

(d) The right of the parent to file a consent to disclosure with the commissioner of health at any time; and

(e) The effect of a failure of the parent to file either a consent to disclosure or an affidavit stating that the information on the original birth certificate should not be disclosed.

Sec. 3. Minnesota Statutes 1988, section 259.49, subdivision 4, is amended to read:

Subd. 4. **RELEASE OF INFORMATION AFTER NOTICE.** If, within six months, the commissioner of human services certifies to the commissioner of health notification of each parent identified on the original birth certificate pursuant to subdivision 2, the commissioner of health shall disclose the information requested by the adopted person ~~424~~ 31 days after the date of the latest notice to either parent. This disclosure will occur if, at any time during the ~~424~~ 31 days both of the parents identified on the original birth certificate have filed a consent to disclosure with the commissioner of health and neither consent to disclosure has been revoked by the subsequent filing by a parent of an affidavit stating that the information should not be disclosed. If only one parent has filed a consent to disclosure and the consent has not been revoked, the commissioner of health shall disclose, to the adopted person, original birth certificate information on the consenting parent only.

Presented to the governor May 5, 1989

Signed by the governor May 9, 1989, 11:42 a.m.

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## CHAPTER 89—S.F.No. 787

*An act relating to human services; establishing reporting requirements; defining the functions and responsibilities of the commissioner in supervising community social services administered by the counties; requiring the commissioner of human services to ensure compliance with applicable program laws and regulations; implementing corrective action plans; providing sanctions and establishing an incentive program; amending Minnesota Statutes 1988, sections 245.482; 245.716; 245.73, subdivision 4; 252.275, subdivision 7; 256.01, subdivision 2; 256.72; 256.736, subdivision 15; 256.871, subdivision 6; 256.935, subdivision 1; 256B.05, subdivision 1; 256B.20; 256D.04; 256D.39; 256E.05, subdivision 3, and by adding subdivisions; 256E.08, subdivisions 1 and 8; 256E.12, subdivision 3; 256F.06, subdivision 4; 256H.09, subdivision 1; and 257.3575, subdivision 2.*

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

Section 1. Minnesota Statutes 1988, section 245.482, is amended to read:

245.482 **REPORTING AND EVALUATION.**

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Subdivision 1. **REPORTS.** The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17).

Subd. 2. FISCAL REPORTS. The commissioner shall develop a unified format for quarterly fiscal reports that will include information that the commissioner determines necessary to carry out sections 245.461 to 245.486 and section 256E.08. The county board shall submit a completed fiscal report in the required format no later than 15 days after the end of each quarter.

Subd. ~~2~~ 3. **PROGRAM REPORTS.** The commissioner shall develop a unified format for an annual program report that will include information that the commissioner determines necessary to carry out sections 245.461 to 245.486 and section 256E.10. The county board shall submit a completed program report in the required format by March 15 of each year.

Subd. ~~3~~ 4. **PROVIDER REPORTS.** The commissioner may develop a format and procedures for direct reporting from providers to the commissioner to include information that the commissioner determines necessary to carry out sections 245.461 to 245.486. In particular, the provider reports must include aggregate information by county of residence about mental health services paid for by funding sources other than counties.

Subd. ~~4~~ 5. **INACCURATE OR INCOMPLETE REPORTS.** The commissioner shall promptly notify a county or provider if a required report is clearly inaccurate or incomplete. The commissioner may delay all or part of a mental health fund payment if an appropriately completed report is not received as required by this section.

Subd. ~~5~~ 6. **STATEWIDE EVALUATION.** The commissioner shall use the county and provider reports required by this section to complete the statewide report required in section 245.461.

Sec. 2. Minnesota Statutes 1988, section 245.716, is amended to read:

**245.716 REPORTS; DATA COLLECTION.**

Subdivision 1. **PERIODIC REPORTS.** ~~The commissioner shall require collection of data for compliance, monitoring, and evaluation purposes and shall require periodic reports from the counties on the use of funds under the federal block grant by counties for qualified community mental health centers. The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17).~~

Subd. 2. **QUARTERLY FINANCIAL STATEMENTS.** ~~Beginning in calendar year 1982, each county shall include in its quarterly financial accounting report to the commissioner of the county's community social services fund a separate statement identifying the use of funds, including those received under the federal block grant for qualified community mental health centers as specified in section 256E.08, subdivision 8, clauses (a) and (b). The initial quarterly statement shall be submitted not later than 15 days after the end of the first~~

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calendar quarter in which funds are allocated to the counties in accordance with section 245.713, subdivisions 1 and 2.

