissioner shall define administrative costs for purposes of
19.26 this subdivision.

19.27 (c) The commissioner may waive the cap on administrative costs for a county or tribe
19.28 that elects to provide an approved supported employment, unpaid work, or community
19.29 work experience program for a major segment of the county's or tribe's MFIP population.
19.30 The county or tribe must apply for the waiver on forms provided by the commissioner. In
19.31 no case shall total administrative costs exceed the TANF limits.

19.32 Sec. 18. Minnesota Statutes 2010, section 256J.68, subdivision 1, is amended to read:

19.33 Subdivision 1. **Applicability.** (a) This section must be used to determine payment of
19.34 any claims resulting from an alleged injury or death of a person participating in a county

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20.1 or a tribal community work experience program that is approved by the commissioner
20.2 and is operated by:

20.3 (1) the county agency;

20.4 (2) the tribe;

20.5 (3) a department of the state; or

20.6 (4) a community-based organization under contract, prior to April 1, 1997, with
20.7 a county agency to provide a community work experience program or a food stamp
20.8 community work experience program, provided the organization has not experienced any
20.9 individual injury loss or claim greater than \$1,000.

20.10 (b) This determination method is available to the community-based organization
20.11 under paragraph (a), clause (4), only for claims incurred by participants in the community
20.12 work experience program or the food stamp community work experience program.

20.13 (c) This determination method applies to work experience programs authorized by
20.14 the commissioner for persons applying for or receiving ~~cash~~ MFIP assistance and food
20.15 stamps, and to the Minnesota parent's fair share program, in a county with an approved
20.16 community investment program for obligors.

20.17 Sec. 19. Minnesota Statutes 2010, section 256J.69, subdivision 1, is amended to read:

20.18 Subdivision 1. **Establishing the grant diversion program.** (a) County agencies
20.19 may develop grant diversion programs for MFIP participants participating in employment
20.20 and training services. A county agency that chooses to provide grant diversion may divert
20.21 to an employer part or all of the MFIP ~~cash~~ payment for the participant's assistance unit,
20.22 in compliance with federal regulations and laws. Such payments to an employer are
20.23 to subsidize employment for MFIP participants as an alternative to public assistance
20.24 payments.

20.25 (b) In addition to diverting the MFIP grant to the employer, employment and training
20.26 funds may be used to subsidize the grant diversion placement.

20.27 (c) Participants in grant diversion shall be compensated by the employer at the
20.28 same rates, including periodic increases, as similarly situated employees or trainees and
20.29 in accordance with applicable law, but in no event less than the federal or applicable
20.30 state minimum wage, whichever is higher.

20.31 Sec. 20. Minnesota Statutes 2010, section 256J.77, is amended to read:

20.32 **256J.77 AGING OF CASH BENEFITS.**

20.33 ~~Cash~~ Benefits under chapters 256D, 256J, and 256K, except food stamp benefits
20.34 under chapter 256D, ~~by warrants~~ or electronic benefit ~~transfer~~ transfers that have not been

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21.1 accessed within 90 days of issuance shall be canceled. ~~Cash~~ Benefits may be replaced
21.2 after they are canceled, for up to one year after the date of issuance, if failure to do so
21.3 would place the client or family at risk. For purposes of this section, "accessed" means
21.4 ~~cashing a warrant or~~ making at least one ~~withdrawal from~~ purchase with benefits deposited
21.5 in an electronic benefit account.

21.6 Sec. 21. Minnesota Statutes 2010, section 256J.95, subdivision 3, is amended to read:

21.7 Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories
21.8 of family units listed below, all family units who apply for ~~cash~~ benefits and who meet
21.9 MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must participate
21.10 in the diversionary work program. Family units or individuals that are not eligible for
21.11 the diversionary work program include:

21.12 (1) child only cases;

21.13 (2) a single-parent family unit that includes a child under 12 months of age. A parent
21.14 is eligible for this exception once in a parent's lifetime;

21.15 (3) a minor parent without a high school diploma or its equivalent;

21.16 (4) an 18- or 19-year-old caregiver without a high school diploma or its equivalent
21.17 who chooses to have an employment plan with an education option;

21.18 (5) a caregiver age 60 or over;

21.19 (6) family units with a caregiver who received DWP benefits in the 12 months prior
21.20 to the month the family applied for DWP, except as provided in paragraph (c);

21.21 (7) family units with a caregiver who received MFIP within the 12 months prior to
21.22 the month the family unit applied for DWP;

21.23 (8) a family unit with a caregiver who received 60 or more months of TANF
21.24 assistance;

21.25 (9) a caregiver who is disqualified from the work participation ~~cash~~ benefit program,
21.26 DWP, or MFIP due to fraud; and

21.27 (10) refugees and asylees as defined in Code of Federal Regulations, title 45, part
21.28 400, subpart d, section 400.43, who arrived in the United States in the 12 months prior to
21.29 the date of application for family ~~cash~~ assistance.