**Subd. 3. SOCIAL SERVICES REPORT.** Beginning in calendar year 1983, each county shall include in the report required by section 256E.10 a part or subpart which addresses the items specified in section 256E.10, subdivision 1, clauses (a) and (b), as they pertain to the use of funds available from the federal government for services of qualified community mental health centers.

Sec. 3. Minnesota Statutes 1988, section 245.73, subdivision 4, is amended to read:

**Subd. 4. RULES; REPORTS.** The commissioner shall promulgate an emergency and permanent rule to govern grant applications, approval of applications, allocation of grants, and maintenance of service and financial records by grant recipients. The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The commissioner shall require collection of data for compliance, monitoring and evaluation purposes and shall require periodic reports to demonstrate the effectiveness of the services in helping adult mentally ill persons remain and function in their own communities. The commissioner shall report to the legislature no later than December 31 of each even-numbered year as to the effectiveness of this program and recommendations regarding continued funding.

Sec. 4. Minnesota Statutes 1988, section 252.275, subdivision 7, is amended to read:

**Subd. 7. REPORTS.** ~~The commissioner shall require collection of data and periodic reports necessary to demonstrate the effectiveness of semi-independent living services in helping persons with mental retardation or related conditions achieve self-sufficiency and independence.~~ The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17).

Sec. 5. Minnesota Statutes 1988, section 256.01, subdivision 2, is amended to read:

**Subd. 2. SPECIFIC POWERS.** Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

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(a) require local agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(b) monitor, on an ongoing basis, the performance of local agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(c) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(d) require local agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(e) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017; and

(f) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds.

(2) Inform local agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to local agency administration of the programs.

(3) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(4) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(5) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(6) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to

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the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(7) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has

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agreed, for the same project, to waive state plan requirements relative to state-wide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and AFDC programs, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

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(16) Have the authority to make direct payments to facilities providing shelter to women and their children pursuant to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) Have the authority to establish and enforce the following county reporting requirements:

(a) The commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced.

(b) The county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner.

(c) If the required reports are not received by the deadlines established in clause (b), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received.

(d) A county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance.

(e) The final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period.

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(f) The commissioner may not delay payments, withhold funds, or require repayment under paragraph (c) or (e) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under paragraph (c) or (e), the county board may appeal the action according to sections 14.57 to 14.69.

(g) Counties subject to withholding of funds under paragraph (c) or forfeiture or repayment of funds under paragraph (e) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under paragraph (c) or (e).

Sec. 6. Minnesota Statutes 1988, section 256.72, is amended to read:

#### 256.72 DUTIES OF COUNTY AGENCIES.

The county agencies shall:

(1) Administer the provisions of sections 256.72 to 256.87 in the respective counties subject to the rules prescribed by the state agency pursuant to the provisions of those sections and to the supervision of the commissioner of human services specified in section 256.01<sup>2</sup>.

(2) Report to the state agency at such times and in such manner and form as ~~the state agency may from time to time direct; and~~ required under section 256.01, subdivision 2, paragraph (17).

(3) Submit quarterly and annually to the county board of commissioners a budget containing an estimate and supporting data setting forth the amount of money needed to carry out the provisions of those sections.

(4) In addition to providing financial assistance, provide such services as will help to maintain and strengthen family life and promote the support and personal independence of parents and relatives insofar as such help is consistent with continuing parental care and protection.

Sec. 7. Minnesota Statutes 1988, section 256.736, subdivision 15, is amended to read:

Subd. 15. **REPORTING.** The commissioner of human services, in cooperation with the commissioner of jobs and training shall develop reporting requirements for local agencies and employment and training service providers according to section 256.01, subdivision 2, paragraph (17). Reporting requirements must, to the extent possible, use existing client tracking systems and must be within the limits of funds available. The requirements must include summary information necessary for state agencies and the legislature to evaluate the effectiveness of the services.

Sec. 8. Minnesota Statutes 1988, section 256.871, subdivision 6, is amended to read:

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Subd. 6. REPORTS OF ESTIMATED EXPENDITURES; PAYMENTS.

The county agency shall submit to the state agency ~~an estimate of reports~~ required under section 256.01, subdivision 2, paragraph (17). Fiscal reports shall estimate expenditures for each succeeding month in such form as required by the state agency. For the period from January 1 to June 30, payment shall be made monthly in advance by the state agency to the counties, of federal funds available for that purpose for each succeeding month, together with an amount of state funds equal to ten percent of the difference between the total estimated cost and the federal funds so available, except as provided for in section 256.017. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payment shall be made monthly in advance by the state agency to the counties, of all state and federal funds available for that purpose for the succeeding month, except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Effective January 1, 1989, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 9. Minnesota Statutes 1988, section 256.935, subdivision 1, is amended to read:

Subdivision 1. On the death of any person receiving public assistance through aid to dependent children, the county agency shall pay an amount for funeral expenses not exceeding \$370 and actual cemetery charges. No funeral expenses shall be paid if the estate of the deceased is sufficient to pay such expenses or if the children, or spouse, who were legally responsible for the support of the deceased while living, are able to pay such expenses; provided, that the additional payment or donation of the cost of cemetery lot, interment, religious service, or for the transportation of the body into or out of the community in which the deceased resided, shall not limit payment by the county agency as herein authorized. Freedom of choice in the selection of a funeral director shall be granted to persons lawfully authorized to make arrangements for the burial of any such deceased recipient. In determining the sufficiency of such estate, due regard shall be had for the nature and marketability of the assets of the estate. The county agency may grant funeral expenses where the sale would cause undue loss to the estate. Any amount paid for funeral expenses shall be a prior claim against the estate, as provided in section 524.3-805, and any amount recovered shall be reimbursed to the agency which paid the expenses. The commissioner shall specify requirements for reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17). For the period from January 1 to June 30, the state shall reimburse the county for 50 percent of any payments made for funeral expenses except as provided for in section 256.017. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period. For the

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period from July 1 to December 31, the state shall reimburse the county for 100 percent of any payments made for funeral expenses except as provided for in section 256.017.

Sec. 10. Minnesota Statutes 1988, section 256B.05, subdivision 1, is amended to read:

Subdivision 1. The county agencies shall administer medical assistance in their respective counties under the supervision of the state agency and the commissioner of human services as specified in section 256.01, and shall make such reports, prepare such statistics, and keep such records and accounts in relation to medical assistance as the state agency may require under section 256.01, subdivision 2, paragraph (17).

Sec. 11. Minnesota Statutes 1988, section 256B.20, is amended to read:

**256B.20 COUNTY APPROPRIATIONS.**

The providing of funds necessary to carry out the provisions hereof on the part of the counties and the manner of administering the funds of the counties and the state shall be as follows:

(1) The board of county commissioners of each county shall annually set up in its budget an item designated as the county medical assistance fund and levy taxes and fix a rate therefor sufficient to produce the full amount of such item, in addition to all other tax levies and tax rate, however fixed or determined, sufficient to carry out the provisions hereof and sufficient to pay in full the county share of assistance and administrative expense for the ensuing year; and annually on or before October 10 shall certify the same to the county auditor to be entered by the auditor on the tax rolls. Such tax levy and tax rate shall make proper allowance and provision for shortage in tax collections.

(2) Any county may transfer surplus funds from any county fund, except the sinking or ditch fund, to the general fund or to the county medical assistance fund in order to provide money necessary to pay medical assistance awarded hereunder. The money so transferred shall be used for no other purpose, but any portion thereof no longer needed for such purpose shall be transferred back to the fund from which taken.

(3) Upon the order of the county agency the county auditor shall draw a warrant on the proper fund in accordance with the order, and the county treasurer shall pay out the amounts ordered to be paid out as medical assistance hereunder. When necessary by reason of failure to levy sufficient taxes for the payment of the medical assistance in the county, the county auditor shall carry any such payments as an overdraft on the medical assistance funds of the county until sufficient tax funds shall be provided for such assistance payments. The board of county commissioners shall include in the tax levy and tax rate in the year following the year in which such overdraft occurred, an amount sufficient to liquidate such overdraft in full.