21.30 (b) A two-parent family must participate in DWP unless both caregivers meet the
21.31 criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit
21.32 includes a parent who meets the criteria in paragraph (a), clause (6), (7), (8), (9), or (10).

21.33 (c) Once DWP eligibility is determined, the four months run consecutively. If a
21.34 participant leaves the program for any reason and reapplies during the four-month period,
21.35 the county must redetermine eligibility for DWP.

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22.1 Sec. 22. Minnesota Statutes 2010, section 256J.95, subdivision 7, is amended to read:

22.2 Subd. 7. **Program and processing standards.** (a) The interview to determine
22.3 financial eligibility for the diversionary work program must be conducted within five
22.4 working days of the receipt of the ~~cash~~ application form. During the intake interview,
22.5 the financial worker must discuss:

22.6 (1) the goals, requirements, and services of the diversionary work program;

22.7 (2) the availability of child care assistance. If child care is needed, the worker must
22.8 obtain a completed application for child care from the applicant before the interview
22.9 is terminated. The same day the application for child care is received, the application
22.10 must be forwarded to the appropriate child care worker. For purposes of eligibility for
22.11 child care assistance under chapter 119B, DWP participants shall be eligible for the same
22.12 benefits as MFIP recipients; and

22.13 (3) if the applicant has not requested food support and health care assistance on the
22.14 application, the county agency shall, during the interview process, talk with the applicant
22.15 about the availability of these benefits.

22.16 (b) The county shall follow section 256J.74, subdivision 2, paragraph (b), clauses
22.17 (1) and (2), when an applicant or a recipient of DWP has a person who is a member of
22.18 more than one assistance unit in a given payment month.

22.19 (c) If within 30 days the county agency cannot determine eligibility for the
22.20 diversionary work program, the county must deny the application and inform the applicant
22.21 of the decision according to the notice provisions in section 256J.31. A family unit is
22.22 eligible for a fair hearing under section 256J.40.

22.23 Sec. 23. Minnesota Statutes 2010, section 256J.95, subdivision 10, is amended to read:

22.24 Subd. 10. **Diversionary work program grant.** (a) The amount of ~~cash~~ benefits that
22.25 a family unit is eligible for under the diversionary work program is based on the number
22.26 of persons in the family unit, the family maintenance needs, personal needs allowance,
22.27 and countable income. The county agency shall evaluate the income of the family unit
22.28 that is requesting payments under the diversionary work program. Countable income
22.29 means gross earned and unearned income not excluded or disregarded under MFIP.
22.30 The same disregards for earned income that are allowed under MFIP are allowed for
22.31 the diversionary work program.

22.32 (b) The DWP grant is based on the family maintenance needs for which the DWP
22.33 family unit is responsible plus a personal needs allowance. Housing and utilities, except
22.34 for telephone service, shall be vendor paid. Unless otherwise stated in this section, actual
22.35 housing and utility expenses shall be used when determining the amount of the DWP grant.

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23.1 (c) The maximum monthly benefit amount available under the diversionary work
23.2 program is the difference between the family unit's needs under paragraph (b) and the
23.3 family unit's countable income not to exceed the ~~cash~~ MFIP portion of the ~~MFIP~~ standard
23.4 of need as defined in section 256J.08, subdivision 55a, for the family unit's size.

23.5 (d) Once the county has determined a grant amount, the DWP grant amount will
23.6 not be decreased if the determination is based on the best information available at the
23.7 time of approval and shall not be decreased because of any additional income to the
23.8 family unit. The grant must be increased if a participant later verifies an increase in family
23.9 maintenance needs or family unit size. The minimum ~~cash~~ benefit amount, if income and
23.10 asset tests are met, is \$10. Benefits of \$10 ~~shall not~~ must be vendor paid provided by
23.11 electronic benefit transfer.

23.12 (e) When all criteria are met, including the development of an employment plan as
23.13 described in subdivision 14 and eligibility exists for the month of application, the amount
23.14 of benefits for the diversionary work program retroactive to the date of application is as
23.15 specified in section 256J.35, paragraph (a).

23.16 (f) Any month during the four-month DWP period that a person receives a DWP
23.17 benefit directly or through a vendor payment made on the person's behalf, that person is
23.18 ineligible for MFIP or any other TANF ~~cash~~ assistance program except for benefits defined
23.19 in section 256J.626, subdivision 2, clause (1).