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(4) Claims for reimbursement and reports shall be presented to the state agency by the respective counties ~~in such manner as the state agency shall prescribe, not later than ten days after the close of the month in which the expenditures were made as required under section 256.01, subdivision 2, paragraph (17).~~ The state agency shall audit such claims and certify to the commissioner of finance the amounts due the respective counties without delay. The amounts so certified shall be paid within ten days after such certification, from the state treasury upon warrant of the commissioner of finance from any money available therefor. The money available to the state agency to carry out the provisions hereof, including all federal funds available to the state, shall be kept and deposited by the state treasurer in the revenue fund and disbursed upon warrants in the same manner as other state funds.

Sec. 12. Minnesota Statutes 1988, section 256D.04, is amended to read:

**256D.04 DUTIES OF THE COMMISSIONER.**

In addition to any other duties imposed by law, the commissioner shall:

(1) Supervise according to section 256.01 the administration of general assistance and general assistance medical care by local agencies as provided in sections 256D.01 to 256D.21;

(2) Promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to 256D.21 to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all local agencies and other interested persons; in promulgating rules, the provisions of sections 14.01 to 14.69, shall apply;

(3) Allocate money appropriated for general assistance and general assistance medical care to local agencies as provided in section 256D.03, subdivisions 2 and 3;

(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance and general assistance medical care;

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.01 to 256D.21;

(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services; and

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance and general assistance medical care, the amounts expended under the supervision of each local agency, and the activities of each local agency and publish such reports for the information of the public.

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(8) Specify requirements for general assistance and general assistance medical care reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17).

Sec. 13. Minnesota Statutes 1988, section 256D.39, is amended to read:

**256D.39 FISCAL AND ADMINISTRATIVE PROCEDURES.**

The commissioner of human services shall supervise county administration of supplemental aid, and shall, by rule, establish necessary administrative and fiscal procedures. The procedures may include, but not be limited to:

(a) Procedures for processing claims of the counties for reimbursement by the state for expenditures made by the counties that include requirements for reports, including fiscal reports, required under section 256.01, subdivision 2, paragraph (17);

(b) Procedures by which county liability for supplemental aid may be deducted from state liability to the county under any other public assistance program authorized by law;

(c) Procedures by which the local agencies may contract with the commissioner of human services for state administration of supplemental aid.

Sec. 14. Minnesota Statutes 1988, section 256E.05, subdivision 3, is amended to read:

Subd. 3. **ADDITIONAL DUTIES.** The commissioner shall also:

(a) Provide necessary forms and instructions to the counties for plan format and information;

(b) ~~Identify and then amend or repeal the portions of all applicable department rules which mandate counties to provide specific community social services or programs, unless state or federal law requires the commissioner to mandate a service or program. The commissioner shall be exempt from the rulemaking provisions of chapter 14 in amending or repealing rules pursuant to this clause. However, when the commissioner proposes to amend or repeal any rule under the authority granted by this clause, notice shall be provided by publication in the State Register. When the commissioner proposes to amend a rule, the notice shall include that portion of the existing rule necessary to provide adequate notice of the nature of the proposed change. On proposing to repeal an entire rule, the commissioner need only publish that fact, giving the exact citation to the rule to be repealed. In all cases, the notice shall contain a statement indicating that interested persons may submit comment on the proposed repeal or amendment for a period of 30 days after publication of the notice. The commissioner shall take no final action until after the close of the comment period. The commissioner's actions shall not be effective until five days after the commissioner publishes notice of adoption in the State Register. If the final action is the same as the action originally proposed, publication may be made by~~

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notice in the State Register that the amendment and repeals have been adopted as proposed, and by citing the prior publication. If the final action differs from the action as previously proposed in the State Register, the text which differs from the original proposal shall be included in the notice of adoption together with a citation to the prior State Register publication. The commissioner shall provide to all county boards separate notice of all final actions which become effective under this clause, advising the boards with respect to services or programs which have now become optional, to be provided at county discretion;

(e) Provide to the chair of each county board, in addition to notice required pursuant to sections 14.05 to 14.36, timely advance notice and a written summary of the fiscal impact of any proposed new rule or changes in existing rule which will have the effect of increasing county costs for community social services;

(d) (c) Provide training, technical assistance, and other support services to county boards to assist in needs assessment, planning, implementing, and monitoring social services programs in the counties;

(d) (d) Design and implement a method of monitoring and evaluating social services, including site visits that utilize quality control audits to assure county compliance with applicable standards, guidelines, and the county and state social services plans;

(e) (e) Design and implement a system that uses corrective action procedures as established in subdivision 5 and a schedule of fines to ensure county compliance with statutes, rules, federal laws, and federal regulations governing community social services. In determining the amount of the fine, the commissioner may consider the number of community social services clients or applicants affected by the county's failure to comply with the law or rule, the severity of the noncompliance, and the duration of the noncompliance as determined by the commissioner. Fines levied against a county under this subdivision must not exceed ten percent of the county's community social services allocation for the year in which the fines are levied;

(f) Design and implement an incentive program for the benefit of counties that perform at a level that consistently meets or exceeds the minimum standards in law and rule. Fines collected under paragraph (e) may be placed in an incentive fund and used for the benefit of counties that meet and exceed the minimum standards;

(g) Specify requirements for reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17), to account for aids distributed under section 256E.06, funds from Title XX of the Social Security Act distributed under Minnesota Statutes, section 256E.07, claims under Title IV-E of the Social Security Act, mental health funding, and other social service expenditures and activities;

(h) Annually publish a report on community social services which shall

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reflect the contents of the individual county reports. The report shall be submitted to the governor and the legislature with an evaluation of community social services and recommendations for changes needed to fully implement state social service policies; and

(e) (i) Request waivers from federal programs as necessary to implement sections 256E.01 to 256E.12.

Sec. 15. Minnesota Statutes 1988, section 256E.05, is amended by adding a subdivision to read:

Subd. 4. REDUCTION OF FEDERAL FISCAL SANCTIONS. The commissioner shall establish and maintain a monitoring program designed to reduce the possibility of noncompliance with federal laws and federal regulations that may result in federal fiscal sanctions. If a county is not complying with federal law or federal regulation and the noncompliance may result in federal fiscal sanctions, the commissioner may withhold a portion of the county's share of state and federal funds for that program. The amount withheld must be equal to the percentage difference between the level of compliance maintained by the county and the level of compliance required by the federal regulations, multiplied by the county's share of state and federal funds for the program. The state and federal funds may be withheld until the county is found to be in compliance with all federal laws or federal regulations applicable to the program. If a county remains out of compliance for more than six consecutive months, the commissioner may reallocate the funds withheld to counties that are in compliance with the federal regulations.

Sec. 16. Minnesota Statutes 1988, section 256E.05, is amended by adding a subdivision to read:

Subd. 5. CORRECTIVE ACTION PROCEDURE. The commissioner must comply with the following procedures when imposing fines under subdivision 3, paragraph (e), or reducing county funds under subdivision 4.

(a) The commissioner shall notify the county, by certified mail, of the statute, rule, federal law, or federal regulation with which the county has not complied.

(b) The commissioner shall give the county 30 days to demonstrate to the commissioner that the county is in compliance with the statute, rule, federal law, or federal regulation cited in the notice or to develop a corrective action plan to address the problem. Upon request from the county, the commissioner shall provide technical assistance to the county in developing a corrective action plan. The county shall have 30 days from the date the technical assistance is provided to develop the corrective action plan.

(c) The commissioner shall take no further action if the county demonstrates compliance.

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(d) The commissioner shall review and approve or disapprove the corrective action plan within 30 days after the commissioner receives the corrective action plan.

(e) If the commissioner approves the corrective action plan submitted by the county, the county has 90 days after the date of approval to implement the corrective action plan.

(f) If the county fails to demonstrate compliance or fails to implement the corrective action plan approved by the commissioner, the commissioner may fine the county according to subdivision 3, paragraph (e), or may reduce the county's share of state or federal funds according to subdivision 4.

(g) The commissioner may not impose a fine or reduce funds under this subdivision if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements.

(h) The county may appeal the fine or the reduction in funds under section 256E.06, subdivision 10.