23.20 If during the four-month period a family unit that receives DWP benefits moves to
23.21 a county that has not established a diversionary work program, the family unit may be
23.22 eligible for MFIP the month following the last month of the issuance of the DWP benefit.

23.23 Sec. 24. Minnesota Statutes 2010, section 256J.95, subdivision 12, is amended to read:

23.24 Subd. 12. **Conversion or referral to MFIP.** (a) If at any time during the DWP
23.25 application process or during the four-month DWP eligibility period, it is determined
23.26 that a participant is unlikely to benefit from the diversionary work program, the county
23.27 shall convert or refer the participant to MFIP as specified in paragraph (d). Participants
23.28 who are determined to be unlikely to benefit from the diversionary work program must
23.29 develop and sign an employment plan.

23.30 (b) A participant who meets the eligibility requirements under section 256J.575,
23.31 subdivision 3, must be considered to be unlikely to benefit from DWP, provided the
23.32 necessary documentation is available to support the determination.

23.33 (c) In a two-parent family unit, if one parent is determined to be unlikely to benefit
23.34 from the diversionary work program, the family unit must be converted or referred
23.35 to MFIP.

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24.1 (d) A participant who is determined to be unlikely to benefit from the diversionary
24.2 work program shall be converted to MFIP and, if the determination was made within 30
24.3 days of the initial application for benefits, no additional application form is required.
24.4 A participant who is determined to be unlikely to benefit from the diversionary work
24.5 program shall be referred to MFIP and, if the determination is made more than 30
24.6 days after the initial application, the participant must submit a program change request
24.7 form. The county agency shall process the program change request form by the first of
24.8 the following month to ensure that no gap in benefits is due to delayed action by the
24.9 county agency. In processing the program change request form, the county must follow
24.10 section 256J.32, subdivision 1, except that the county agency shall not require additional
24.11 verification of the information in the case file from the DWP application unless the
24.12 information in the case file is inaccurate, questionable, or no longer current.

24.13 (e) The county shall not request a combined application form for a participant who
24.14 has exhausted the four months of the diversionary work program, has continued need for
24.15 ~~cash~~ MFIP and food assistance, and has completed, signed, and submitted a program
24.16 change request form within 30 days of the fourth month of the diversionary work program.
24.17 The county must process the program change request according to section 256J.32,
24.18 subdivision 1, except that the county agency shall not require additional verification of
24.19 information in the case file unless the information is inaccurate, questionable, or no longer
24.20 current. When a participant does not request MFIP within 30 days of the diversionary
24.21 work program benefits being exhausted, a new combined application form must be
24.22 completed for any subsequent request for MFIP.

24.23 Sec. 25. Minnesota Statutes 2010, section 256J.95, subdivision 18, is amended to read:

24.24 Subd. 18. **Reinstatement following disqualification.** A participant who has been
24.25 disqualified from the diversionary work program due to noncompliance with employment
24.26 services may regain eligibility for the diversionary work program by complying with
24.27 program requirements. A participant who has been disqualified from the diversionary work
24.28 program due to noncooperation with child support enforcement requirements may regain
24.29 eligibility by complying with child support requirements under section 256.741. Once a
24.30 participant has been reinstated, the county shall issue prorated benefits for the remaining
24.31 portion of the month. A family unit that has been disqualified from the diversionary work
24.32 program due to noncompliance shall not be eligible for MFIP or any other TANF ~~cash~~
24.33 program for the remainder of the four-month period. In a two-parent family, both parents
24.34 must be in compliance before the family unit can regain eligibility for benefits.

APPENDIX
Article locations in 11-1031

ARTICLE 1 HUMAN SERVICES MODIFICATIONS Page.Ln 1.15
ARTICLE 2 CONFORMING AMENDMENTS Page.Ln 7.27

APPENDIX
Repealed Minnesota Statutes: 11-1031

256.9862 ASSISTANCE TRANSACTION CARD FEE.

Subd. 2. **Transaction fee.** The commissioner may charge transaction fees in accordance with this subdivision up to a maximum of \$10 in transaction fees per cardholder per month. In a given month, the first four cash withdrawals made by an individual cardholder are free. For subsequent cash withdrawals, \$1 may be charged. No transaction fee can be charged if the card is used to purchase goods or services on a point of sale basis. A transaction fee subsequently set by the federal government may supersede a fee established under this subdivision. The fees shall be appropriated to the commissioner and used for electronic benefit purposes.