Sec. 17. Minnesota Statutes 1988, section 256E.05, is amended by adding a subdivision to read:

Subd. 6. COUNTY OBLIGATION TO FUND COMMUNITY SOCIAL SERVICES. Counties subject to a fine or reduction of funds under subdivision 5, paragraph (f), shall not reduce the level of funding of community social services to cover the cost of the fine or reduction of funds.

Sec. 18. Minnesota Statutes 1988, section 256E.08, subdivision 1, is amended to read:

Subdivision 1. **RESPONSIBILITIES.** The county board of each county shall be responsible for administration, planning and funding of community social services. Each county board shall singly or in combination with other county boards as provided in section 256E.09 prepare a social services plan and shall update the plan biennially. Upon final approval of the plan by the county board or boards, the plan shall be submitted to the commissioner. The county board shall distribute money available pursuant to sections 256E.06 and 256E.07 for community social services.

The authority and responsibilities of county boards for social services for groups of persons identified in section 256E.03, subdivision 2, shall include contracting for or directly providing:

(1) information about the symptoms and characteristics of specific problems of the identified groups to increase understanding and acceptance by the general public, to help alleviate fears of seeking help, and to enable access to appropriate assistance;

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(2) an assessment of the needs of each person applying for assistance which estimates the nature and extent of the problem to be addressed and identifies the means available to meet the person's needs. These diagnostic and evaluation activities shall evaluate the functioning of each person with regard to an illness or disability, screen for placement, and determine the need for services;

(3) protection aimed at alleviating urgent needs of each person by determining urgent need, shielding persons in hazardous conditions when they are unable to care for themselves, and providing urgently needed assistance;

(4) supportive and rehabilitative activities that assist each person to function at the highest level of independence possible for the person, preferably without removing the person from home. These activities include both increasing the client's level of functioning and maintaining current levels of functioning;

(5) a means of facilitating access of physically handicapped or impaired persons to activities appropriate to their needs; and

(6) administrative activities to coordinate and facilitate the effective use of formal and informal helping systems to best address client needs and goals. This includes assisting the client in making informed decisions about opportunities and services, assuring timely access to needed assistance, providing opportunities and encouragement for self-help activities, and coordinating all services to meet the client's needs and goals. County case management shall be responsible for determining appropriate care and activities.

~~If, after appropriate notice, a county does not fulfill its responsibilities or is not in compliance with the applicable department rule, the commissioner shall certify a reduction of up to 20 percent of the county's annual community social services act funding, or an equivalent amount from state administrative aids, and the state shall assume the responsibilities in this subdivision. When a county is notified of this action, it may appeal according to the provisions in section 256E.06, subdivision 10.~~

A county board may delegate to a county welfare board established under chapter 393 authority to provide or approve contracts for the purchase of the kinds of community social services that were provided or contracted for by the county welfare boards before the enactment of Laws 1979, chapter 324. The county board must determine how citizens will participate in the planning process, give final approval to the community social services plan, and distribute community social services money.

Sec. 19. Minnesota Statutes 1988, section 256E.08, subdivision 8, is amended to read:

Subd. 8. **FINANCIAL REPORTING BY COUNTIES.** Beginning in calendar year 1980 each county shall submit to the commissioner of human services a financial accounting of the county's community social services fund. ~~A quarterly statement shall be submitted no later than 15 days after the end of the~~

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calendar quarter, and, and other data required by the commissioner under section 256E.05, subdivision 3, paragraph (g), shall include:

(a) A detailed statement of income and expenses attributable to the fund in the preceding quarter; and

(b) A statement of the source and application of all money used for social services programs by the county during the preceding quarter, including the number of clients served and expenditures for each service provided, as required by the commissioner of human services.

In addition, each county shall submit to the commissioner of human services no later than February 15 of each year, a detailed balance sheet of the community social development fund for the preceding calendar year.

If county boards have joined or designated human service boards for purposes of providing community social services programs, the county boards may submit a joint statement or the human service board shall submit the statement, as applicable.

Sec. 20. Minnesota Statutes 1988, section 256E.12, subdivision 3, is amended to read:

Subd. 3. The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services to persons with serious and persistent mental illness. The commissioner shall promulgate permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping persons with serious and persistent mental illness remain and function in their own communities.

Sec. 21. Minnesota Statutes 1988, section 256F.06, subdivision 4, is amended to read:

Subd. 4. **FINANCIAL STATEMENT BY COUNTIES REPORTING.** ~~A county receiving a permanency planning grant shall submit to the commissioner an accounting of the county's expenditures of grant money. A quarterly statement must be submitted no later than 15 days after the end of the calendar quarter and~~ The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The reports must include:

(1) a detailed statement of expenses attributable to the grant during the preceding quarter; and

(2) a statement of the expenditure of money for placement prevention and

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family reunification services by the county during the preceding quarter, including the number of clients served and the expenditures, by client, for each service provided.

Sec. 22. Minnesota Statutes 1988, section 256H.09, subdivision 1, is amended to read:

Subdivision 1. **QUARTERLY REPORTS.** The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). Counties and post-secondary educational systems shall submit on forms prescribed by the commissioner a quarterly financial and program activity report ~~which is due 20 calendar days after the end of each quarter.~~ The financial and program activity report must include:

- (1) a detailed accounting of the expenditures and revenues for the program during the preceding quarter by funding source and by eligibility group;
- (2) a description of activities and concomitant expenditures that are federally reimbursable under the AFDC employment special needs program;
- (3) a description of activities and concomitant expenditures of set-aside money;
- (4) information on money encumbered at the quarter's end but not yet reimbursable, for use in adjusting allocations as provided in section 256H.05, subdivision 4; 256H.06, subdivision 3; and 256H.07, subdivision 3; and
- (5) other data the commissioner considers necessary to account for the program or to evaluate its effectiveness in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.

Sec. 23. Minnesota Statutes 1988, section 257.3575, subdivision 2, is amended to read:

Subd. 2. **QUARTERLY REPORT.** The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). Each quarter, an approved program receiving an Indian child welfare grant shall submit a report to the commissioner that includes:

- (1) a detailed accounting of grant money expended during the preceding quarter, specifying expenditures by line item and year to date; and
- (2) a description of Indian child welfare activities conducted during the preceding quarter, including the number of clients served and the type of services provided.

The quarterly reports must be submitted no later than ~~15~~ 30 days after the end of each quarter of the state fiscal year.

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Presented to the governor May 5, 1989

Signed by the governor May 9, 1989, 11:50 a.m.

CHAPTER 90—H.F.No. 1440

*An act relating to local government; requiring political subdivisions to request proposals for group insurance coverage; amending Minnesota Statutes 1988, section 43A.316, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1988, section 471.616.*

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

Section 1. Minnesota Statutes 1988, section 43A.316, subdivision 10, is amended to read:

Subd. 10. **BIDDING REQUIREMENT EXEMPTION.** The public employee insurance plan is exempt from the requirements imposed by section ~~471.616~~, ~~subdivision 1~~ 2 of this act.

Sec 2. **[471.616] GROUP INSURANCE; GOVERNMENTAL UNITS.**

Subdivision 1. GROUP INSURANCE COVERAGE. "Group insurance coverage" means benefit coverage provided to a group through a carrier authorized under chapters 61A, 62A, 62C, and 62D to do business in the state.

Subd. 2. REQUEST FOR PROPOSAL. Every political subdivision authorized by law to purchase group insurance for its employees and providing or intending to provide group insurance coverage and benefits for 25 or more of its employees shall request proposals from and enter into contracts with carriers that in the judgment of the political subdivision are best qualified to provide coverage. The request for proposals shall be in writing and at a minimum shall include: coverage to be provided, criteria for evaluation of carrier proposals, and the aggregate claims records for the appropriate period. A political subdivision may exclude from consideration proposals requiring self-insurance. Public notice of the request for proposals must be provided in a newspaper or trade journal at least 21 days before the final date for submitting proposals.

Subd. 3. SELECTION OF CARRIER. The political subdivision shall make benefit and cost comparisons and evaluate the proposals using the written criteria. The political subdivision may negotiate with the carrier on benefits, premiums, and other contract terms. Carriers applying must provide the political subdivision with aggregate claims records for the appropriate period. The political subdivision must prepare a written rationale for its decision before entering into a contract with a carrier.

Subd. 4. CONTRACT LENGTH; NEGOTIATION. Group insurance con-

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